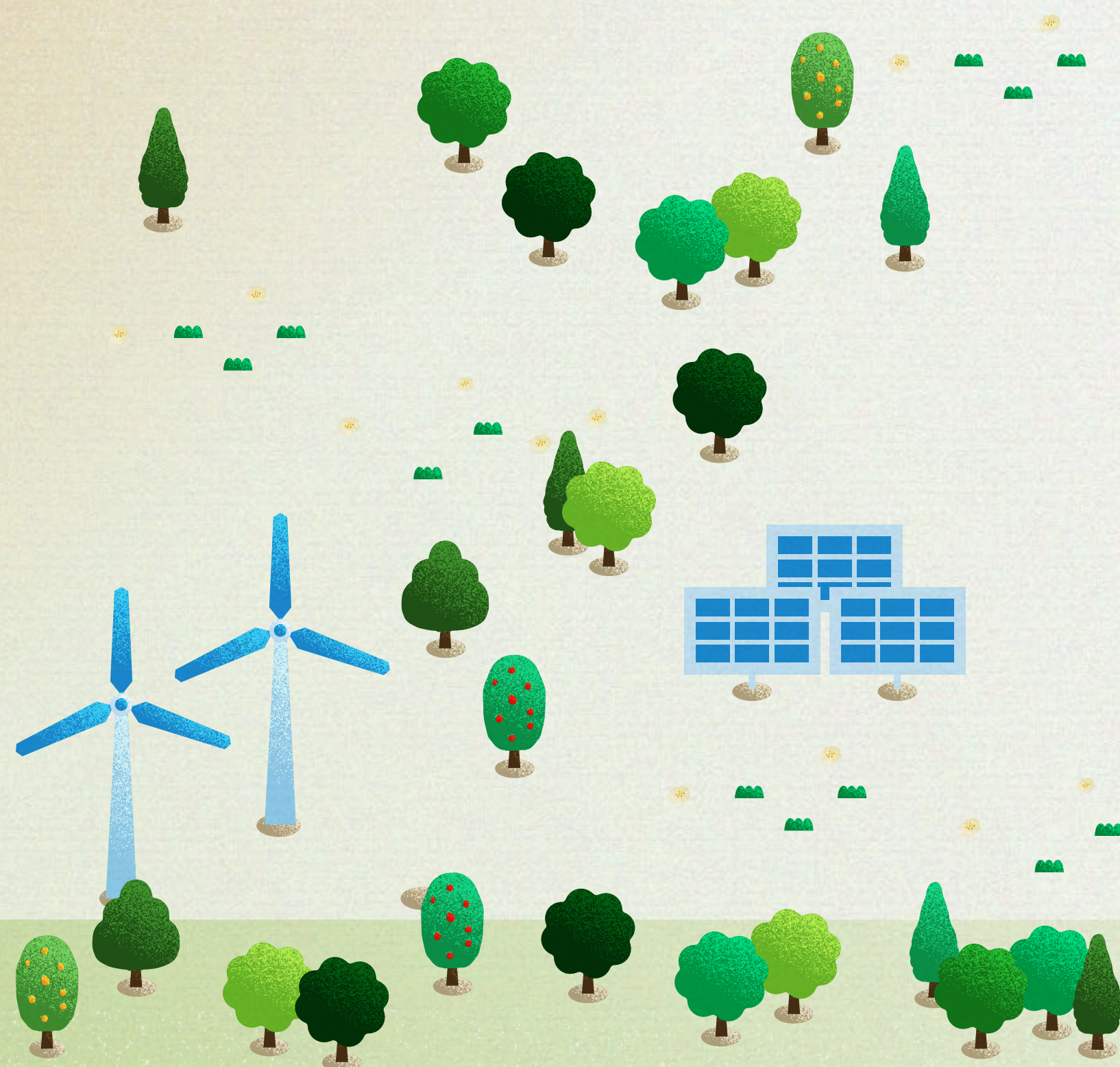


Climate and Nature-Related Financial Disclosures Report

2024



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A Message from the Chairman

According to the "State of the Global Climate 2024" report published by the World Meteorological Organization, the global surface temperature in 2024 was 1.55° C higher than the average for 1850–1900, surpassing the 1.5° C threshold set by the Paris Agreement for the first time. This is undoubtedly a major warning, signaling that the impacts of global climate change are accelerating and are likely to further intensify extreme weather events and biodiversity loss. Over the past year, natural disasters brought by extreme climate events, as well as global shocks driven by geopolitical tensions, have reminded us that in the global economic system, no one is exempt—changes in the world are affecting all of our lives.

In response to the intensifying challenges of climate change, SinoPac Holdings is steadily advancing its net-zero strategy with a long-term and prudent approach. We have set short-, medium-, and long-term goals, and continue to work toward achieving net-zero emissions in our own operations by 2030 and our financial portfolios by 2050. In terms of climate governance, we elevated the Sustainability Development Committee to a functional committee of the Board of Directors in July 2024. Directors of SinoPac Holdings, Bank SinoPac, SinoPac Securities, and SinoPac Leasing are members of the committee, which also includes three independent directors of SinoPac Holdings. This framework highlights the Company's commitment to sustainable development and fosters a shared understanding of its sustainability policies. The policies are disseminated from SinoPac Holdings to its subsidiaries, enabling effective implementation of all sustainability initiatives. In addition, starting in 2026, the competent authority will promote the adoption of IFRS Sustainability Disclosure Standard S2 Climate-related Disclosures by listed companies in three phases. SinoPac Holdings has already begun preparations. The connection between climate and financial information will become even more integrated in the future.

At COP29, held in Azerbaijan in 2024, global leaders once again underscored the importance of sustainable finance in achieving net-zero goals. SinoPac Holdings was the first domestic financial institution to develop a net-zero commitment implementation plan based on the Financial Institution Net-zero Transition Plans – Fundamentals, Recommendations, and Guidance issued by the Glasgow Financial Alliance for Net Zero (GFANZ) in November 2022. Our objective is to establish a systematic and structured approach for achieving net-zero emissions in company operations and for giving our stakeholders a clear understanding of our net-zero actions. Regarding Scope 3 emissions from investment and lending businesses, the primary source of carbon emissions for the financial sector, we divide assets into three categories based on their climate risks and then tailor our policies for each. We will prioritize green assets as key areas for expanding green finance initiatives while phasing out assets that are stranded and lacking viable transition plans. For assets positioned between these two extremes and facing significant decarbonization pressure, we will intensify our engagement efforts to support their transition to low-carbon assets. In terms of concrete actions, we already established a plan for the gradual withdrawal from the thermal coal and unconventional oil and gas sectors. For those companies failing to demonstrate credible transition efforts, full divestment is expected by 2030. By aligning with the "Taiwan's Pathway to Net-Zero Emissions in 2050 and Overall Strategy," we have embedded sustainability as a central tenet of our corporate strategy. Guided by the principle of "Exploring Green opportunities and fulfilling sustainability commitments," we achieved notable success in 2024. We sustained our leading market share in solar PV financing and our status as the only financial institution to have received the Top Solar Awards from the Bureau of Energy, Ministry of Economic Affairs for 9 consecutive years. We have developed innovative green electricity trading trust services, affirming our leadership in promoting the free trading of green electricity in Taiwan. In

terms of underwriting business in the green energy and environmental protection industry, we continued to lead our peers in the number of projects. Internally, we continued to promote green operations, and already brought the coverage of Scope 1 and Scope 2 GHG inventories into the boundaries of our consolidated financial statements. We also continued our adoption of green power. As of year-end 2024, green electricity consumption accounted for 19% of the overall electricity consumption of SinoPac Holdings.

In 2022, the UN Biodiversity Conference (CBD COP15) adopted the Kunming-Montreal Global Biodiversity Framework (GBF), calling on companies and financial institutions to disclose their dependencies and impacts on natural capital and to actively manage nature-related risks and opportunities. SinoPac deeply recognizes the importance of natural capital and, in 2023, formally adopted the TNFD framework and LEAP approach. Combined with the TCFD disclosure standards, we identified dependencies and impacts related to ecosystem services across our business and value chain, as well as climate- and nature-related risks and opportunities. We continue to refine our disclosure methodology for climate and nature-related financial risks and opportunities by Updating forward-looking climate projections in line with global research, and Incorporating nature scenario analysis to evaluate potential risks under ecological uncertainty. In 2025, we became a TNFD Forum member and adopter, and a supporter of the Partnership for Biodiversity Accounting Financials (PBAF), demonstrating our firm commitment to natural capital transparency and sustainable development. In parallel, SinoPac actively engages in social and conservation efforts. We have partnered with the Kuroshio Ocean Education Foundation to promote marine mammal conservation, organized volunteer activities focused on marine species protection and ocean waste cleanup, and supported the Adopt a Marine Tank initiative under Business Today's Ocean Restoration 2.0 campaign to raise public awareness of marine conservation and advance the goal of a "Sustainable Ocean."

