

Sustainable Development Performance Highlights in 2022



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Environmental



Decarbonization Commitment

Establish more proactive decarbonization policy ^(Note)

Note: SinoPac Holdings has pledged to cease financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects since July 1, 2022. SinoPac Holdings continues to develop more proactive decarbonization commitments. Please refer to the official website for the latest developments.



Science Based Target (SBT)

Complete the submission of SBT to the SBTi for validation



GSS Bonds

Cumulative issuance of **NT\$ 8.4 billion** in GSS bonds



Solar PV Energy Financing

Leading position in the total installed capacity with **29 %** market share



Bank SinoPac and SinoPac Securities have contracted to introduce

3.3 million kWh green electricity per year



Completed 100 % GHG Inventory

for domestic and overseas business sites



Internal Carbon Pricing

Introduced internal carbon pricing mechanism



Fixed Rate Commercial Paper (FRCP)

Issuance of **NT\$ 500 million** in FRCP for green energy financing

Governance



DJSI

Constituent of Dow Jones Sustainability World Index

and Dow Jones Sustainability Emerging Markets Index



MSCI ESG Ratings

AA



Net Zero Commitment

Pledged to achieve net zero emissions of own operations by **2030** and the entirety of financed portfolios by **2050**



Information Security Management: Launched the **ISO 22301:2019** Business Continuity Management System and **BS 10012 PIMS** (Personal Information Management System)

Social



Employee Satisfaction

The satisfaction rate reached **91.0 %** in the employee engagement survey



Charity Donation Platform

Built a convenient donation platform for social welfare/charity organizations, attracted **43** organizations and raised over **NT\$ 27.26 million** of funds



SinoPac Store Power up Project

SinoPac Foundation launched the Project to establish a platform that provides resources and supports for the business development of small stores in Taiwan and nearly **200** stores submitted project proposals seeking the support



Awards and Honors

In 2022, SinoPac received **223** domestic and international awards in total.

Sustainable Governance

- Awarded Silver Class in 2022 and 2023 S&P Global Sustainability Yearbook
- 《CommonWealth Magazine》 Excellence in Corporate Social Responsibility, Top 50 Large Corporations for three consecutive years
- 《The Asset》 Benchmark Award – Platinum Award in the ESG Corporate Award for three consecutive years
- 《Taiwan Institute for Sustainable Energy》 Taiwan's Top 100 Sustainable Companies, Corporate Sustainability Report Awards – Platinum Award, in the 2022 Taiwan Corporation Sustainability Awards
- 《Enterprise Asia》 Corporate Sustainability Reporting in Asia Responsible Enterprise Awards (AREA) 2022
- 《Asiamoney》 Taiwan's Best Bank for CSR for two consecutive years
- 《Forbes》 World's Best Bank for two consecutive years
- 《Taiwan Institute for Sustainable Energy》 Taiwan Sustainable Investment Awards – Model Award, Silver Award and Excellent Award for SinoPac Securities, SinoPac Securites Investment Service and SinoPac SITC, respectively.
- 《International Business Magazine》 Cybersecurity Excellence Award
- 《Global Banking & Finance Review》 - Best Corporate Governance Company in Taiwan 2022



Digital Innovation

- 《Taiwan Academy of Banking and Finance》 Best Digital Finance Award-iBranch and Best Consumer Finance Award, SinoPac Meta-Intelligence Service) in Taiwan Banking and Finance Best Practice Awards in 2022
- 《Taiwan Institute for Sustainable Energy》 Innovative Growth Leader Award for two consecutive years
- 《National Enterprise Competitiveness Development Association》 - 19th National Brand Yushan Award – Best Product Award – iBranch platform, ShareShares Regular Savings Plan in US Stocks, DACARD APP (Bank SinoPac)
- 《National Enterprise Competitiveness Development Association》 - 19th National Brand Yushan Award – Best Product: SinoPac Stock Savings Plan, DAWHOTOU App Conditional Order, SinoPac ESG Impact, Python API (Shioaji) and Best Popular Brand: AI Bunny Good, SinoPac Securities Corp. official LINE account and DAWHOTOU (SinoPac Securities Corp.)
- 《Commercial Times》 Gold Award for Banks in Digital Business Optimization, and Gold Award in Digital Inclusive and Premium Award in Digital Innovation for Securities in the 2nd Digital Finance Award
- 《International Business Magazine》 The Most Innovative Digital Experience Award
- 《Asian Banking & Finance》 ABF Retail Banking Awards 2022–Service Innovation of the Year
- 《The Asian Banker》 Best Digital Account Opening/Onboarding Initiative
- 《Global Banking & Finance Review》 Excellence in Innovation Award – Banking Product : DACARD App in Taiwan 2022
- 《The Asset》 Best Digital Branch Project, Best Mobile Banking Application and Best Retail Payment Project in 2022



Environmental Sustainability

- 《Bureau of Energy, Ministry of Economic Affairs (R.O.C)》 The only bank in the financial industry to receive the Best Financial Service Provider Award in the Top Solar System Award for seven consecutive years.
- 《Enterprise Asia》 Green Leadership Award in the Asia Responsible Enterprise Awards (AREA) for two consecutive years
- 《Excellence》 Best Green Finance Achievement Award in 2022
- 《Financial Supervisory Commission》 Key Startup Industry Loans – Special Award for the Renewable Energy Industry for three consecutive years
- 《Environmental Protection Administration of Executive Yuan》 and 《Environmental Protection Administration of Taipei City Government》 Outstanding Green Procurement Award for two consecutive years
- 《Taiwan Institute for Sustainable Energy》 Climate Leader Award in the 2022 Taiwan Corporate Sustainability Awards
- 《National Enterprise Competitiveness Development Association》 - 19th National Brand Yushan Award – Best Product Award – Renewable energy trading and trust mechanism
- 《International Business Magazine》 Sustainable Development Action Awards – Green Deal of the Year in Taiwan 2022 (SinoPac Securities)

Social Inclusion

- 《Taiwan Academy of Banking and Finance》 Best Human Resource Development Award and Inclusive Finance Promotion Award in Taiwan Banking and Finance Best Practice Awards in 2022
- 《Enterprise Asia》 Social Empowerment, Investment in People in Asia Responsible Enterprise Awards (AREA) 2022
- 《Taiwan Institute for Sustainable Energy》 Gender Equality Leader Award in the 2022 Taiwan Corporation Sustainability Awards for two consecutive years
- 《Taiwan Institute for Sustainable Energy》 SDG4-Gold Prize, SDG8- Silver Prize, SDG17-Gold Prize in the 2022 Taiwan Sustainability Action Awards (TSAA)
- 《Taiwan Institute for Sustainable Energy》 SDG10-Gold Prize in the 2022 Asia-Pacific Sustainability Action Awards (APSAA)
- 《HR Asia》 Best Companies to Work for in Asia for three consecutive years
- 《1111 Job Bank》 Gold Award of Happy Enterprise for two consecutive years
- 《Asian Banking & Finance》 ABF Retail Banking Awards 2022–Financial Inclusion Initiative of the Year, COVID Management Initiative of the Year; ABF Wholesale Banking Awards 2022– Taiwan Domestic COVID Management Initiative of the Year

About SinoPac Holdings

Introduction of SinoPac Holdings

SinoPac Financial Holdings Company Limited consists of subsidiaries in a wide range of financial services including banking, securities, securities investment trust, leasing, and venture capital. Also, SinoPac Holdings maintains overseas service locations in Hong Kong, Macao, Nanjing, Shanghai, Guangzhou, Chongqing, Chengdu, Yinchuan, Tianjin, Dongguan, Kunshan, Xiamen, Vietnam, Thailand, Myanmar, Los Angeles, and London. With the complete and solid financial landscape, SinoPac Holdings commits to providing comprehensive financial solutions and services for customers.

Profile of SinoPac Holdings

(In NTS million, by the end of 2022)

Headquarter	Taipei, Taiwan
Establishment Date	May 9, 2002
Paid-in Capital	113,938
Total Assets	2,588,763
Total Number of Employees	9,027
Industry	Financial and Insurance
TWSE Stock Code	2890



Bank SinoPac

Bank SinoPac's main businesses include corporate banking, retail banking, wealth management, financial services, and electronic banking. In addition to 125 domestic branches and Offshore Banking Unit, Bank SinoPac has overseas branches in Hong Kong, Kowloon, Macau, Los Angeles, Ho Chi Minh City, as well as a Vietnam Representative Office. Bank SinoPac has a subsidiary in Mainland China, namely Bank SinoPac (China), with headquarter in Nanjing and 4 branches in Shanghai, Guangzhou, Chengdu, and Nanjing. Bank SinoPac has also established a service network of 11 locations along the Pacific Rim to provide comprehensive financial services to customers.



SinoPac Securities

SinoPac Securities' services include stock-broking, proprietary trading, underwriting, international business, fixed income, and new financial products. SinoPac Securities is one of Taiwan's leading integrated securities companies with 47 service locations in Taiwan and overseas service locations in Hong Kong, Shanghai, and London.



SinoPac Leasing

SinoPac Leasing mainly engages in the leasing business and provides customers with a wide range of flexible financial services. SinoPac Leasing has actively expanded across Asia Pacific as its high-quality services are available at 12 service locations set up in Taiwan, Mainland China, Hong Kong, and Southeast Asia.



SinoPac Securities Investment Trust

SinoPac Securities Investment Trust ("SinoPac SITC" hereinafter) offers a wide variety of products to satisfy customers' diversified investment and financial needs, including mutual funds, private placement funds, ETF and discretionary investment products. SinoPac SITC currently has 3 operating locations in Taipei, Taichung and Kaohsiung. In 2014, Golden Trust SinoPac Fund Management Co., Ltd. was established as a joint venture with Xiamen International Trust Co., Ltd.



SinoPac Venture Capital

SinoPac Venture Capital focuses on venture capital investment and provides consulting services for investee companies. The Company closely follows global economic, industrial, and technological development, and looks for venture capital investment opportunities for companies with core competences and great growing potential. It also provides added value to the invested companies by bringing in the business management advisory service. SinoPac Venture Capital currently has 1 operating location.



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Special Chapter 1 Business Strategy and Performance

SinoPac Holdings continues to fulfill its three major themes of “Supervision and Management,” “Strategic Leadership,” and “Realization of Synergy,” posted a consolidated net profit after tax of NT\$15.961 billion, an earnings per share after tax of NT\$1.40, a return on equity (ROE) of 10.08% and dividends issued totaled NT\$10,144 million in 2022. Furthermore, the three-year (2022~2024) mid-to-long-term strategy proposed in 2022, focusing on digitalization, cross-border, integration and sustainability, has shown concrete results. Please refer to SinoPac Holdings’ Annual Report 2022. [🔗](#) for details in operating results and financial performance.