In a world facing intensifying climate change and mounting challenges, no one can stand alone. Guided by the spirit of "thriving together with the world," SinoPac Holdings remains committed to deepening our sustainable practices, growing our sustainable finance products and services, aligning with global sustainability trends, and driving positive transformation in the financial sector. We sincerely invite all our partners to join us in co-creating a better life.

SinoPac Holdings, Chairman

S.K. Chen

T o g e t h e r , a b e t t e r l i f e .



Sustainability Performance Highlights

Items (As of February 2025)

Related evaluations, assessments, or certifications
(external recognitions)

- ✓ SinoPac Holdings was selected as a constituent of the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Market Index for four consecutive years
- ✓ SinoPac Holdings was ranked in the top 5% by the S&P Global Sustainability Yearbook for four consecutive years
- ✓ SinoPac Holdings received AA (leader) from MSCI ESG Rating for three consecutive years
- ✓ SinoPac Holdings received A leadership rating from the Carbon Disclosure Project (CDP) in 2024 and has received a leadership rating for five consecutive years
- ✓ SinoPac Holdings issued the first "2023 Climate and Nature-Related Financial Disclosures Report" in 2024 and received the British Standards Institution (BSI) Level 5+: Excellence Certification, the highest grade verification in the TCFD climate related financial disclosure conformity check and maturity model, for two consecutive years
- ✓ Bank SinoPac recognized as Outstanding Bank by National Chengchi University Center for Business Sustainability first TCFD Report Evaluation



Awards-Overall sustainable developments

- ✓ SinoPac Holdings received fourth place in CommonWealth Magazine Sustainable Citizen Award Excellence in Corporate Social Responsibility Large Enterprise Group, and has been recognized by the CommonWealth Magazine Sustainable Citizen Award for five consecutive years
- ✓ SinoPac Holdings received The Asset ESG Corporate Awards Jade Award for the first time, and received the Platinum Award for four consecutive years
- ✓ SinoPac Holdings received HR Asia Best Companies to Work For in Asia for five consecutive years
- ✓ SinoPac Holdings received the Happy Enterprise Gold Award from 1111 Job Bank for four consecutive years
- ✓ SinoPac Holdings received Enterprise Asia 2024 Asia Responsible Enterprise Awards (AREA); receiving the Corporate Sustainability Reporting award for three consecutive years, the Green Leadership award for five consecutive years, the Investment in People award for four consecutive years, the Social Empowerment award for three consecutive years, and the Responsible Business Leadership award for two consecutive years
- ✓ SinoPac Holdings received the 2024 Taiwan Corporate Sustainability Awards (TCSA): Top 100 Sustainable Companies Award, Corporate Sustainability Reporting Platinum Award (Finance and Insurance Industry), Climate Leadership Award, Information Security Leadership Award, Creative Communication Leadership Award, Workplace Wellbeing Leadership Award, Social Inclusion Leadership Award, GCSA Sustainability Reporting Silver Award
- ✓ SinoPac Holdings received "First Prize for Social Innovation Products and Services in 2024 Buying Power" from the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs
- ✓ SinoPac Holdings received the Ministry of Environment Excellence for Corporate Green Procurement for four consecutive years
- ✓ Bank SinoPac received the 2024 Taiwan Corporate Sustainability Awards (TCSA) Gender Equality Leadership Award, Growth Through Innovation Leadership Award
- ✓ Bank SinoPac received FinanceAsia 2024 Asia's Best Companies Most Committed to ESG in Taiwan Bronze Award and Best Mid-Cap Company in Taiwan Bronze Award

Awards-Sustainable/innovative products and services

- ✓ SinoPac Holdings received International Business Magazine Best Information Security Leadership Award and Social Welfare Development Award
- ✓ Bank SinoPac became the only company in Taiwan to receive the Ministry of Economic Affairs Energy Administration Best Financial Service Provider Award for nine consecutive years
- ✓ Bank SinoPac received TCSA Executive Committee 2024 Taiwan Sustainable Action Award (TSAA) Gold Award for SDG11 Sustainable Cities and Communities: SinoPac Store Power Up Project and Bronze Award for SDG13 Climate Action: Energy Saving and Carbon Reduction in Our Own Operations
- ✓ Bank SinoPac received TCSA Executive Committee 2024 Asia-Pacific Sustainable Action Award (APSAA) Gold Award for SDG4 Quality Education: Home from Above: Sustainable Harvest and Gold Award for SDG7 Affordable and Clean Energy: Establishing a Sustainable Green Energy Ecosystem
- ✓ Bank SinoPac received 2024 Joint Credit Information Center Golden Excellence Award and Special Contribution Award for Sustainable Financing
- ✓ SinoPac Holdings subsidiaries Bank SinoPac, SinoPac Securities, SinoPac Securities Investment Service Corporation, and SinoPac Securities Investment Trust received 2024 Taiwan Sustainable Investment Awards (TWSIA) Bronze Award for Corporate Engagement in Institutional Influence Category, Excellence Award for Institutional Influence in Securities Company, Gold Award of Sustainability Thematic Investment Award in The Exemplary Case Impact Recognition, Role Model Award of Securities Investment Trust Group in The Institutional Leadership Award, and Gold Award for ESG Innovation in Institutional Influence Group
- ✓ Bank SinoPac received Taiwan Academy of Banking and Finance 12th Taiwan Banking and Finance Best Practice Awards Best Risk Management Award Elite Award, Best Green Finance Project Award-Elite Award, Best Digital Finance Award Elite Award



Company Overview

SinoPac Financial Holdings Company Limited (hereinafter SinoPac Holdings, the Company, we, us, or our) consists of subsidiaries in a wide range of financial services including banking, securities, securities investment trusts, leasing, and venture capital. SinoPac Holdings also maintains overseas service locations in Hong Kong, Macao, Nanjing, Shanghai, Guangzhou, Chongqing, Chengdu, Yinchuan, Dongguan, Kunshan, Xiamen, Vietnam, Thailand, Myanmar, and Los Angeles, providing customers with complete and comprehensive financial solutions through this financial landscape.

Profile of SinoPac Holdings

NT\$ million (as of year-end 2024)	
Headquarters	Taipei, Taiwan
Establishment	May 9, 2002
Paid-in capital	126,959
Total assets	3,068,775
Total number of employees	9,776
Industry	Finance and insurance
TWSE stock code	2890



SinoPac Holdings Subsidiaries

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 (including a Banking Division) and an Offshore Banking Unit in Taiwan, Bank SinoPac has overseas branches in Hong Kong, Kowloon, Macau, Los Angeles, and Ho Chi Minh City, as well as a Vietnam Representative Office. Bank SinoPac has also invested in subsidiaries such as SinoPac Insurance Brokers Limited, Bank SinoPac (China), and Amret PLC (Cambodia)^{Note 1} to offer customers a full range of services. ^{Note 1} In January 2025, Bank SinoPac completed the transfer of 80% equity in Amret PLC, making it a consolidated entity of the Group
SinoPac Securities	SinoPac Securities services include stockbroking, proprietary trading, underwriting, international business, fixed income, and new financial products. SinoPac Securities is one of Taiwan's leading integrated securities companies with 44 service locations, including overseas service locations in Hong Kong and Shanghai.
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 (hereinafter "SinoPac SITC") offers a wide variety of products to satisfy diversified investment and financial needs, including mutual funds, ETF, private placement funds, 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 integrated financial services of the SinoPac Holdings group of companies. SinoPac Venture Capital currently has 1 operating location.

About This Report

Since 2022, SinoPac Holdings has adhered to the Recommendation of Task Force on Climatedrelated Financial Disclosures (TCFD) released by the Financial Stability Board (FSB) and the "Guidelines for Financial Disclosures Related to Climate Risks by Domestic Banks" issued by the Financial Supervisory Commission R.O.C. (Taiwan) to identify our climate risks and opportunities, which are disclosed in the TCFD Report. Additionally, starting in 2023, SinoPac Holdings began identifying nature-related dependencies, impacts, risks, and opportunities using the framework released by the Taskforce on Nature-related Financial Disclosures (TNFD); this information is disclosed alongside climate-related content in our Climate and Nature-Related Financial Disclosures Report (hereafter "this Report").

This Report encompasses the Company and five major subsidiaries, Bank SinoPac, SinoPac Securities, SinoPac Securities Investment Trust, SinoPac Leasing, and SinoPac Venture Capital, which account for 99.40% of consolidated revenues and 90.59% of consolidated number of employees in the Group. These companies are collectively referred to as SinoPac Holdings in this Report (inconsistencies in scope, if any, are specifically detailed within this Report). This Report aims to aid the public and related stakeholders in understanding our assessments and measures related to the four aspects of Governance, Strategy, Risk Management, and Metrics and Targets. This Report also provides specific explanations of scenario analyses for physical and transition risks. By reviewing the progress of climate and nature-related strategies, the Company expect to work together with stakeholders to promote sustainable corporate development.

The first section on Governance details the supervisory, management, and monitoring governance processes, controls, and procedures carried out by our governance units and executives for climate and nature-related risks and opportunities. The second section on Strategy clarifies our responses to and financial impacts of climate and nature risks and opportunities; puts forward short, medium and long-term assessments and plans; describes our achievements; analyzes the biodiversity impacts of our value chain; assesses dependencies and impacts on natural environments; and describes our identified nature-related risks and opportunities. The third section on Climate and Nature Scenario Analysis details our business, strategic, and financial planning risks and opportunities under different climate and nature scenarios, and reviews the resilience of our formulated strategies. The fourth section on Risk Management lays out our management processes for identified risks and corresponding plans for business continuity, and explains how climate and nature-related issues are incorporated into investment and lending. The fifth section on Metrics and Targets not only discloses fundamental environmental information, but also provides further details of low-carbon investment and lending and exposure to industries with high climate risks.

The reporting period spans the whole of 2024 (January 1 to December 31, 2024). This Report was checked by a third-party organization, which has issued a TCFD conformity statement for climate-related financial disclosures. All disclosed environmental data have passed ISO14064-1, 14001, and 50001 verifications. This Report will be updated and issued on an annual basis. Both the Chinese and English versions of this Report can be downloaded from the [SinoPac Holdings website](#).



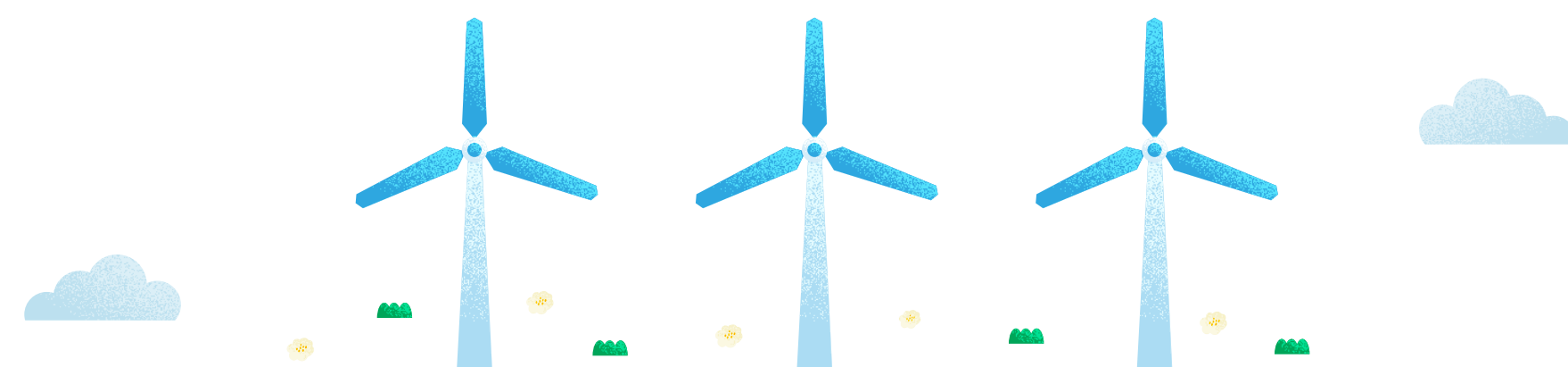
SinoPac Holdings Climate and Nature Governance Progress

2022

- ✓ DJSI: Listed as a constituent of Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index.
- ✓ MSCI ESG Ratings: Ranked AA (leader).
- ✓ CDP: Rated Leadership A- from CDP for three consecutive years.
- ✓ Decarbonization commitment: Established a more proactive decarbonization policy.
- ✓ GSS bonds: Cumulative issuance of NT\$8.4 billion in GSS bonds.
- ✓ SBT: Signed the SBTi commitment letter in and submitted science-based targets for validation..
- ✓ Net Zero Commitment: Achieve net zero emissions in our own operations by 2030 and financial portfolios by 2050.
- ✓ GHG Inventory: Achieved 100% coverage of domestic and overseas business sites.
- ✓ Use of Green Electricity : Signed a Power Purchase Agreement (PPA) and planned to import 3.30 million kWh of green electricity each year.
- ✓ Internal Carbon Pricing: Implemented internal carbon pricing mechanisms.

2024

- ✓ DJSI: Listed as a constituent of Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index.
- ✓ MSCI ESG Ratings: Ranked AA (leader) for three consecutive years.
- ✓ CDP: Rated Leadership A from CDP in 2024 and received a leadership level rating for five consecutive years.
- ✓ GSS bonds: Cumulative issuance of NT\$11.4 billion in GSS bonds.
- ✓ Decarbonization commitment: Expanded decarbonization business restrictions and continued to develop more proactive decarbonization policy^{Note 2}.
- ✓ SBT: Received SBTi validation for our science-based GHG reduction targets. .
- ✓ TNFD: Joined Taskforce on Nature-Related Financial Disclosures (TNFD) as Forum Member and Adopter^{Note 3}.
- ✓ PBAF: Became Partnership for Biodiversity Accounting Financials (PBAF) Supporter^{Note 4}.
- ✓ Use of Green Electricity : As of year-end 2024, SinoPac Holdings has signed PPAs to import 8.78 million kWh of green electricity each year.

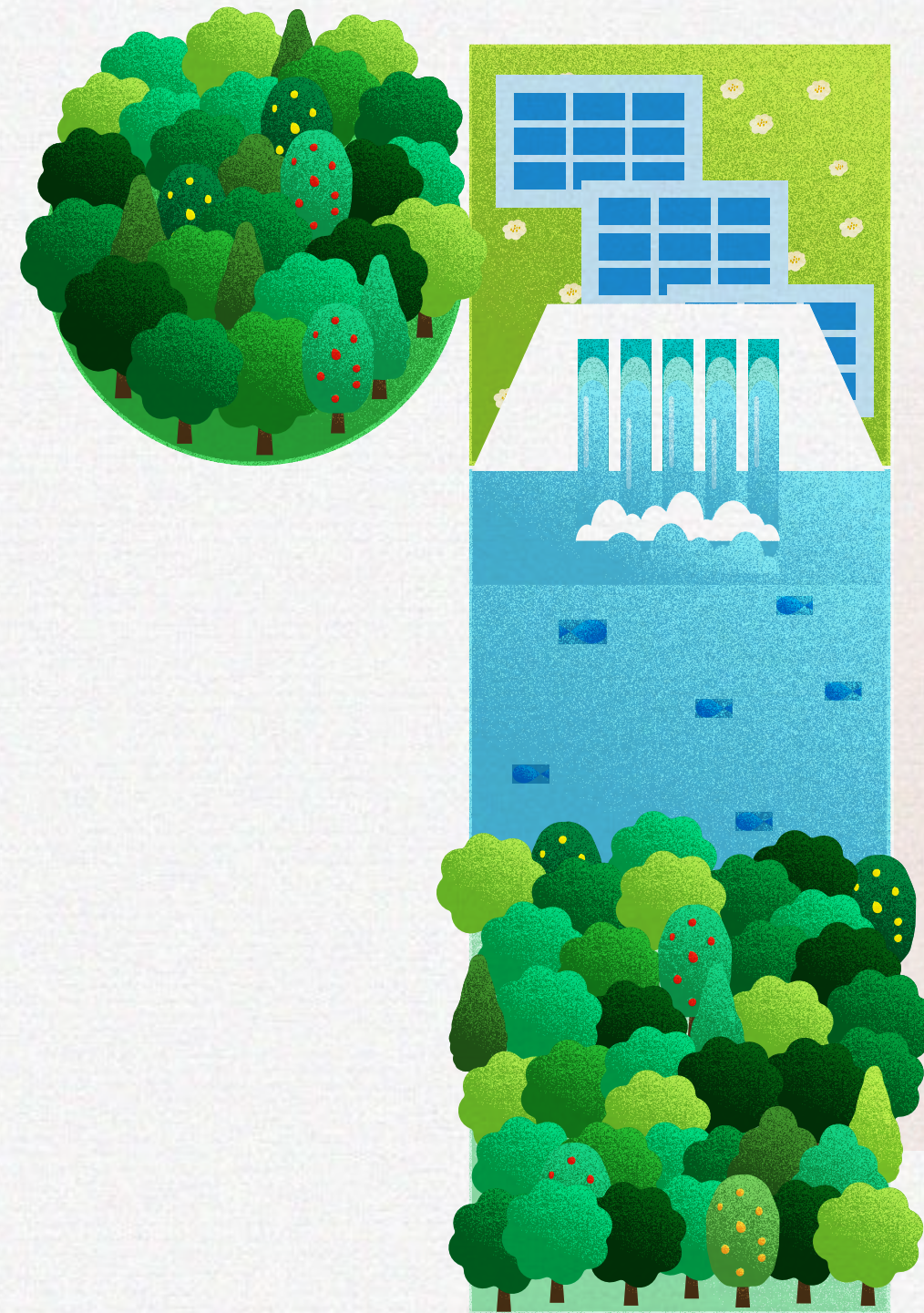


^{Note 1 and Note 2:} SinoPac Holdings expanded decarbonization scope to include investment and lending of thermal coal mining and thermal coal-fired power generation starting on July 1, 2023, and stopped underwriting fixed income products for overseas companies associated with thermal coal mining, power generation, and unconventional oil and gas starting on July 1, 2024. SinoPac Holdings is continually working to develop a more proactive decarbonization policy. Please refer to [the website for the latest developments](#).