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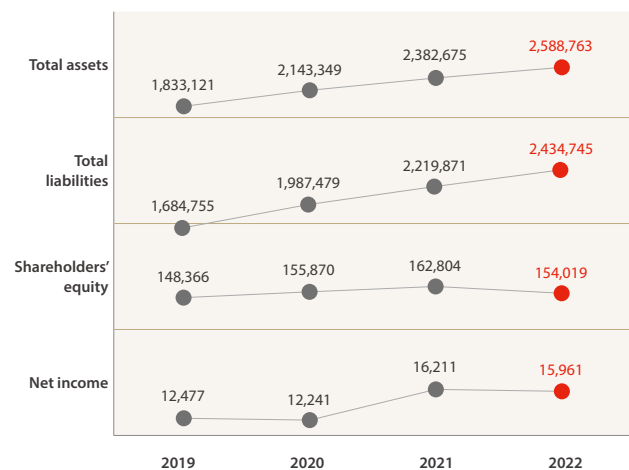
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Financial Highlights of SinoPac Holdings

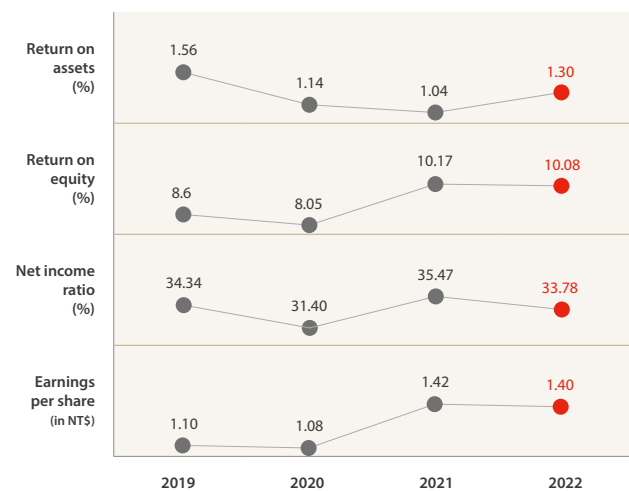
Operating ability

(in NT\$ million)



Profitability

(%, in NT\$)



Profits 2022 vs. 2021

	2021	2022	YoY %
Net Revenue	45,703	47,246	3.38%
Bad Debts Expense, Commitment and Guarantee Liability Provision	2,227	2,444	9.74%
Operating Expenses	24,827	25,397	2.29%
Profit From Continuing Operations Before Tax	18,649	19,405	4.05%
Income Tax Expense	2,438	3,444	41.26%
Net Income	16,211	15,961	-1.54%

Credit Ratings

2022 SinoPac Holdings Credit Ratings

Type of Credit Rating	Credit Rating Institution	Long-term Credit Rating	Short-term Credit Rating	Outlook for Credit Rating	Date of Credit Rating
International	S&P Global Ratings	BBB	A-2	Stable	August 30, 2022
	Fitch Ratings	BBB+	F2	Stable	February 16, 2023
Domestic	Fitch Ratings	AA-(tw)	F1+(tw)	Stable	February 16, 2023
	Taiwan Ratings	twA+	twA-1	Stable	August 30, 2022

Distribution of Dividends

Actual Distribution Year	Cash dividend per share	Stock dividend per share	Total
2018	0.5	0.2	0.7
2019	0.636	0	0.636
2020	0.7	0	0.7
2021	0.7	0	0.7
2022	0.8	0.1	0.9

Capital Structure

Capital Adequacy Ratio of SinoPac Holdings and its Subsidiaries in 2022

SinoPac Holdings	121.52%
Bank SinoPac (consolidated)	13.80%
SinoPac Securities	388%

Capital Adequacy of Bank SinoPac

	2021 (Consolidated)	2022 (Consolidated)
Tier I capital, net (in NT\$ million)	155,120	157,150
Total exposure (in NT\$ million)	2,270,608	2,559,696
Leverage ratio (%)	6.83	6.14

Special Chapter 2 Business and Profit Models of SinoPac's Subsidiaries

Bank SinoPac



Shareholding Percentage	100%	
Main Services	Deposits and loans Forex trading	Wealth management Securities investment
Revenue Streams	Interest spread Fee income	Investment income

Performance Highlights

- Bank SinoPac issued green bonds totaling NT\$2 billion in April 2022. The funds raised with the bonds were used to support the "development of renewable energy and energy technology". As of the end of 2022, all funds were used for solar PV energy generation equipment financing projects.
- By the end of 2022, Bank SinoPac financed more than 7,145 solar energy plants for companies in Taiwan, with a total capacity of 2,821.6 MW, equaling to support the electricity needs of approximately 942,000 households for one year and the capacity has grown by nearly 47% annually, achieving a market share of 29%.

SinoPac Securities



Shareholding Percentage	100%	
Main Services	Brokerage Proprietary trading	Underwriting
Revenue Streams	Fee income Financing interest	Investment income

Performance Highlights

- With the continuous upgrade, both the number of accounts and the investment amount for the "SinoPac Stock Savings Plan" increased in 2022. Total debit amount was nearly NT\$15 billion while the debit amount for the investment in US stocks continued to be ranked the first in the market in 2022.
- In 2022, SinoPac Securities lead underwrote/co-underwrote 11 Sustainable (GSS) bonds with a total amount of NT\$5.1 billion. The funds raised were mainly used for water resource conservation, recycling, and reuse. SinoPac Securities also acted as the lead underwriter/co-underwriter of IPO/SEO/bonds amounted to NT\$793 million, for environmental protection and green energy companies that mainly engaged in the business of green transportation and solar PV materials.
- In 2022, SinoPac Securities was the first securities company in Taiwan to launch the "other interest oriented securities trust" to provide customers who hold stocks for long-term investment with cross generations wealth management plans. They can distribute the stock dividends to their children or other family members they would like to take care of by the trust mechanism.

SinoPac Leasing



Shareholding Percentage	100%	
Main Services	Leasing	Installment
Revenue Streams	Interest income	Rental income

Performance Highlights

- As of the end of 2022, SinoPac Leasing has assisted a total of 548 solar power plants with a cumulative financing amount of NT\$4.016 billion for the construction of solar power plants.

SinoPac Securities Investment Trust



Shareholding Percentage	100%	
Main Services	Mutual fund Private placement fund	Discretionary investment
Revenue Streams	Investment management fee	

Performance Highlights

- As of the end of 2022, the assets under management totaled NT\$53.5 billion.
- In 2022, SinoPac SITC issued one ESG fund titled "SinoPac ESG Global Digital Infrastructure Fund", which was the first fund that integrate ESG and digital infrastructure into its investment strategy. As of the end of 2022, SinoPac SITC has issued and managed three ESG funds that meet FSC's Information Disclosure Review and Supervision Principles for the ESG-Related Funds Issued by Securities Investment Trust Enterprises. The total AUM of these 3 funds was approximately NT\$9.2 billion as at the end of 2022.

SinoPac Venture Capital



Shareholding Percentage	100%	
Main Services	Equity investment	
Revenue Streams	Investment income	

Performance Highlights

- SinoPac Venture Capital aspires to invest in green industries to mitigate environmental impacts. The investments in the green industries (mainly solar energy, circular economy and waste treatment) amounted to NT\$548 million, accounting for 22.10% of its total investment as at the end of 2022.



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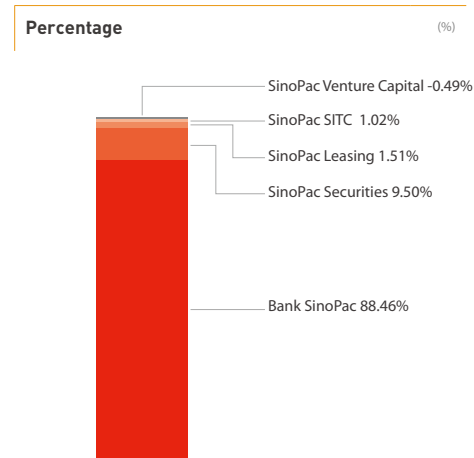
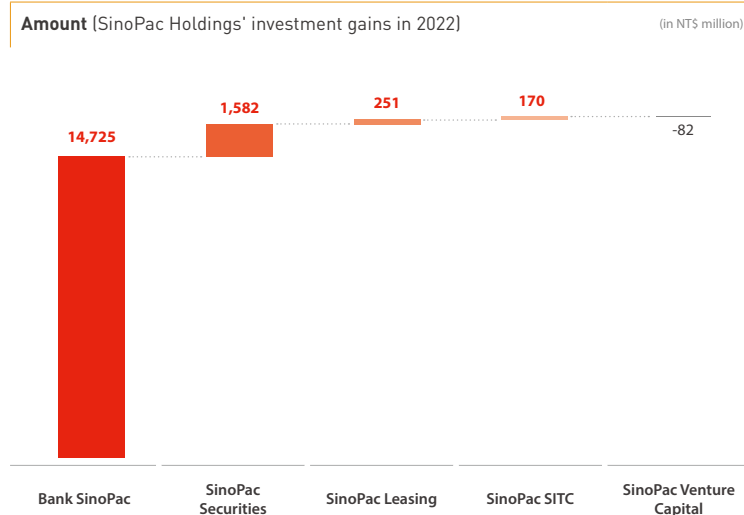
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Financial Highlights of SinoPac's Subsidiaries in 2022

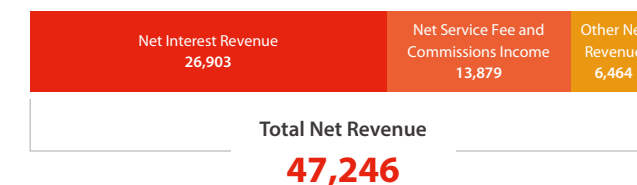
Item		Bank SinoPac	SinoPac Securities	SinoPac Leasing	SinoPac SITC	SinoPac Venture Capital
Operating Ability	Total Assets (in NT\$ million)	2,403,440	170,272	20,277	1,869	2,707
	Total Liabilities (in NT\$ million)	2,265,579	140,664	15,584	150	30
	Shareholders' Equity (in NT\$ million)	137,861	29,608	4,693	1,719	2,677
	Net Income (in NT\$ million)	14,713	1,582	239	171	-82
Profitability	Return on Assets (%)	0.64	0.86	1.17	9.30	-2.97
	Return on Equity (%)	10.47	5.08	5.26	10.02	-3.00
	Net Income Ratio (%)	40.01	13.85	19.68	77.14	-98
	Earnings Per Share (in NT\$)	1.63	0.98	0.51	1.20	-0.33