^{Note 3 and Note 4:} SinoPac Holdings officially joined these organizations in February 2025.

2023

- ✓ DJSI: Listed as a constituent of Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index.
- ✓ MSCI ESG Ratings: Ranked AA (leader) for two consecutive years. .
- ✓ CDP: Rated Leadership A- from CDP for four consecutive years, and rated Leadership A in CDP Supply Chain Engagement Rating 2023.
- ✓ GSS bonds: Cumulative issuance of NT\$10.4 billion in GSS bonds.
- ✓ Decarbonization commitment: Expanded decarbonization business restrictions and continued to develop more proactive decarbonization policy^{Note 1}.
- ✓ PCAF: Joined the Partnership for Carbon Accounting Financials (PCAF), aligned with international carbon inventory standards, and expanded PCAF carbon inventory items to include inventory of facilitated emissions, avoided emissions, and financed emissions of SITC asset management businesses.
- ✓ ISO 14064: Scope 3 financed emissions were verified in accordance with ISO 14064-1:2018 standards.
- ✓ Use of Green Electricity : Signed a Power Purchase Agreement (PPA) and plans to import 6.74 million kWh of green electricity each year.
- ✓ Carbon Credit Trading: Purchased 10,000 tons of carbon credit in first batch of transactions on Taiwan Carbon Solution Exchange.
- ✓ Internal Carbon Pricing: Expanded of internal carbon pricing mechanisms to SinoPac Holdings and its one down level subsidiaries.



Governance

1.1 Governance Framework

1.2 Board of Directors Responsibilities

- 1.2.1 Board Supervision of Climate and Nature-Related Issues
- 1.2.2 Climate and Nature Governance Decision-Making
- 1.2.3 External Consultants
- 1.2.4 Board of Directors Training

1.3 Senior Management Responsibilities

- 1.3.1 Links with Sustainability Performance
- 1.3.2 Senior Management Education and Training

1.4 Human Rights Governance

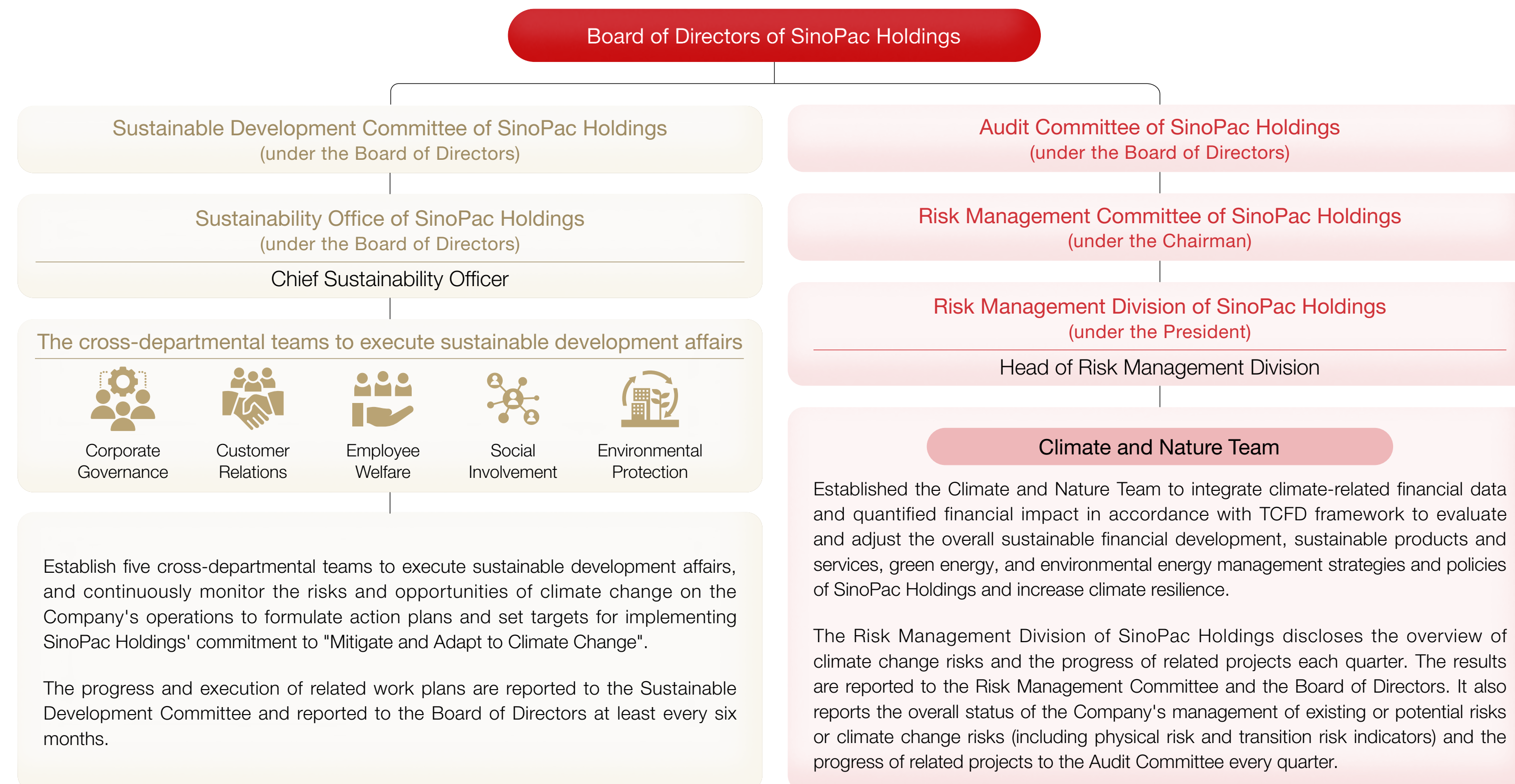
- 1.4.1 Due Diligence Procedures for Human Rights Issues

G O V E R N A N C E

1.1 Governance Framework

SinoPac Holdings continues to focus on responses to and management of climate change risks and has set "Mitigate and Adapt to Climate Change" as one of the Company's three major sustainability commitments. The Board of Directors is the highest governance unit for climate and nature-related issues, and is responsible for ultimate supervision and management responsibilities for climate and nature-related issues. The "Sustainable Development Committee" has been established under the Board of Directors, and the "Risk Management Committee" has been established under the governance of the Chairman to supervise and manage key issues related to sustainable operations, climate change, the implementation of climate and nature-related strategies, as well as associated risks and opportunities.

SinoPac Holdings Climate Governance Structure



The Company established the "Sustainable Development Committee" under the Chairman, who also chaired the Committee, with the President of the Company and the chairmen and presidents of major subsidiaries serving as members. The Committee set up five teams to plan, promote, and manage action plans and targets for climate change-related risks and opportunities to fulfill SinoPac Holdings' sustainability commitment to "mitigating and adapting to climate change". The implementation status was reported to the Board of Directors every six months. To further enhance the management of sustainable development, starting from July 1, 2024, our Company has elevated the Sustainable Development Committee to a functional committee of the Board of Directors. Currently the Sustainable Development Committee consists of a total of 9 Directors from SinoPac Holdings and its subsidiaries, including 3 independent directors of the Company, and the Chairman of the Company serves as the convener and chair of the Committee. In the meanwhile, the Company has also established a Sustainability Office under the Board of Directors, serving as a dedicated unit for sustainable development. The Sustainability Office encompasses five cross-departmental teams responsible for the implementation of sustainability-related tasks including climate change-related issues.

The Company established the "Risk Management Committee" under the Chairman, who also chairs the Committee, with two external members, the President of SinoPac Holdings and the Chairman of Bank SinoPac serving as members. The Committee manages climate and nature-related risks to strengthen climate and nature-related resilience. SinoPac Holdings incorporated climate change risks into the "Risk Management Policy" and established the "Guidelines for the Management of Climate-Related Risks and Opportunities" to improve the management mechanisms of climate risks and opportunities. The Risk Management Division of SinoPac Holdings discloses the overview of climate change risks and the progress of related projects each quarter, and the results are reported to the Risk Management Committee and the Board of Directors. It also reports the overall status of the Company's management of existing or potential risks or climate change risks (including physical risk and transition risk indicators) and the progress of related projects to the Audit Committee every quarter. Starting in 2024, the Risk Management Division began disclosing nature-related risks in risk management reports submitted to the Risk Management Committee, the Audit Committee, and the Board of Directors. The Risk Management Committee established the "Climate and Nature team" and the Risk Management Division serves as the organizing unit, integrate climate-related financial data and quantified financial impact in accordance with TCFD framework to evaluate and adjust the overall sustainable financial development, sustainable products and services, green energy, and environmental energy management strategies and policies of SinoPac Holdings.

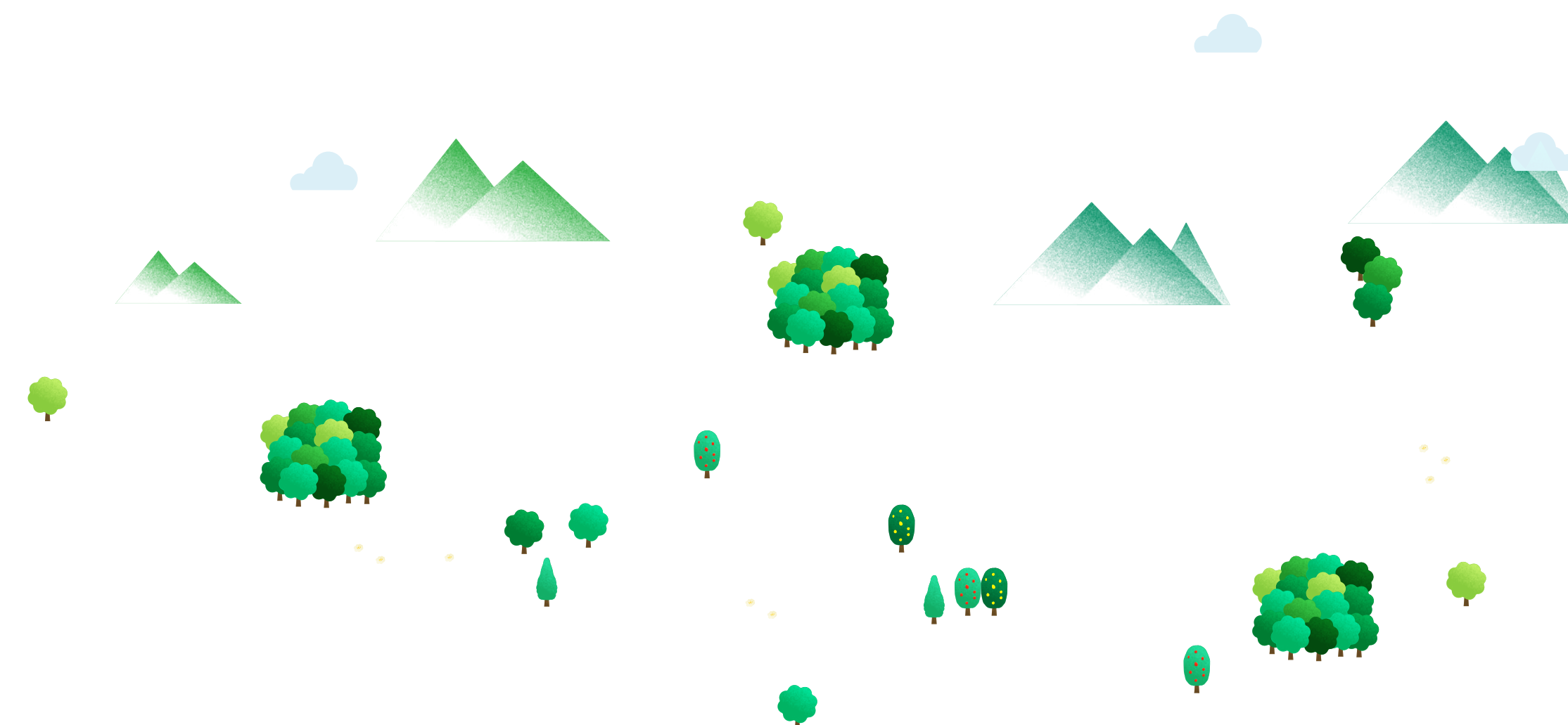
The Climate and Nature Team adheres to the four major TCFD aspects (governance, strategy, risk management, and metrics and targets) in disclosing climate information, and adheres to the TNFD (Taskforce on Nature-Related Financial Disclosures) framework and LEAP (Locate, Evaluate, Assess and Prepare) analysis methodology in managing climate and nature-related information. The 5 main tasks of the team are shown in the table below:

Main tasks of Climate and Nature Team

Specifying quantitative climate and nature scenario analysis and financial impacts ✓ Follow climate risk assessment methods and processes to identify transmission routes with other risks (credit risks/market risks/operational risks and liquidity risks) based on client and asset portfolios. ✓ Specify quantitative scenario analyses and financial impacts of climate physical risks and transition risks. ✓ Specify qualitative and quantitative scenario analyses and financial impacts of nature dependencies and impacts.	Establishing corresponding operational strategies, financial plans, and mitigation and adaptation measures for climate resilience ✓ Identify impacts of climate risks on operations, strategies, products, and financial plans based on different climate change scenario analyses, then formulate corresponding operational strategies, financial plans, and mitigation and adaptation measures for climate resilience. ✓ Formulate management measures for clients and assets with high climate risks.
Formulating nature-related risk management measures and strategies ✓ Conduct biodiversity hotspots analysis of own real estate/operating sites and upstream & downstream value chain sectors. ✓ Assess nature-related dependencies and impacts of investment and lending portfolios by industry and selected corporations. ✓ Identify nature-related risks and opportunities.	
Formulating climate indicators and targets ✓ Set key metrics and formulate short/medium/long-term targets for investment and lending portfolios based on risk appetite. ✓ Establish integrated climate risk management dashboard for continuous management and monitoring of metrics and targets.	Compiling climate and nature-related financial disclosure reports ✓ Compile independent climate and nature-related financial disclosure reports based on the recommended disclosure framework (governance, strategy, risk management, and metrics and targets).

SinoPac Holdings is well aware of its influence and responsibility in guiding the capital flows. In December 2021, the Sustainable Development Committee formulated short, medium, and long-term net zero targets which were approved by the Board of Directors in January 2022. In March 2022, the Board of Directors approved a net zero commitment to achieve net zero emissions in own operations by 2030 and financial portfolios by 2050, enabling SinoPac Holdings to contribute to net zero emissions in Taiwan through sustainable finance.

As a solid member of the Business Council for Sustainable Development of Taiwan (BCSD Taiwan), SinoPac Holdings supports the Council in promoting various international sustainability initiatives and proposes policy recommendations as appropriate. In alignment with BCSD initiatives, SinoPac Holdings became a founding member of the "Sustainable Finance Implementation Platform" and the "Taiwan Nature Positive Initiative (TNPI)" in 2021 and 2022, respectively. Natural capital, nature, and biodiversity have become sustainability issues of global concern in recent years, are intertwined with climate change issues, and are also key factors for achieving net zero emission targets by 2050. Bank SinoPac collaborates with SinoPac Holdings in using practical actions to demonstrate emphasis and commitment toward these issues, proactively supporting prospective concepts and discussions that benefit sustainability promotions and sustainable industrial transformations. We also worked with BCSD to expand our sustainability influence, for example by releasing "Industrial Net Zero Transformation Strategy Recommendations: Corporate Perspective" in 2022 and by supporting publication of "Connecting Finance and Natural Capital (Chinese version)" in 2023. SinoPac Holdings and Bank SinoPac collaborated with BCSD again in 2024, selecting energy, building, and textile materials industries with critical impacts on climate and nature, inviting academic and industry experts to jointly discuss and explore possible action pathways and corresponding tasks and measures for these three industries in the face of climate net zero, and nature challenges; these discussions were compiled to create the "[Positive Industry Climate and Nature Actions Guidelines](#)" to identify positive climate and nature solutions.



1.2 Board of Directors Responsibilities

1.2.1 Board Supervision of Climate and Nature-Related Issues

The Board of Directors is the highest governance unit for climate change and nature-related issues at SinoPac Holdings, and is responsible for the ultimate supervision and management of climate and nature-related issues. The Board of Directors has established the Sustainable Development Committee, while the Chairman oversees the Risk Management Committee. These committees are responsible for managing critical issues related to the implementation of sustainable operations and climate change strategies, and the identification of related risks and opportunities.