Profit Contribution by Subsidiaries in 2022



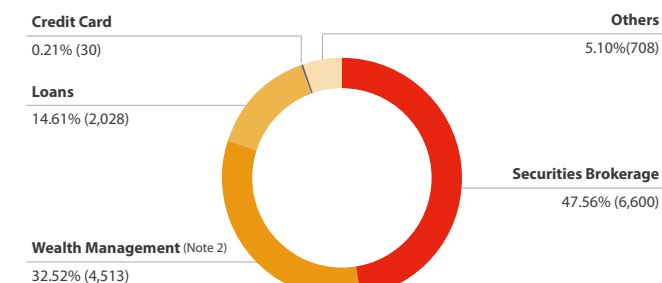
SinoPac Holdings' Net Revenue Breakdown in 2022

(in NT\$ million)



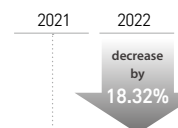
SinoPac Holdings' Net Service Fee and Commission Income Breakdown in 2022 (Note 1)

(%) (in NT\$ million)



Note 1: Net service fee and commission income decrease by 18.32% in 2022 from 2021

Note 2: The figure encompasses fees and commissions from mutual fund sales, trust services and insurances services provided by Bank SinoPac and SinoPac Securities.



Special Chapter 3 Pave the Way for Net Zero Emissions

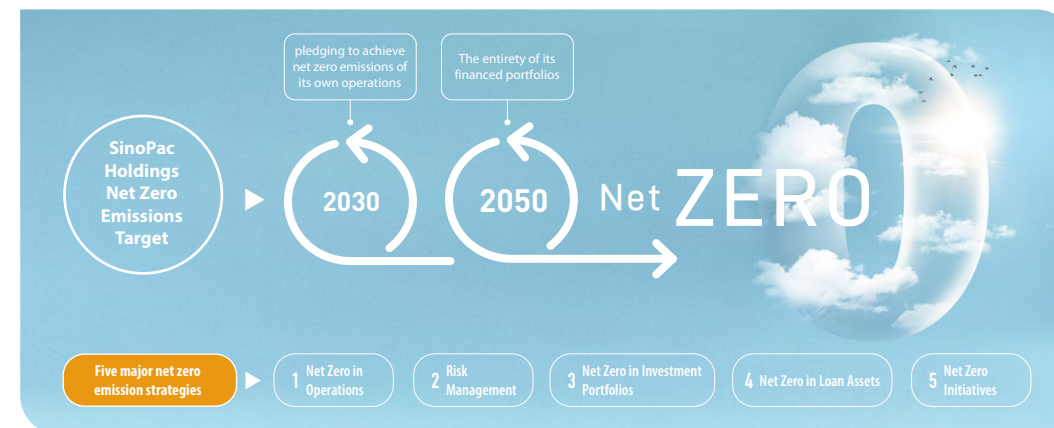
Major Achievements in Net Zero Emissions by SinoPac Holdings in 2022

Completed the procurement of green electricity for 10% of the annual electricity consumption of Bank SinoPac and SinoPac Securities	Introduced internal carbon pricing	Implemented carbon inventory of Scope 3 – investment and loan portfolios	Completed and submitted the Science Based Targets (SBT) for verification	Pledged to cease financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects since July 1, 2022
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According to the "Global Risks Report 2022" published by the World Economic Forum, climate change has become one of the greatest risks for the global economy and the survival of human beings. The 21st United Nations Climate Change Conference (COP21) in 2015 passed the Paris Agreement and signatories of the Agreement committed themselves to limit global temperature rise to within 2°C and set aims to limit the temperature rise to 1.5°C. As climate conditions exacerbate, governments and companies have joined the ranks of net zero emissions and Taiwan also declared its ambition for net zero emissions by 2050 on Earth Day 2021. Financial institutions play a key role in promoting the net zero transition of the economy as they can channel private investment into the transition to a climate-neutral, climate-resilient, resource-efficient and fair economy, as a complement to public money.

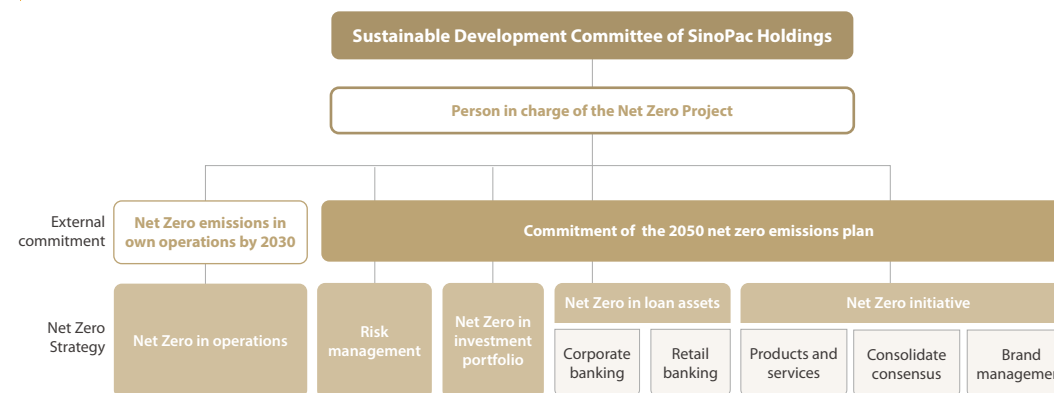
The Sustainable Development Committee of the Company passed the short-, medium-, and long-term working plans in relation to the net zero emissions in December 2021, which was approved by the Board of Directors in January 2022. The Board of Directors subsequently in March 2022 approved the Company's net zero commitment, pledging to achieve net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050. SinoPac Holdings has established a Net Zero Project Management Office (PMO) for all subsidiaries and departments to implement its sustainability strategies in the first quarter of 2022. The PMO consisted of 8 teams based on the five major net zero emission strategies including net zero in operations, risk management, net zero in investment portfolios, net zero in loan assets, and net zero initiatives. A five-year plan up to the year 2027 is established, and the progress is reviewed every two months by the PMO, every quarter by the Sustainable Development Committee, and every half a year by the Board of the Director.

SinoPac Holdings is a member of the Business Council for Sustainable Development of Taiwan (BCSD Taiwan), the only global network partner of the World Business Council for Sustainable Development in Taiwan, to support the Council introducing international sustainable initiatives and promoting sustainable business practices, thus assisting the alignment of international sustainable standards for companies in Taiwan. Chairman Ms. Shi-kuan Chen also serves as an Executive Supervisor of BCSD Taiwan. The subsidiary Bank SinoPac is one of founding members of Sustainable Finance Implementation Platform and Taiwan Nature Positive Initiative (TNPI), which both founded by BCSD Taiwan in early 2021 and late 2022, respectively. SinoPac works with partners to improve the sustainable finance ecosystem and help companies in Taiwan to respond to and manage natural risks. SinoPac Holdings is also a TCFD Supporter, and jointly support the "1.5°C Climate Action Declaration" initiated by the Chinese National Association of Industry and Commerce with Bank SinoPac and SinoPac Securities in October 2022. The Company is committed to supporting the government's plans for pathway to net zero emissions by 2050 and integrating industrial and commercial resources to implement the low-carbon transition to limit the temperature increase to 1.5°C in accordance with the Paris Agreement. In addition, SinoPac Holdings becomes members of trade associations of related businesses for which the membership is mainly required by the competent authority. One of the missions of such trade associations is to help the government promote related financial policies including sustainable finance, and green finance has been listed as one of the 12 key strategies for Taiwan's target for attaining net zero emissions by 2050. Therefore, such associations have adopted climate strategies consistent with the Paris Agreement. For more information on SinoPac Holdings' participation in trade associations, please refer to 1.1.5 Membership in Trade Associations.



SinoPac Holdings signed the Science Based Targets initiatives (SBTi) commitment letter in August 2022 and completed the science-based targets (SBT) in accordance with the Financial Sector Science-Based Targets Guidance. The SBT was approved by the Sustainable Development Committee and submitted to the SBTi in December 2022 for verification scheduled in July 2023. Please refer to the Company's official website [🔗](#) for more information. In terms of internal operations and management, we continued to promote green and paperless operations and completed the greenhouse gas inventory with a 100% coverage rate. In 2022, the subsidiaries Bank SinoPac and SinoPac Securities also voluntarily purchased green electricity equivalent to 10% of their annual electricity consumption. Besides, Bank SinoPac set up solar power generation systems on the rooftops of its buildings and launched internal carbon pricing mechanisms. The internal carbon pricing pilot programs for two buildings have begun and they will be gradually expanded to all subsidiaries. We will continue to implement energy conservation and carbon emissions reduction measures and increase the use of renewable energy to attain net zero emissions in own operations by 2030. In terms of investment and loans, the Company (including all of its domestic and overseas subsidiaries) have since July 2022 ceased financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects, including mining, power, manufacturing, trading, transport and logistics, equipment manufacturing, and infrastructure. We will continue to expand the scope of our decarbonization commitment and launch the carbon risk rating and management mechanisms to actively engage with investees and clients. We will also continue to engage experts in the industry, government, and academia to learn about the latest technologies and business opportunities for attaining net zero emissions, work with stakeholders in the low carbon transition, and attain net zero by 2050. SinoPac Holdings continues to develop more stringent decarbonization commitments. Please refer to the official website [🔗](#) for the latest developments.