To fully understand the impacts of climate and nature risks on the Company operation, the Board members actively participate in training programs related to sustainability, climate, and nature, and also engage in ESG forums. We also hire external consultants to aid establishment of climate and nature governance frameworks, and to promote sustainable developments to facilitate management and implementation of corporate sustainability matters and climate and nature issues at SinoPac Holdings.

[The SinoPac Holdings 8th Board of Directors](#) is composed of seven directors (including three independent directors) who have solid expertise in sustainable issues. Chairman Shi-kuan CHEN serves as the executive supervisor of BCSD, Independent Director Wei-ta PAN serves as a director of the ESG World Citizens & Digital Governance Foundation in Taichung City, and Independent Director Huey-jen SU is a public health scientist with expertise in sustainable development, climate change, and environmental science who has served as a committee member of the Executive Yuan National Council for Sustainable Development for many years and is currently a member of the Presidential Office National Climate Change Committee. The Board members lead SinoPac Holdings in proactive participation of corporate sustainable developments and ESG matters, and continue to pay close attention to climate change and environmental sustainability issues.

The Risk Management Division of SinoPac Holdings discloses the overview of climate change risks and the progress of related projects each quarter, and the results are reported to the Risk Management Committee and the Board of Directors. It also reports the overall status of the Company's management of existing or potential risks or climate change risks (including physical risk and transition risk indicators) and the progress of related projects to the Audit Committee every quarter. Starting in 2024, the Risk Management Division began disclosing nature-related risks in risk management reports submitted to the Risk Management Committee, the Audit Committee, and the Board of Directors. To achieve our "Mitigate and Adapt to Climate Change" sustainability commitment, the Sustainable Development Committee tracks management implementations every quarter and the results are reported to the Board of Directors every six months.

1.2.2 Climate and Nature Governance Decision-Making

Sustainable development issues are included in Board meeting agendas once every six months, effective July 1, 2024, the Company elevated the Sustainable Development Committee to a functional committee under the Board of Directors, with meeting records being submitted to the Board.

SinoPac Holdings expanded decarbonization business restrictions and continues to develop more aggressive decarbonization policy. As of July 1, SinoPac Holdings has expanded the scope of decarbonization policy to include investment and lending of thermal coal mining and thermal coal-fired power generation and, starting from July 1, 2024, no longer underwrites fixed income products for thermal coal mining or thermal coal-fired power generation companies, as well as overseas unconventional oil and gas related companies. SinoPac Holdings continues to monitor the net zero transition plans, action plans, and achievements of corporate clients, setting corporations with carbon reduction pressures as priority engagement targets and collaborating with third parties on joint engagement activities when necessary to encourage or support our clients in focusing on net zero issues and adopting active actions.

1.2.3 External Consultants

SinoPac Holdings hired external consultants to provide TCFD consulting services, assess financial impacts from physical/ transition risks, create climate risk heatmaps, strengthen climate risk management mechanisms, and provide TCFD training in 2022, 2023, and 2024. The Company also worked with external consultants to promote net zero projects encompassing PCAF carbon inventories on our investment and lending portfolio, setting SBTs, and receiving SBTi validation; these tasks were incorporated into our short, medium, and long term sustainability plans. SinoPac Holdings joined SBTi in August 2022, completed submission of SBTs at the end of 2022, and obtained SBTi validation in January 2024. Please refer to the [SinoPac Holdings corporate website](#) for more information.

1.2.4 Board of Directors Training

All directors of SinoPac Holdings completed 97 hours of training in 2024, including 37 hours of climate-related training covering Corporate Governance 3.0 disclosure requirements and development trends of green industries. SinoPac Holdings and subsidiary directors also participated in ESG forums to proactively respond to net zero actions and business opportunities in the financial industry.

Participating Directors (SinoPac Holdings)	Course Title	Hours
Shi-kuan CHEN, Huey-jen SU, Wen-ling MA, Wei-thyr TSAO	Global trends and business opportunities related to low-carbon economics and corporate low-carbon innovations	3 (12 hours in total)
Shi-kuan CHEN, Wei-thyr TSAO	Aligning with international carbon trading to unlock new business opportunities	3 (6 hours in total)
Wei-ta PAN	Corporate governance, sustainable finance, corporate supply chain risks, and associated cases	2
	Corporate carbon management under the Climate Change Response Act	3
Huey-jen SU	10th International Conference on Trends of Sustainability 2024	5
Wen-ling MA	CDP Disclosure Workshop: Empowering the Carbon Era with Sustainable Knowledge	3
Stanley CHU	Director, supervisor, and corporate governance officer course series: Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventories	3
Chi-hsing YEH	Corporate governance lecture: Impact investments and SDG actions	3

1.3 Senior Management Responsibilities

1.3.1 Links with Sustainability Performance

Remuneration policies for senior management at SinoPac Holdings are linked to short-term, medium-term, and long-term (next 3 years) performance targets. SinoPac Holdings has established the "Long-Term Incentives and Remuneration Program" for the Presidents and Vice Presidents (senior executives) of SinoPac Holdings and associated subsidiaries. The Sustainability indicator is additionally account for 15% and has been included in annual assessment targets for 2024-2026 to encourage promotion of medium-term and long-term sustainability actions.

Each year, SinoPac Holdings conducts performance management procedures for all employees, and performance results are linked to individual remuneration through the following mechanisms: Sustainability indicators account for at least 10% of 2024 annual targets for the SinoPac Holdings President and department KPI scores. All departments formulate plans for related indicators which are incorporated into annual performance targets for first-tier managers in each department, and these targets are linked to variable bonuses for the year.

Relevant performance targets are continually optimized in response to stakeholder expectations and to exert our financial influence. (Please refer to [5.3 Performance and Remuneration Systems](#) for information on climate performance indicators.)

1.3.2 Senior Management Education and Training

Senior managers completed 7,532 hours of training, of which 558 hours were related to climate issues, including a series of courses on sustainable financial trends, experiences of benchmark enterprises, net zero trends, and corporate social responsibility.

Sustainable finance trends	Discussions on new trends in financial developments under net zero pathways		Green finance technologies and diverse business model innovations		
Experiences of benchmark enterprises	Global Views Monthly "Seeing the Future of Sustainability from COP29"		Chunghwa Telecom "Mutual Benefits from ESG Empowerment and New SinoPac Vision"	Synnex "Light and bright: Discussions on business management"	
Net zero transformations in practice	Net zero emissions education and training	Standard operating procedures for analyzing net zero transformations	Global trends and business opportunities related to low-carbon economics and corporate low-carbon innovations	Renewable energy developments and practices in Taiwan	Internal carbon pricing applications in investment and financing: Case studies and discussions
Corporate social responsibilities	Sustainability I DO commitment: Environmental protection, energy conservation, and human rights commitments		Sustainable finance literacy courses for all employees	Dialogue with the Ocean lecture	Sustainability EASY TALK with the Chairman