SinoPac Holdings' Net Zero PMO Structure



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Short-term, Median-term, and long-term Goals for the Net Zero Strategies

Net Zero Strategy	Primary Goals	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027
Net zero emissions in operations	Achieve SBT carbon reduction pathway	Pass the SBT carbon reduction pathway for a total of 29.4% reduction in Scope 1 and 2 by 2027 (2021 as the baseline year)	Track the implementation status each year based on the SBT carbon reduction pathway	
	Introduce internal carbon pricing mechanisms	Review/adjust the internal carbon pricing for the 2 buildings of the pilot program (own operations).	SinoPac Holdings and its one down level subsidiaries implement internal carbon pricing.	Review/adjust the internal carbon pricing.
	Increase renewable energy usage	Increase to 10%.	Increase to 25%.	Increase to 45%.
	Increase the ISO 14001 and ISO 50001 GHG inventory scope and certification rate of the 7 buildings owned by the Company	Increase to 70%.	Increase to 85%.	Increase to 100%.
Risk management	Establish mechanisms of carbon inventory (PCAF), monitoring and disclosure for Scope 3 investment and loan portfolios.	Improve mechanisms of carbon inventory, monitoring and disclosure for Scope 3 investment and loan portfolios.	Expand the scope of carbon inventory for the Scope 3 investment and loan inventory and enhance the data quality.	
	Establish risk appetite controls and monitoring mechanisms for stranded assets	Inventory the internal data sources and clarify the definitions of stranded assets.	1. 2024: Set up a database of stranded asset positions. 2. 2025: Establish the risk appetite for stranded assets and set key metrics and short/medium/long-term goals accordingly.	Establish an integrated climate risk management dashboard for continuous managing and monitoring related metrics and goals.
Net zero in investment portfolios	Scope 3 carbon inventory of the investment and loan portfolios (PCAF)	Track the implementation status each year based on the SBT carbon reduction pathway		
	Establish decarbonization commitments for specific industries	Continuously evaluate the expansion of decarbonization commitments for stranded assets (thermal coal/unconventional oil & gas).	Formulate the phase out strategy and phase out commitment timeline of stranded assets (thermal coal/unconventional oil & gas).	Implement the phase out plan and make necessary adjustments if any.
	Deploy key technologies and opportunities for a net-zero future	Convene regular meetings on sustainability related issues and established internal talent cultivation and a pool of specialists.		—
		Define "key technologies".	Use the expertise in key technologies areas as the basis for investment decisions.	Deploy and increase strategic (key technologies) investment positions.
	Enhance investment in renewable energy/low carbon transition	Define "renewable energy/low carbon transition investment".	Use the expertise renewable energy/low carbon industries as the basis for investment decisions.	Set the targets of renewable energy and low carbon transition investment.
		Convene regular meetings on renewable energy and low-carbon industries and set up an internal database.		
	Communicate with investees on their carbon emissions, reduction goals, plans, and progress	Bank SinoPac and SinoPac Securities choose 3 companies respectively to be engaged.	Conduct pilot case engagement.	
		Establish management mechanisms of carbon risk classification and due diligence for the investees.	Implement the management mechanism of carbon risk classification and due diligence.	
Raise the climate awareness of investees	1. Encourage investees to fill out climate awareness questionnaires. 2. Communicate with investees on climate-related issues in the investors' conferences / shareholders' meetings.	Continue to intensify the communication on climate issues with investees.		
	Strengthen climate awareness training for employees.			Continue to intensify the communication on climate issues and organize forums/seminars with external entities and internal training programs for employees.



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Net Zero Strategy		Primary Goals	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027	
Net zero in loan assets	Corporate banking	Scope 3 carbon inventory of the investment and loan portfolios (PCAF)	Track the implementation status each year based on the SBT carbon reduction pathway.			
		Establish decarbonization commitments for specific industries	Continuously evaluate the expansion of decarbonization commitments for stranded assets (thermal coal/unconventional oil & gas).	Formulate the phase out strategy and phase out commitment timeline of stranded assets (thermal coal/unconventional oil & gas).	Implement the phase out plan and make necessary adjustments if any.	
		Communicate with clients on their carbon emissions, reduction goals, plans, and progress and funding needs for carbon-reduction actions	Establish client evaluation/due diligence mechanisms for the carbon risks and opportunities.	Conduct pilot case engagement.	Implement a carbon risk classification system for clients and establish net zero engagement program.	
		Raise clients' climate awareness	—	Communication rate with clients of high carbon emissions industries (Note 1) reaches to 25% (continuously adjust the target based on the implementation status).	Communication rate with clients of high carbon emissions industries (Note 1) reaches to 50% (continuously adjust the target based on the implementation status).	
Net zero initiatives	Retail banking	Raise clients' climate awareness (mortgage loan)	1. Engage with customers and promote low-carbon products - green mortgage. 2. Engage with clients by way of the webpages dedicated to sustainable financial products on the official website of Bank SinoPac, and accumulate at least 5 million traffics with digital newsletters and LINE broadcasts.	Continue to promote green mortgage and communicate with customers at least 8 million pageviews with the webpages dedicated to sustainable financial products on the official website of Bank SinoPac.	1. Define mortgage loans that are applicable for PCAF standards and require relevant information to be obtained for review in the lending process. 2. Evaluate the carbon reduction of residential mortgage loans based on the SBT Guidance.	
		Increase the number of green mortgage	50 new green mortgage	100 new green mortgage	200 new green mortgage	
		Promote products/services with carbon footprint calculation functions	Encourage debit cardholders to activate the "carbon footprint calculator" function by promotions (e.g., bonus campaigns for green spending) to enhance their concept of carbon emissions, and implement carbon reduction in their daily lives.	1. Evaluate to expand the application of carbon footprint calculator to designated credit cards that are highly relevant to sustainability issues (e.g., SinoPac SPORT Card) to enlarge the customer base. 2. Reach the target that at least 5% of cardholders (active debit cards and the designated credit cards) use the "Carbon Footprint Calculator" to check their carbon emissions from transactions.	1. Evaluate to expand the application of carbon footprint calculator to all Mastercard-branded credit cards issued by Bank SinoPac (the Bank's Mastercard credit cards accounted for 47% of its overall credit card in circulation) 2. Reach the target that at least 5% of cardholders (all active debit cards and Mastercard credit cards) use the "Carbon Footprint Calculator" to check their carbon emissions from transactions.	
Net zero initiatives	Products and services	Strengthen the market for low-carbon financial products	Issuance of Sustainable (GSS) bonds	Continue to evaluate the issuance of Sustainable (GSS) bonds with a target of an additional NT\$2 billion each year.	Continue to evaluate the issuance of Sustainable (GSS) bonds	
			ESG evaluation system	Collaborate with index companies, securities investment trust companies and securities firms to issue index products, funds, ETNs, and customized ESG reporting.	Provide customers with ESG evaluation modules, analyses, and products that are focused on net zero as well as climate change mitigation and adaptation.	—
			Organize ESG/green fund training and seminars	Target at the participation of all wealth management specialists. The number of participants in seminars reach 300.	The number of participants in seminars increase by 5% compared to the previous year.	
	Develop financial products that meet low-carbon transition definitions/net zero trends	Green energy and eco-friendly securities consultation/underwriting	At least increase two clients each year			
		Issuance of low-carbon mutual funds (Note 2)	SinoPac SITC issues/relaunches at least one fund each year			
		Promotion of paperless financial services	Promote online credit loans to reduce the use of paper and implement carbon reduction.	Optimize the online credit application interface / additional document upload / fund appropriation / transaction statements / interest payment functions.	Continue to expand the low-carbon financial products.	



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Net Zero Strategy		Primary Goals		Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027
Net zero initiatives	Consolidate consensus	Raise climate awareness and basic competencies of all employees	Net zero literacy test	Develop and implement one set of trial mechanisms for net zero literacy test.	Implement one set of mechanisms for net zero literacy test.	The average score of net zero literacy test increase by 20%.
			Net zero training	Organize at least 2 training programs for increasing climate awareness and supporting net zero initiatives each year with the employee participation rate of 100%.	Promote net zero awareness training and micro-courses to strengthen employees' related knowledge and basic abilities, and organize at least 2 courses on net zero related knowledge/concepts/new trends each year.	Continue to promote net zero awareness training and micro-courses to strength employees' related knowledge and basic abilities.
			ESG programs and climate/net zero target related courses	Design and promote courses and integrate them into training programs for all levels and job functions, and incorporate the net zero topics into the new employee training courses in 2023 with a 25% coverage rate for SinoPac Holdings.	Continue to promote courses and integrate them into training courses for all levels and job functions, and plan ESG programs that cover international sustainability trends such as net zero and climate risks.	Continue to promote courses and integrate them into training courses for all levels and job functions, and encourage employees' self-directed learning of ESG online courses with a coverage rate of 20% every year.
			Promotion of Net zero target	Continue to promote the Company's net zero commitment and organize related activities for carbon reduction, idea contests and charitable activities to enhance employee's awareness and daily life applications.		
			Sustainability education day	—	Plan and organize "Sustainability Education Day" by 2025 and invite employees and their family members to participate in the event with at least 1,000 participants.	Continue to invite employees and their family members to participate in the event of "Sustainability Education Day" with at least 2,000 participants by 2027.
	Brand management	Establish reward/evaluation/performance indicators for carbon reduction targets	Link the remuneration to sustainability performance	Plan to incorporate net zero and carbon emission reduction targets into the annual performance indicators of the President of the Company and set the weight of this indicator, among the ESG related indicators.	<ol style="list-style-type: none"> 1. Enhance the links between remuneration and sustainability performance which is applicable to senior executives and set the weight of this indicator. 2. Link between the KPI of each functional division and the net zero target: Evaluate and set the link items and weight. 3. Plan to incorporate net zero carbon emission reduction targets into the "personal conduct evaluation indicators". 	<ol style="list-style-type: none"> 1. Enhance the links between remuneration and sustainability performance and expand the applicability to management-level personnel. 2. Link between the KPI of each functional division and the net zero target: Conclude the link items and weight and incorporate them into the unit KPI by 2027. 3. Incorporate net zero carbon emission reduction targets into the "personal conduct evaluation indicators".
			Energy conservation reward mechanisms	Trial run for energy conservation reward mechanisms.	Gradually expand the scope of rewards for energy conservation/carbon emissions reduction to encourage employees to conserve energy.	
		Establish a clear brand image of SinoPac Holdings with its net zero commitment	Sustainable ocean development	Focus on promoting "sustainable ocean development" and work with animal conservation organizations to jointly protect Taiwan's marine species and take part in charitable activities and initiatives for removing marine waste.	Continue to promote "sustainable ocean development" and the "SinoPaLife - A Million Acts of Green" and work with animal conservation organizations to jointly protect Taiwan's marine species and take part in charitable activities and initiatives for removing marine waste.	Expand from awareness campaigns to promoting "SinoPac Life" and "sustainable ocean development" to take real actions.
			SinoPac Life - A Million Acts of Green	Continue to promote the "SinoPac Life - A Million Acts of Green" to incorporate environmental and eco-friendly actions in daily life.		
			Number of reach (stakeholders and the public)	100,000	150,000	200,000
Sponsor research on net zero related key technology development and enlarge SinoPac' share of voice in the market		Provide sponsorship for research on ocean carbon sink by academic institutions or trade associations.	Continue to provide sponsorship for research on ocean carbon sink by academic institutions or trade associations.			
		Jointly publish research results and expand the market's awareness of ocean carbon sink.	Increase public awareness of ocean carbon sink and establish a brand image of SinoPac Holdings for net zero commitment.	Jointly carry out net zero related activities to increase SinoPac Holdings' share of voice.		

Note 1: The communication rate with lending clients in industries with high carbon emissions equals the number of clients already communicated/number of clients to be communicated.

Note 2: Low carbon funds use the carbon intensity (carbon emissions/annual operating income) as an indicator, and exclude stocks in the top 20% of the carbon intensity based on financial and non-financial industry subgroups.



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In 2022, SinoPac Holdings and subsidiaries appointed the Director of the President's Office or the highest-ranking officers of operating or planning unit in each subsidiary to serve as Chief Epidemic Prevention Officers to support the government's strategy for "normal life, active epidemic prevention, and stable opening up". They are responsible for the oversight and supervision of epidemic response measures. We gradually relaxed epidemic control measures to get business activities back on track while accounting for the needs of epidemic prevention and business promotion. We established the "SinoPac Holdings Workplace Contingency Plans" to reduce the impact of the epidemic and ensure uninterrupted operations. We also accelerated the development of digital transformation, actively adopted various new technologies and techniques, and expanded applications, for which we have received many awards and recognition. For more information on the operational impact assessment and risk management in response to the epidemic, please refer to 2.3.4.2 Operational Resilience.

SinoPac Holdings inaugurated innovative digital financial services to upgrade "zero contact" customer experience to safeguard the health and safety of employees and customers, such as providing "online identity verification", integrating 50 digital applications into "Digital Speed" platform, and strengthening crowd control by digital tools to reduce the contact and dwell time of customers at the counter. Aside from government's relief loans, SinoPac Holdings also provides relief measures or loans. Please refer to 3.2.2.1 Economically Underprivileged for details of Covid-19 relief plans. In addition, the SinoPac Foundation collaborated with social enterprises and schools to implement the "Good Food on the Way Project" mechanism, which brings together local young farmers, young chefs, and shops. This mutual assistance network successfully revitalized the local youth entrepreneurship economy and helped the disadvantaged groups with basic dietary needs.



Specific Prevention Measures of SinoPac Holdings in Response to the COVID-19

Daily Operation



Management mechanism

1. SinoPac Holdings and subsidiaries appointed the Director of the President's Office or the highest-ranking officers of operating or planning unit in each subsidiary to serve as Chief Epidemic Prevention Officers in accordance with the requirement for appointing the Chief Epidemic Prevention Officer in the "Coexistence of Economic Growth and Epidemic Prevention" policy of the Executive Yuan. They are responsible for the oversight and supervision of epidemic response measures.
2. Continuing with 2020's Business Continuity Plan, SinoPac Holdings further formulated "SinoPac Holdings Pandemic Risk Level Management and Control Mechanisms" and "Pandemic Reporting and Management Procedures" in 2021 and established the "SinoPac Holdings Workplace Contingency Plans" to reduce the impact of the epidemic in 2022.

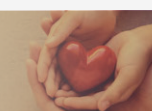
Mitigation measures

1. In response to the epidemic repeatedly in 2022, SinoPac Holdings implemented various measures and adjusted flexibly to maintain uninterrupted operations:
 - Activate work-from-home and remote backup for important operational sites
 - Started access control of the headquarters building.
 - Establish workplace contingency plans.
2. Established a pandemic notification system, demanding that each division should report to the head office when colleagues meet the notification category of "COVID-19 Reporting" formulated by Human Resources Division.
3. Set up a "health risk assessment" in the SinoPac Cloud app so that colleagues can track their health status and receive timely care from the nursing team.

Adaption measures

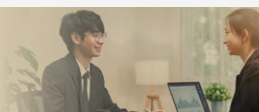
1. Prepared an online meeting teaching manual for employees to convene online meetings and training sessions.
2. Offered courses such as preventive healthcare, DIY, and oil massage during the pandemic.
3. Provided two days of full-pay vaccination leave and vaccine care leave and offered group vaccine insurance to increase the vaccination coverage of employees.
4. Provided high-risk employees with subsidies for screening tests, and offered various caring measures, such as extending the deadline for marital leave applications, offering diagnosed grants, full-pay quarantine leaves and high-risk areas attendance incentive, and providing accommodations for employees' household family members when they must be isolated at home.

Charitable donations



In 2022, SinoPac Foundation worked with social enterprises and schools to invest resources to the catering supply chain which was devastated by the epidemic. The Foundation purchased ingredients from producers, delivers them to restaurants for cooking and baking, and distributes them via the logistics services of stores to customers to form the "Good Food on the Way Project" with 14 organizations in Daxi and Fuxing, Taoyuan that included young farmers, young cooks, and stores. It successfully connected the local youth startup economic network and benefited disadvantaged groups with approximately 2,800 deliveries.

"Zero Contact" Financial Services



Bank SinoPac

1. "iBranch" provide online and offline zero-contact digital integration services and promotes over-the-counter digital branch service procedures and a paperless green finance counter. It uses virtual and real integration, smart services procedures, and personalized banking services to create a unique over-the-counter experience.
2. Established "COVID-Digital Speed" Platform: Integrating six types of services in a single digital channel, the platform offers customers 50 functions including Internet banking registration, account application, inquiry, transaction, mortgage and credit application, investment, credit card and so on to enjoy all financial services without leaving home.
3. "Video call identity verification" services: During the period of epidemic alert level 2 or above, the service was available at 125 branches and related business units in Taiwan. Customers can enjoy zero contact financial services by online meeting with the staffs. The security is ensured by the transaction confirmation mechanism and by submission of supporting documentation subsequently.
4. Online financial consulting services: Through telephone, LINE one-on-one online chat, video service, email and other digital means, customers can enjoy financial consulting services without any contact.
5. "Palm vein" services: 125 branches and more than 100 ATMs in Taiwan provide the "palm vein" authentication service. We used palm vein authentication technologies to create exclusive digital data for individuals and replace the traditional signature, seal, and ATM cards to provide customers with a convenient, safe, healthy, and energy-efficient digital services.
6. Innovative zero-contact financial service: We launched the "software certificate application/authentication mechanism" to provide services including digital account applications, digital account privileges upgrade, and the "foreign exchange preferential interest rate term deposit" plan in foreign exchange declarations for amounts above NT\$500,000 etc. We also launched the "video authentication mechanism" for customers who cannot process procedures over the counter or those who have not yet set online access to add new designated accounts online. These services meet the epidemic prevention requirements for zero-contact and fulfill the spirit of inclusive financial services.
7. Upgraded online loan application procedures: In 2022, we continued to provide online credit loan application services and expanded the digital additional document upload function for mortgages. In this way, customers can enjoy the convenient services that reduce the need for transportation and contact.

SinoPac Securities

1. Online account opening: Collaborated with Bank SinoPac, SinoPac Securities offers one-time contactless applications for six types of accounts including NTD deposits, foreign-currency deposits, trust accounts, domestic securities accounts, sub-brokerage accounts, and investment service member accounts.
2. Strengthened the promotion of online financial management tools such as "SinoPac Stock Savings Plan" platform for Taiwan and US stock and "DAWHO TOU," "AI Bunny Good" so that customers can enjoy the financial services at home and without interruption.
3. Launched the online subscription digital services for TWSE ETF initial public offering (IPO) on the trust platform, to create a more comprehensive mobile wealth management life for investors.
4. We actively organize online investor conferences and online investment forums to continuously provide customers with diverse investment information.



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1.1 Sustainable Development Goals and Vision

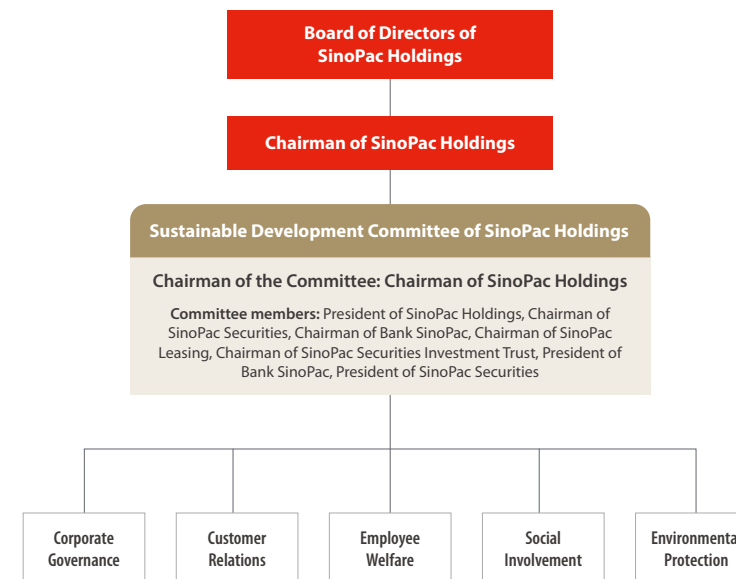
Based on the vision of "Fulfillment of a Beautiful Life Through Finance", SinoPac Holdings has upheld the four sustainable development missions, namely Ethics and Decency, Wealth Building, Environmental Sustainability, and Social Responsibility, and set five sustainability themes, namely Fulfillment of Trustworthy Governance, Fulfillment of Innovative Service, Fulfillment of Green Operations, Fulfillment of Healthy Workplace, and Fulfillment of Inclusive Growth, based on three aspects of sustainable development including environment, society, and corporate governance (ESG).

1.1.1 Sustainable Governance Framework

SinoPac Holdings established the "CSR Project Team" in 2015 to actively plan CSR related affairs. In 2018, the Company formulated the "Guidelines for Corporate Social Responsibility" (renamed "Guidelines for Sustainable Development" in 2022) and established the "Sustainable Development Committee". The Chairman of SinoPac Holdings serves as the chairperson of the Committee, with the President of SinoPac Holdings and the chairmen and presidents of major subsidiaries serving as members. The Committee oversees five teams responsible for corporate governance, customer relations, employee welfare, environmental protection and social involvement. The committee is in charge of managing the risks and impacts of operations of SinoPac Holdings and its subsidiaries on the economy, environment, and society, and it regularly reports to the Board of Directors to implement SinoPac Holdings' sustainable development strategy.