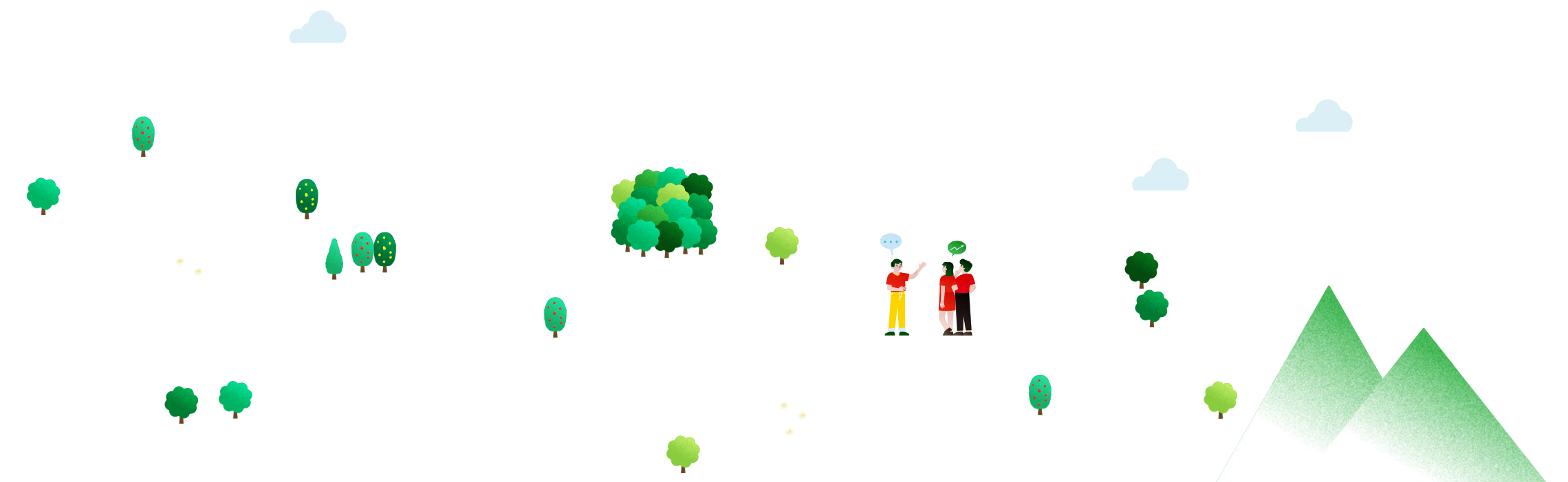
1.4 Human Rights Governance

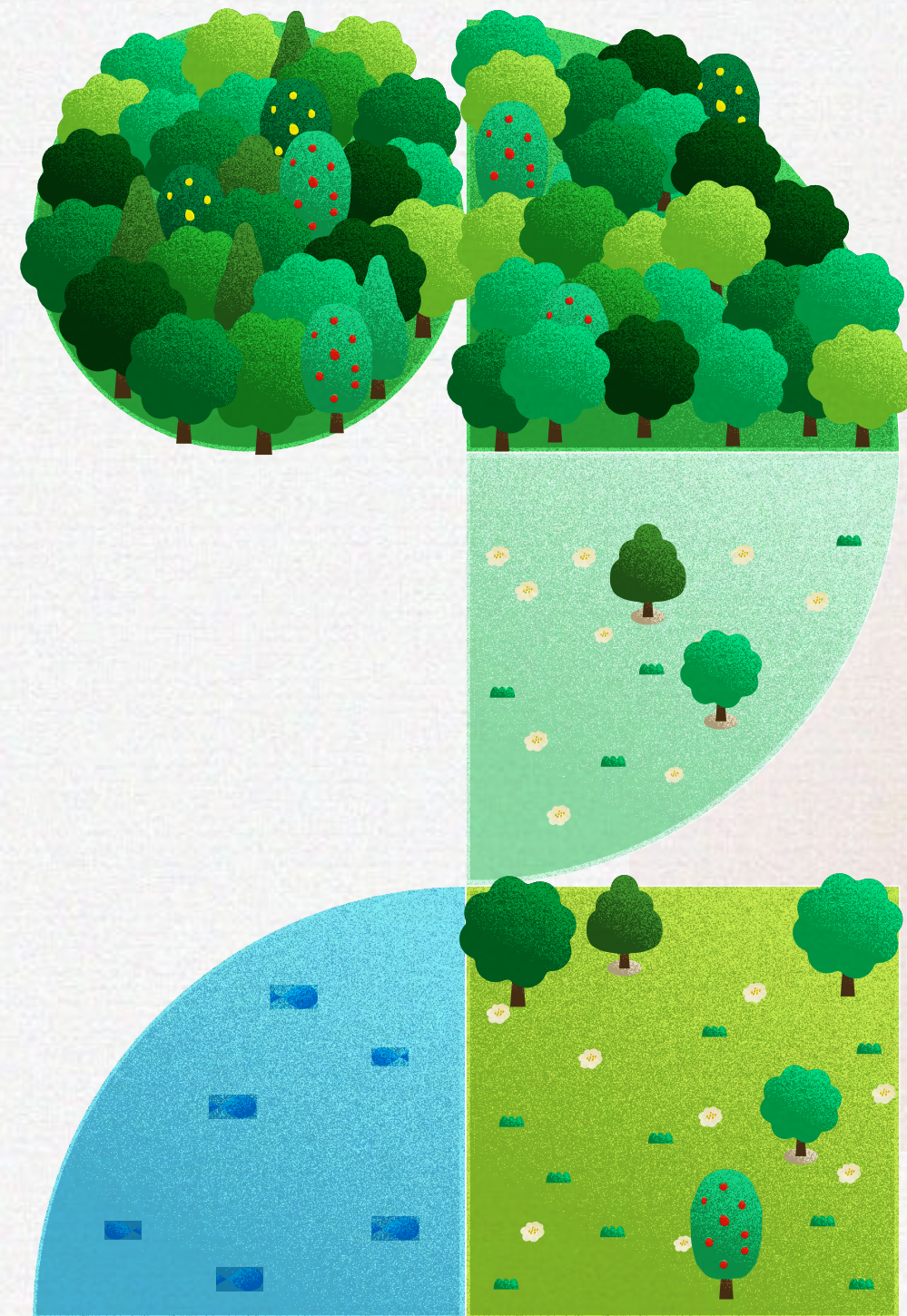
SinoPac Holdings has established the "Human Rights Policy" which includes regulations encompassing collaboration partners, upstream suppliers, and downstream clients. We also review client policies to avoid suppliers and clients with involvement in forced labor, child labor, human trafficking, and violations of the right to work. We respond to international human rights trends and exert our corporate influence by adhering to the disclosure principles of all international human rights conventions.

1.4.1 Due Diligence Procedures for Human Rights Issues

Since 2019, SinoPac Holdings has regularly conducted human rights issue assessments to review its operations and value chain (including those of suppliers and customers) and to gather stakeholder feedback on human rights risks. In 2024, we conducted surveys to identify the upstream, midstream, and downstream human rights issues in our value chain, and proposed countermeasures to mitigate human rights risks (please refer to [SinoPac Holdings 2024 Sustainability Report 2.3.8.3 Value Chain Risk Identification Results and Mitigation Measures](#)).

SinoPac Holdings reviews the appropriateness of remediation measures based on the results of due diligence processes, integrates the applicable scope of human rights risks, and tracks the occurrence of risk incidents. In the event of critical human rights incidents, remediation measures are formulated in accordance with relevant regulations or operational standards. SinoPac Holdings human rights policies and mitigation & remediation measures apply to SinoPac Holdings and all subsidiaries. We have established an employee-side Personnel Review Committee. Any human rights violations are included in the committee's agenda, where the compliance of relevant regulations is reviewed, and preventive measures are developed to reduce likelihood of recurrence. We prevent suppliers from incurring human rights violations through regular supplier conferences and by requiring suppliers to sign Supplier Sustainability Commitment. On the business side, we assess whether companies adhere to human rights factors during investment/lending assessments, and also include these factors in assessment items for future collaborations.





Strategy

2.1 Climate and Nature-Related Risks and Opportunities

- 2.1.1 Process for Identifying Risks and Opportunities
- 2.1.2 Identified Climate and Nature Risks
- 2.1.3 Identified Climate and Nature Opportunities