The teams of the Sustainable Development Committee uphold the four major sustainability missions of SinoPac Holdings and continue to implement adjustments and optimize the short, medium, and long-term goals in the Sustainable Development Strategy Roadmap in accordance with the five major sustainability targets. The Sustainable Development Committee convenes a meeting every quarter and reports the progress of corporate sustainable development to the Board of Directors every six months. The Sustainable Development Committee convened seven meetings in 2022 due to the needs of certain issues and reported to the Board of Directors for three times including: 1), the performance of sustainable development in 2021 and the 2022 work plan for Board's acknowledgement and the amendment of short-, medium-, and long-term key sustainable development work items for Board's approval in January 2022; 2) the 2030/2050 net zero emission target for Board's approval in March 2022;

and 3) the performance of sustainable development in the first half of 2022 for Board's acknowledgement in July 2022. Most recently, the performance of sustainable development in 2022 and the work plan for 2023 were reported to the Board and the short-, medium-, and long-term key sustainable development work items were further revised and approved by the Board of Directors in January 2023. In addition, Bank SinoPac, SinoPac Securities, SinoPac Leasing, and SinoPac Securities Investment Trust all established a functional organization for sustainable development that directly connect with the Sustainable Development Committee of SinoPac Holdings in the fourth quarter of 2022. These functional organizations have begun operation in Q4 2022 or Q1 2023.



1.1.2 Roadmap for Sustainable Development

SinoPac Holdings took action by linking the United Nations' Sustainable Development Goals (SDGs) and Taiwan's Sustainable Development Goals set by the National Sustainable Development Network with the five sustainability themes in response to the eight SDGs, including SDG1 (No Poverty), SDG 3 (Good Health and Well-Being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action).

Roadmap for SinoPac Holdings' Sustainable Development



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1.1.3 Three Sustainability Commitments and SDGs

Based on the five sustainability themes, SinoPac Holdings focused on three sustainability commitments, namely Reduce Inequality, Mitigate and Adapt to Climate Change, and Promote Inclusive Growth, and set action plans with short-term, medium-term, and long-term goals in response to the eight SDGs of the United Nations. Please refer to the official website [🔗](#) of SinoPac Holdings for the latest sustainability work plans and target setting.

Reduce Inequality

Unequal opportunities and unbalance resource allocation remain unsolved issues in current society. The differences in socioeconomic background, gender, and race not only lead to a lack in income and resources, but also lead to a lack of equal opportunities in many aspects including education, employment, medical care, and political participation, and a lack of personal security for certain groups of people. In the long run, the inequalities will inevitably become potential issues for common prosperity and inclusive growth. Thus, in response to the SDGs of the United Nations and Taiwan, SinoPac Holdings is committed to reducing any form of inequality inside and outside the organization and spared no effort in protecting basic rights and interests, regardless of their gender, wealth, race, to ensure social justice.

Inside the organization, SinoPac Holdings takes the initiative in promoting gender equality at different levels by promoting more outstanding female employees to the management team to increase the percentage of females participating in the decision-making process. Outside the organization, SinoPac Holdings proactively implements programs for improving financial literacy and financial inclusion and proposes to provide new financing tools and channels for the financially vulnerable populations such as small businesses and migrant workers. In addition to strengthening cultural education of schoolchildren in rural areas through a series of community care and art activities, SinoPac Holdings enriches the mental life of the elderly while promoting cultural equality. SinoPac Holdings hopes to pursue profits and maintain equality at the same time, so as to achieve the vision of "Fulfillment of a Beautiful Life through Finance."

Reduce Inequality – Implementation Status in 2022

Action Plan	Sustainability Theme	Key KPI(s)	2022 Goal(s)	Implementation Status	
Promote gender equality (directors, senior executives)	Fulfillment of Trustworthy Governance	Number of female directors in the Board	At least 1	Completed	
Promote gender equality (employees)	Fulfillment of Healthy Workplace	Number of diversification and inclusion measures	At least 2	Completed	
Improve accessibility of financial services	Fulfillment of Innovative Service	Appropriated amount of the Migrant Worker Lending Program		NT\$300 million	Not Completed (Note 1)
		Penetration on financial ecosystem service in wholesale markets	Number of loan applications	2,600	Not Completed (Note 1)
			Loan outstanding	NT\$ 110 million	
		Penetration on self-employed contracted merchants	Increased number of applications	2,000	Partially Completed (Note 2)
			The amount of credit card balance	NT\$132 million	
		SinoPac Stock Savings Plan	Number of annual debit accounts	Taiwan Stock 70,000 US Stock 25,000	Completed
Amount of annual debit	Taiwan Stock NT\$7 billion US Stock NT\$5 billion		Completed		
The participants of property trust seminars			300	Completed	
Promote cultural equality	Fulfillment of Inclusive Growth	Participation in arts and cultural activities for children in rural areas and the elderly to promote suitable financial knowledge	Number of cooperative towns/communities	At least 5	Completed
			Number of participants	More than 2,000	

Note 1 : Due to the impact of the epidemic on business promotion, the goals were not achieved.

Note 2 : Due to market competition, the goals were not achieved.



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Reduce Inequality – Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027	
Promote gender equality	Number of female directors in the Board	At least 1			
	Empowerment of female managers	Formulate female manager empowerment programs	Implement the female manager empowerment programs; set targets and disclose the ratio of female managers on all levels	Growth of the ratio of female in all management positions	
	Follow-up mechanisms of equal pay for equal work	Formulate 1 mechanism	Implement the mechanism	Formulate real actions for promoting equal pay for equal work	
	Number of sessions for workplace diversity and inclusiveness	2	2	Continuous implementation	
Improve accessibility of financial services	Migrant Worker Lending Program	Amount of loans provided	NT\$200 million	NT\$280 million	NT\$300 million
		Online application platform	Increase English version for online loan application platform services	Optimize platform functions (automatic SMS notifications)	-
	Financial ecosystem service in wholesale markets	Number of Loan application	2,450	2,500	2,600
		Loan outstanding	NT\$100 million	NT\$120 million	NT\$135 million
		Assisting farmers in selling online	Assist in selling online model	Number of assisted farmers to grow by 30% per year	
	Penetration on self-employed contracted merchants (small businesses)	Increase number of applications	1,000	10% growth every year	5% growth every year
		Amount of credit card balance	NT\$220 million	20% growth every year	35% growth every year
	SinoPac Stocks Saving Plans	Number of Taiwan stock/US stock annual debit accounts	96,000	112,000	128,000
		Amount of Taiwan stock/US stock annual debit	NT\$15 billion	NT\$16.5 billion	NT\$18.2 billion
	Participants of property trust seminars	360 (Strengthening the concept of property security)	5% growth every year (Improving the quality of daily care for the elderly and disabled)		
Promote knowledge equality	Participation in arts and cultural activities for children in rural areas and the elderly to promote suitable financial knowledge	Number of cooperative towns/communities	At least 7	At least 10	At least 15
		Number of participants	More than 5,000	More than 8,000	More than 10,000



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Mitigate and Adapt to Climate Change

The Intergovernmental Panel on Climate Change (IPCC) published the Assessment Report 6 (AR6) in 2021-2022, clearly indicating that climate change is occurring worldwide. Nearly half the world's population live in climate change hotspots and the occurrence of extreme climate events will further cause mounting loss of property and life. Accordingly, SinoPac Holdings has undertaken to pay attention to the impact of climate



change, implement environmental sustainability and supply chain management, and to promote resource recycling. Furthermore, SinoPac Holdings pledged to achieve net zero emissions in its operations by 2030 and its entirety of financial portfolios by 2050 in close cooperation with internal and external stakeholders.

Internally, SinoPac Holdings has taken concrete measures for energy conservation and carbon reduction such as introducing GHG inventory and expanding its scope to mitigate the impact brought by climate change. It has also integrated climate risks into the risk management system to gain an understanding on the risks and opportunities arising from climate change. Seminars and training courses are also organized to increase the employees' awareness on climate change. Externally, SinoPac Holdings strives to leverage on its core operation in the financial sector to implement responsible lending and investment policies and incorporate ESG related indicators into the evaluation process. It has also been proactively developing eco-friendly financial products to raise the climate awareness of the customers and the public and to promote energy transition while seeking carbon-free business opportunities for customers and investors.

Mitigate and Adapt to Climate Change - Implementation Status in 2022

Action Plan	Sustainability Theme	Key KPI(s)	2022 Goal(s)	Implementation Status	
Introduce and continue to intensify climate risk management	Fulfillment of Trustworthy Governance	Identify and manage the financial impact arising from climate change	1. Establish upstream suppliers' climate risk identification, assessment, monitoring and reporting 2. Identify short, medium, and long-term climate risk transmission paths and acknowledge the impact of major climate risks on operational strategies and financial planning to assess the climate resilience	Completed	
Raise climate awareness (employee)	Fulfillment of Healthy Workplace	Percentage of employees signing the Code of Environmental Protection and Energy Conservation in Office	100%	Completed	
		Training	Number of trainings	2	Completed
		Employee participation rate	100%	Completed	
		Number of activities organized for "Environmental Day"	1	Completed	
Support the development of the green energy industry	Fulfillment of Innovative Service	Number of articles to raise employee's climate awareness	At least 2	Completed	
		Loan outstanding of renewable energy provided by Bank SinoPac	NT\$75 billion	Completed	
		Total investments in green industries of SinoPac Venture Capital	NT\$60 million	Not Completed (Note 1)	
		Cumulative number of solar energy plants financed by SinoPac Leasing	530	Completed	
		Set green lending standards	Measurement standards of green lending (expenditures) has incorporated into responsible lending	Completed	
		Number of ESG seminar/forum sessions	4	Completed	
Raise climate awareness (customers)	Fulfillment of Innovative Service	Training course related to ESG evaluations for Institutional investors	12	Completed	
		Penetration on "Carbon Footprint Calculation"	Implement the Carbon Footprint Calculator for Bank debit cards/credit cards issued by Bank SinoPac	Completed	
		Raise ESG literacies of retail customers	Enhance disclosure and marketing activities of ESG/green-related products for retail customers	Completed	
Promote climate change mitigation actions	Fulfillment of Green Operations	Strengthen ESG communication and engagement	Establish dedicated webpages for ESG/green fund to strengthen communication with customers	Completed	
		Environment-related certification issued by third-party	Training for GHG inventory of overseas sites	1 session	Completed
			The coverage of ISO 14001 certification	20%	Completed
			The coverage of ISO 50001 certification	30%	Completed
		Cumulative reduction rate on energy usage, water consumption and GHG emissions (2020 as the base year)	2%	Completed	
		The number of Scope 3 items verified by third-party	8	Completed	
		Participate in CDP	Complete the third questionnaire response	Completed	
The proportion of renewable energy use	5%	Not Completed (Note 2)			
Raise climate awareness (the public)	Fulfillment of Inclusive Growth	Internal carbon pricing mechanism	Establish internal carbon pricing mechanism	Completed	
		Number of persons reached by "SinoPac Life"	50,000	Completed	

Note 1: The Company decided not to proceed with certain cases and therefore failed to meet the goals. The cumulative investment amount totaled NT\$41.13 million.

Note 2: Due to the failure of green energy supply from power plants, the actual green electricity generated in September 2022 amounted to 235,000kWh, which accounted for approximately 0.7% of the annual electricity consumption of SinoPac Holdings.



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Mitigate and Adapt to Climate Change — Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027	
Introduce and continue to intensify climate risk management	Monitor the financial risks caused by climate change	<ol style="list-style-type: none"> Continue to enhance the disclosure of climate-related risk metrics for TCFD governance/strategy/risk management. Continue to enhance the identification and analysis of the financial impact of short/medium/long-term climate change transition risks for operations and business. Establish carbon inventory, monitoring, and disclosure mechanisms for Scope 3 investment and loan portfolios. Implement and track the actual carbon emission reduction each year and disclose results in the Sustainability Report or TCFD Report. 	<ol style="list-style-type: none"> Set short/medium/long-term goals for investment and financing portfolios based on the risk appetite to enhance the three lines of defense in risk management. Complete the inventory, monitoring, and disclosure of Scope 3 emissions, expand the scope of the Scope 3 investment and loan portfolios inventory, and increase the data quality of inventory information. 	<ol style="list-style-type: none"> Establish an integrated climate risk management dashboard for continuous management and monitoring of metrics and targets. Incorporate climate risk factors into other risk management mechanisms, including credit risk stress tests, market risks (e.g., Climate VaR), liquidity risks, and operational risks. Complete the inventory, monitoring, and disclosure of Scope 3 emissions, expand the scope of the Scope 3 investment and loan portfolios inventory, and increase the data quality of inventory information. 	
Raise climate awareness (employee)	Promote the Code of Environmental Protection and Energy Conservation in Office	100% employee signing rate	Optimize the joint commitment for energy conservation in the office and 100% employee signing rate	Implement the environmental protection and energy conservation guidelines and expand the scope of application.	
	Improve ESG literacy	Formulate ESG literacy test	Implement ESG literacy test	Promote one ESG literacy test and increase average scores by 20%	
	Develop ESG program	-	-	Develop ESG program	
	Organize climate-themed micro-courses	Number of courses	1	2	2
		Number of page views by employees	1,000	2,000	10% annual growth rate
	Promote climate-themed courses/activities	<ol style="list-style-type: none"> Organize 1 session Include the courses/activities in orientation training 	Formulate gamified climate-themed courses/activities	Formulate gamified climate-related courses/activities and increase the penetration rate	
Sustainability Manager certification and training	Formulate the programs	Implement the programs	Promote ESG seed training and internal expert certification plan		
Support the development of the green energy industry	Loan outstanding of renewable energy provide by Bank SinoPac	NT\$ 90 billion	NT\$ 110 billion	Continue to increase the business scale of the renewable energy industry or related businesses aligned with climate targets	
	Total green investment amount of SinoPac Venture Capital	NT\$ 60 million	New investment amount reaches at least 10% of the total new investment of the year	New investment amount reaches at least 15% of the total new investment of the year	
	SinoPac Leasing	Amount of loans to green energy equipment and its supply chain	NT\$ 1.5 billion	NT\$ 1.6 billion/year	NT\$ 1.7 billion/year
Raise climate awareness (customers)	Number of ESG seminar/forum sessions	4	4 every year	4 every year	
	Number of ESG evaluation training courses for institutional investors	16	16 in 2024; 20 in 2025	20 every year	
	Develop green finance standards	Continue to promote green lending and direct funding to support business transformation	Incorporate the Taiwan Sustainable Taxonomy into responsible lending practices (refer to the EU Taxonomy)	Formulate a green credit rating model (integration of the ESG risk matrix and traditional credit rating)	



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Action Plan	Key KPI(s)	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027	
Raise climate awareness (customers)	Carbon Footprint Calculator	5% of active debit cardholders use the calculator	Expand the application of carbon footprint calculator to designated credit cards and 5% of cardholders (active debit cards and designated credit cards) use the Calculator	Further expand the application of calculator to Mastercard credit card and 5% of cardholders (active debit cards and all Mastercard credit cards) use the calculator	
	Raise ESG literacies of retail customers	Enhance disclosure and marketing activities of ESG/green-related products for retail customers	Promote ESG/green finance literacies of retail customers	Enhance ESG/green finance literacies of retail customers	
	Number of participants in climate awareness related seminars for wealth management customers	300	5% annual growth		
Promote climate change mitigation actions	Overseas locations incorporated in the scope of GHG inventory and verification	100% of overseas locations incorporated in the scope of GHG inventory and verification	Continue to implement follow-up reviews of GHG inventory and verification, and keep 100% coverage of domestic and overseas sites		
	Cumulative reduction rate on energy usage, water consumption and GHG emissions (2021 as the base year)	2%	4%	6%	
	Number of Scope 3 items verified by third-party	8	10	10	
	Respond to international initiatives	CDP	Complete the 4th questionnaire response	Continue to improve carbon disclosure management matters	Reach an A Leadership Level
		SBT	SBT approved (Scope 1 +2)	Achieve the target of 21.2% reduction in scope 1+2	Achieve the target of 29.4% reduction in scope 1+2
	Proportion of renewable energy use	10%	25%	45%	
	Internal carbon pricing mechanism	Review/Adjust Internal Carbon Pricing Mechanism	Review/Adjust Internal Carbon Pricing Mechanism	Continue to promote internal carbon pricing mechanism	
	Ratio of waterproof floodgate set up in own premises in high-risk sites	50%	100%	Continue to enhance the identification of high-risk premises and monitor the risk transmission channels	
Raise climate awareness (the public)	Number of persons reached by "Sustainable Ocean Development " and "SinoPac Life - A Million Acts of Green" campaign	100,000	150,000	200,000	



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Promote Inclusive Growth



The financial industry is regarded as a key force to improve the industry and promote economic transformation, and because its funds mainly come from the trust and support of the general public, it is expected to be able to implement financial inclusion, properly use social resources, and effectively exert influence for education, health, social welfare

and other aspects, providing opportunities for the disadvantaged groups to change their life and promoting the common prosperity and growth of society. The common wealth and mutual benefit of the stakeholders have been the first priority of SinoPac Holdings, which has been promoting inclusive growth by organizing products and services, procurement, employees care and philanthropic activities.

Inside the organization, SinoPac Holdings attaches importance to the career development, compensation, and welfare of all employees, designs a comprehensive health and well-being solution, and creates a friendly working environment. In addition, it sets up the supplier standards in place to improve suppliers' working conditions and promotes sustainable consumption and production through sustainable supply chain management in hopes of achieving strong partnership for common prosperity. Upholding the spirit of taking from society and giving back to society, SinoPac Holdings takes concrete actions to promote employment of the vulnerable populations and to implement social welfare programs. It also supports art and cultural activities in local communities as a responsible corporate citizen with an aim of achieving social prosperity.

Promote Inclusive Growth – Implementation Status in 2022

Action Plan	Sustainability Theme	Key KPI(s)	2022 Goal(s)	Implementation Status
Value employees' rights and interests while improving employees' physical and mental health	Fulfillment of Healthy Workplace	The coverage of ISO 45001 certification	45%	Completed
		Implementation of human rights risk management	Develop differentiated human rights risk survey questionnaire	Completed
		Employee engagement survey	Formulate a high-frequency employee engagement survey mechanism	Completed
		Flexible working hours practice	Review and optimize the flexible working hours practice	Completed
		Anti-discrimination/Anti-harassment	Formulate and disclose anti-discrimination/anti-harassment policy/statement	Completed
Support the growth of small and medium enterprises (SMEs)	Fulfillment of Innovative Service	Outstanding of SME loans	NT\$271 billion	Completed
		Growth rate of domestic transaction volume of funBIZ (SMEs digital platform)	30%	Completed
Enhance sustainable supply chain management	Fulfillment of Green Operations	The proportion of the suppliers signing the Suppliers' CSR Commitment	90%	Completed
		Percentage of ESG engagement in key suppliers	60%	Completed
		Proportion of purchasing items aligned with the government's green procurement policy	More than 60%	Completed
Promote green procurement and responsible consumption and production pattern		The utilization rate of green building materials for renovation	More than 60%	Completed
Support charity organizations /social enterprises and the employment of the vulnerable populations	Fulfillment of Inclusive Growth	Amount of purchases and subscriptions	NT\$ 20 million	Completed
		Number of persons supported to get employed	50	Completed



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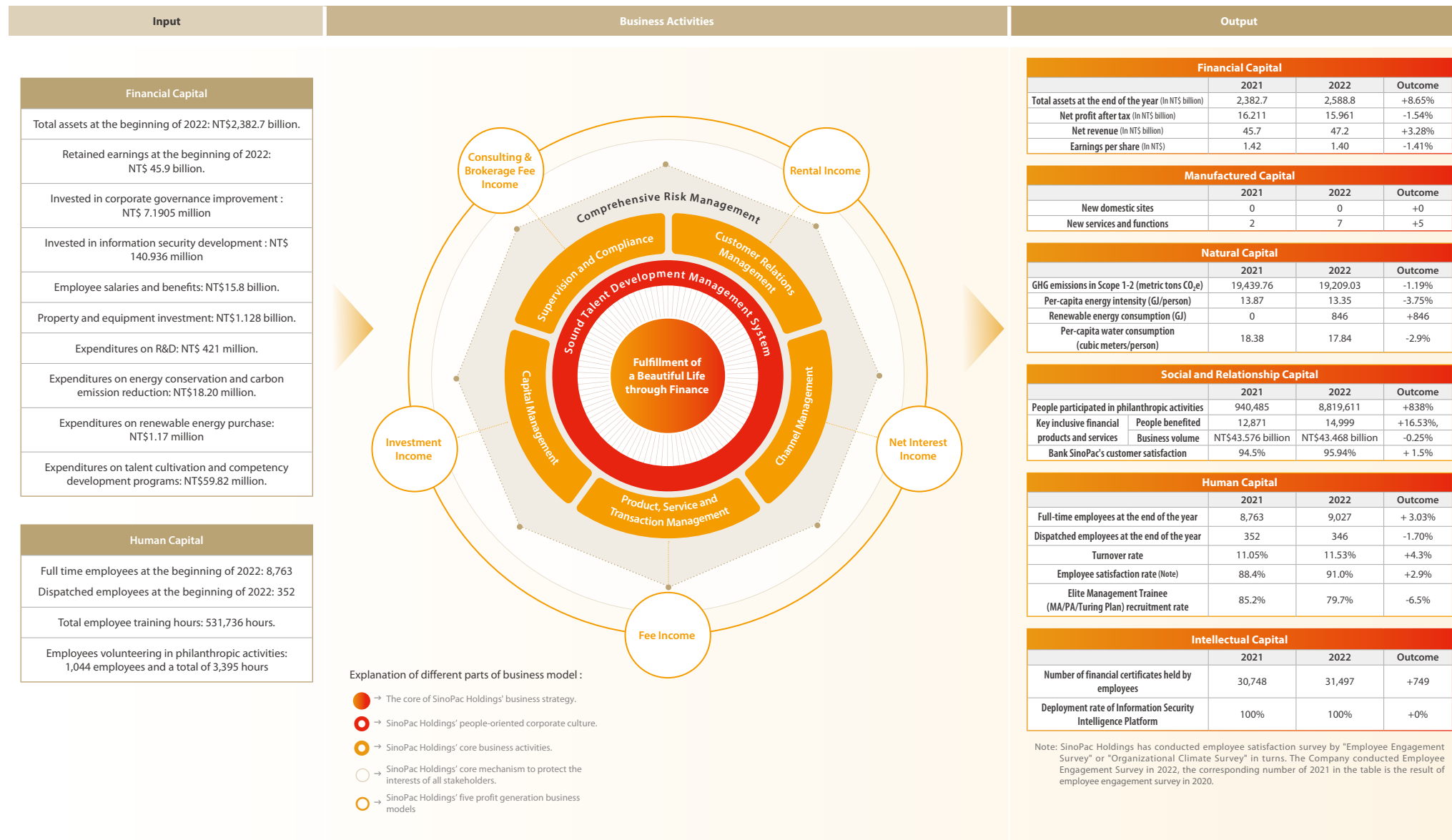
Promote Inclusive Growth – Action Plans and Short-term, Medium-term, and Long-term Goals

Action Plan	Key KPI(s)	Short-term Goals (1 year) 2023	Medium-term Goals (2-3 years) 2024-2025	Long-term Goals (3-5 years) 2025-2027	
Value employees' rights and interests while improving employees' physical and mental health	The coverage of ISO 45001 certification	50%	80%	100%	
	Implementation of human rights risk management	1. Formulate 1 tracking mechanism for human rights risk mitigation and remedial measures. 2. Formulate 1 due diligence mechanism for specific risk issues/high-risk groups	1. Set up the Human Rights Management Committee 2. Implement key human rights risk mitigation and remedial measures and 1 tracking mechanism	1. Formulate the expanded scope of mitigation measures for human rights risks 2. Optimization the due diligence mechanisms for specific risk issues/high-risk groups	
	Participation rate of high-frequency employee engagement survey	at least 50%	at least 60%	at least 90%	
	Creation of a friendly workplace	Formulate anti-discrimination/anti-harassment statements and friendly workplace implementation plans	Implement the friendly workplace plan and the anti-discrimination/anti-harassment commitment	Optimize the friendly workplace plan and the anti-discrimination/anti-harassment commitment	
	Occupational health and safety management	Optimize and routinely disclose Occupational Safety and Health Statements	Strengthen occupational health and safety management and establish regular review and communication mechanism with senior executives	Form links between the performance of senior executives and department managers and occupational health and safety targets	
Support the growth of small and medium enterprises (SMEs)	Transaction amount of funBIZ (SME digital platform)	\$12 billion	\$15 billion	\$19 billion	
	Outstanding of SME loans	Reaches \$315 billion	The annual growth rate reaches 5~8%		
Enhance sustainable supply chain management	The proportion of the suppliers signing the Suppliers' CSR Commitment	More than 95%	100%		
	Number of internal training courses for green procurement	1	1	Continue to improve management system and enhance ESG screening mechanism for suppliers.	
	Enhance the supplier ESG management mechanisms and due diligence	1. Formulate supplier labor rights management documents and implement supplier self-assessment questionnaire surveys 2. Organize 1-2 sessions of supplier training programs	1. Launch a pilot program to support one supplier's use of ESG management documents 2. Organize 1-2 sessions of supplier training programs	1. Strengthen suppliers' ESG awareness and expand the scope of suppliers to use ESG management documents 2. At least 20% of high carbon emission supplier set carbon reduction targets	
Promote responsible consumption and production pattern	Proportion of purchasing items aligned with the government's green procurement policy business	More than 80%	More than 90%	100%	
	The utilization rate of green building materials for renovation	More than 65%	More than 70%	More than 75%	
	Receive Outstanding Green Procurement Organization or other related awards	Continue to win the " Green Procurement Award for Private Enterprise and Organization " or other related awards (e.g., Buying Power), hosted by Environmental Protection Administration, Executive Yuan			
Support charity organizations /social enterprises and the employment of the vulnerable populations	Support employment through procurement and subscription of goods/services	60	70	80	
	Provide marketing and publicity resources	Number of benefited organizations	At least 55	At least 160	At least 260
		Number of impressions	A total of 12,000,000	Accumulated 40,000,000	Accumulated 65,000,000
Number of social enterprises assisted by providing funding and professional resources	At least 10	At least 30	At least 50		

1.1.4 Performance of Six Capitals

SinoPac Holdings believes that the creation of corporate value has changed its emphasis from traditional financial performance to value creation from the "six capitals", including financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital. In addition to presenting an outstanding financial result, SinoPac Holdings also takes the environmental and social impacts created by the Company's business activities into its core business model. Through checking the inputs of the six capitals on its business models, operation strategy, and the final outputs of the six capitals, the value created in business operating and the role SinoPac Holdings played were both highlighted.

Summary of Six Capitals Performances in 2022



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1.1.5 Membership in Trade Associations

SinoPac Holdings and its subsidiaries actively participate in the association of related industries to understand the development and dynamics of financial industry, as well as laws and regulations, in order to adapt to the current situation and respond to various initiatives, and at the same time communicate with other peers. Through communications and cooperation, it aims to promote a stable development in financial businesses and work together to assist the government with its implementation of various financial policies. In 2022, total amount devoted to public associations engaging in supporting or participating in financial industry initiatives was about NT\$6.73 million, of which the top three public associations that SinoPac Holdings contributed the most were The Trust Association of the Republic of China (NT\$2,063,846), The Bankers Association of the Republic of China (NT\$1,891,030) and R.O.C Bills Finance Association (NT\$500,000). The amount donated to political organizations, candidates or other interest groups in the past 4 years has been zero. The Company also does not engage in any climate-related or other direct lobbying campaigns. For more information on SinoPac's donation management policies, please refer to the Sustainability section on the official website [🔗](#) of SinoPac Holdings.

SinoPac Holdings established management system for trade associations membership as shown in the table below:

Membership in Associations	Attending Meetings of Associations
<ul style="list-style-type: none"> Conduct approval procedures in accordance with internal regulations based on the level of the participating representative and the membership fee and obtains the approval of required level. The representative should be assigned and reported by the corresponding division, in accordance with the nature of the association attained, and approved by the President. 	<ul style="list-style-type: none"> The participating representative shall fill out a notification form and attach the meeting information and notify the President, supervisor, and the head of the division-level unit related to the issue by email before attending each meeting. Within five days after the meeting, the participating representative shall summarize the key points of the meeting, resolutions, and the analysis of their impact on business and submit them to the aforementioned executives by email.

2019-2022 Contributions and Other Spending

In NT\$

	2019	2020	2021	2022
Lobbying, interest representation or similar	0	0	0	0
Political campaigns / organizations / candidates	0	0	0	0
Trade associations or tax-exempt groups	5,816,383	5,847,783	6,449,566	6,727,726
Other (e.g., spending related to ballot measures or referendums)	0	0	0	0
Total	5,816,383	5,847,783	6,449,566	6,727,726
Coverage % (Note)	100%	100%	100%	100%

Note: Figures in the table are the total amount that SinoPac Holdings and its 5 subsidiaries (same as the boundary of this Report for disclosure of ESG information) contributed to the organizations whose primary role is to create or influence public policy. Therefore, the data coverage is 100%.

Public Organizations Participation in 2022

Theme of topic	Issue or topic	Name of associations / organizations	Description of position / engagement	Total amount paid in 2022 (in NT\$)
Business development in banking industry	SinoPac Holdings has been focusing on various business and product developments in banking industry such as retail banking, wealth management, digital payment, credit card, management mechanisms related to internal control and lending business, as well as risk management of climate change related issues.	The Bankers Association of the R.O.C.	Serves as the director of the Bankers Association and participates in 15 business committees of the Bankers Association; appoints employees at managerial levels to serve as members of each business committee and makes suggestions for the development of related businesses. In 2021, the Company also participated in Climate Change Risk Management Task Force and Climate Change Scenario Analysis Task Force set up by the Bankers Association.	1,891,030
Research on the development of new types of trust products	In response to the aged society and the launch of the Trust 2.0 -"The 2nd phase promotion plan for "Trust Services in all Domains" launched by the competent authority, SinoPac Holding continues to monitor the development of products and services such as Trust for Elderly Care, employee stock ownership trusts, family trusts, and pre-sale house trust mechanisms. It also strengthens financial services and friendly measures for supporting the elderly (dementia) citizens and people with disabilities.	Trust Association of the R.O.C	Serves as a member of the Business Development Committee of the Trust Association, participates in the discussion of various issues of the Committee, and appoints employees to participate in the trust association's various group meetings, such as legal affairs and discipline group, trust of money and securities business group etc.; to make suggestions or participate in the discussion of research projects.	2,063,846

Membership Associations of SinoPac Holdings and its Subsidiaries

Association Names	
The Bankers Association of the R.O.C.	The Bankers Association of Taipei
Trust Association of the R.O.C.	Taipei Leasing Association
R.O.C. Bills Finance Association	Taiwan Venture Capital Association
Securities Investment Trust and Consulting Association of the R.O.C.	Cross-Strait CEO Summit
Taiwan Securities Association	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)
Chinese National Futures Association	Accounting Research and Development Foundation