2.2 Climate and Nature Strategies and Actions

2.3 Strategies for Nature-Related Risks

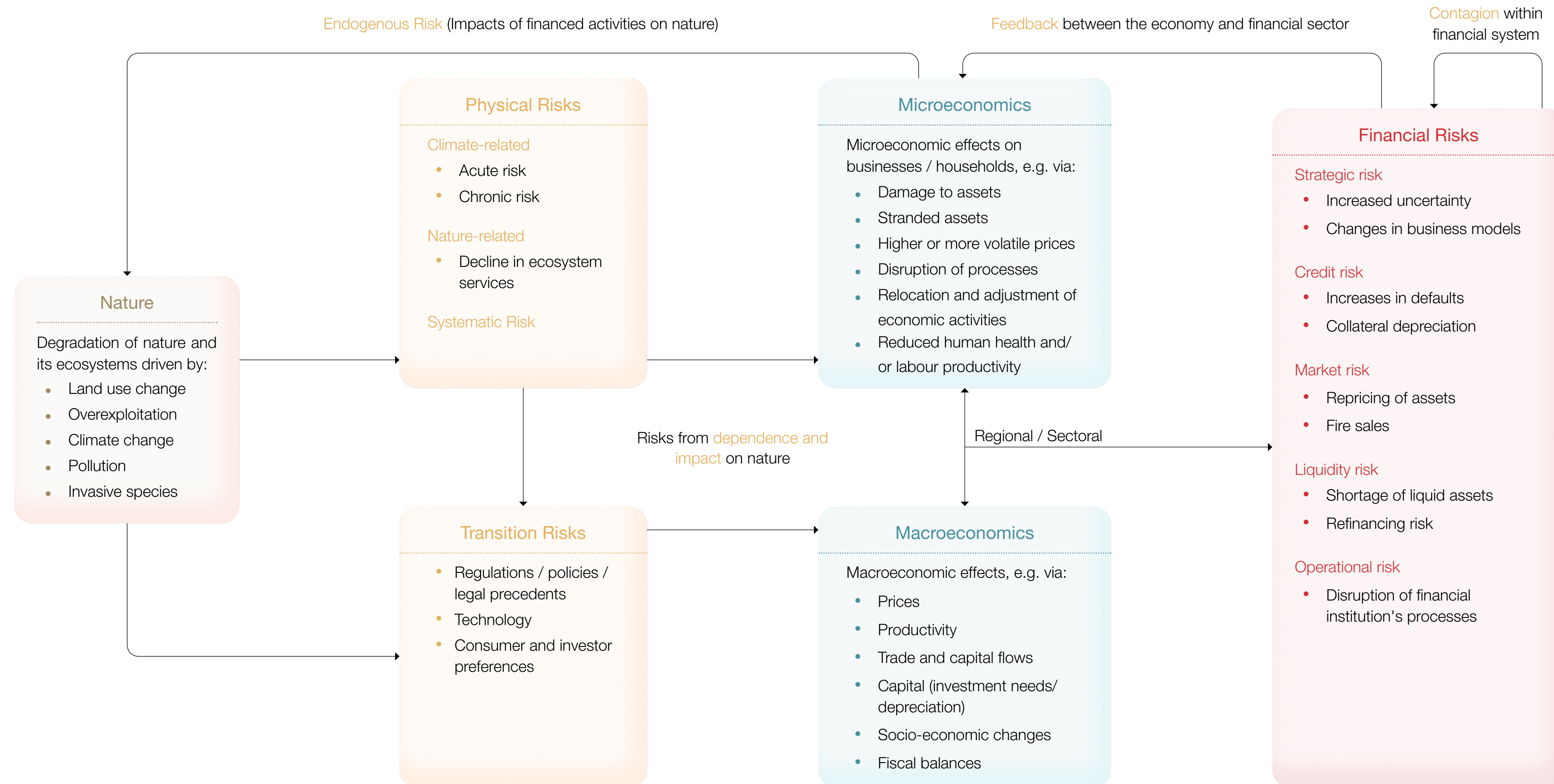
- 2.3.1 Biodiversity Hotspot Analysis
- 2.3.2 Nature-Related Dependencies and Impacts Evaluation

2.4 Green Strategies

- 2.4.1 Green Operations
- 2.4.2 Green Investments and Financing
- 2.4.3 Green Procurement

S T R A T E G Y

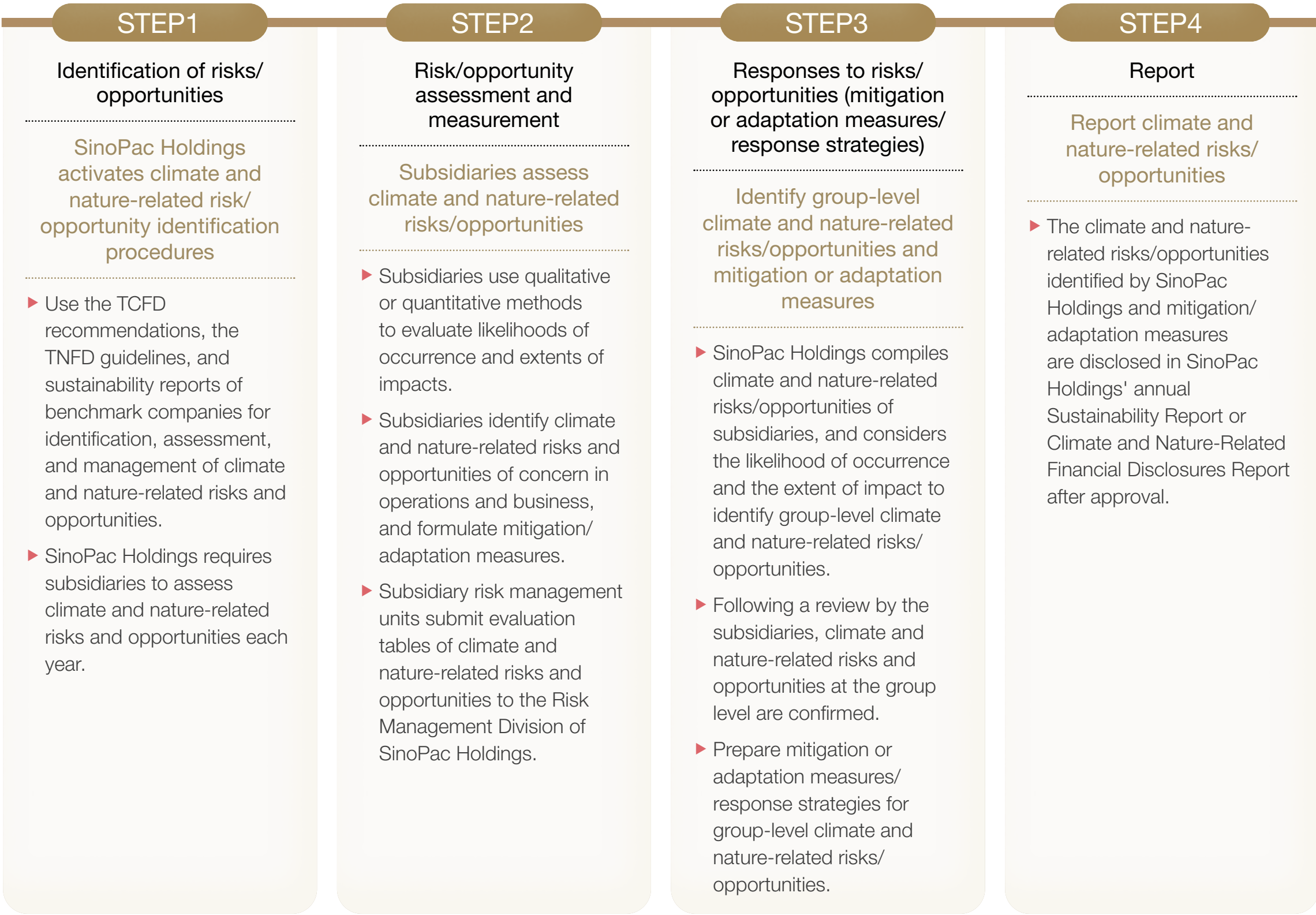
Risks from climate change and ecosystem degradation affect corporate operational activities, capital allocation, and risk management, which in turn create potential impacts on financial business activities and impair asset values. Conversely, mitigating and adapting to climate change and ecosystem degradation can support sustainable development in industrial and economic activities. In response to the 15th GBF action goal, SinoPac Holdings has adhered to the TCFD and TNFD disclosure guidelines to conduct a preliminary assessment and understanding of climate- and nature-related dependencies, impacts, risks, and opportunities. The figure below illustrates the transmission pathways of climate and nature-related risks.



2.1 Climate and Nature-Related Risks and Opportunities

Climate change and losses in natural capital have significant impacts on corporate and social environments. In order to monitor specific impacts of climate change and natural risks as well as strengthen responses to climate and nature-related issues, the Risk Management Division of SinoPac Holdings creates climate and nature-related risk and opportunity assessment tables each year, and references climate and nature-related regulations and reports released by domestic and foreign institutes. The risk management units of all subsidiaries are responsible for identifying climate- and nature-related risks and opportunities.

2.1.1 Process for Identifying Risks and Opportunities



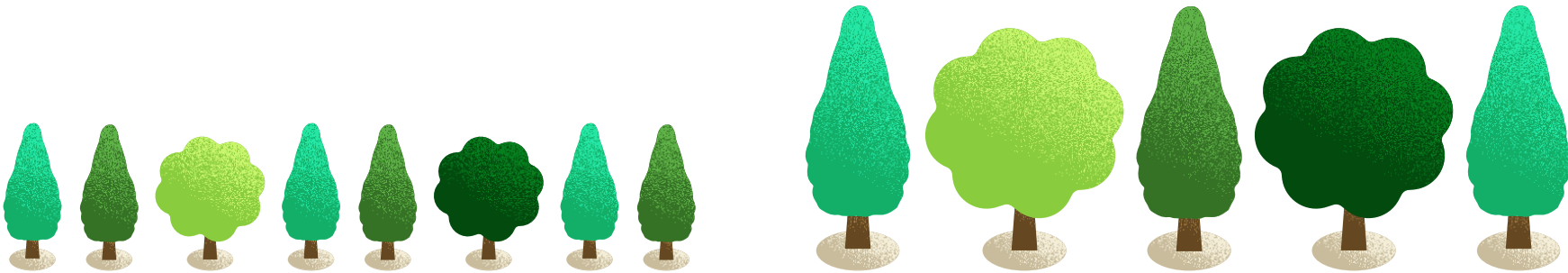
To implement sustainable development roadmaps and strengthen ESG risk management mechanisms, SinoPac Holdings incorporated climate change risks into our Risk Management Policy and established the "Guidelines for the Management of Climate-Related Risks and Opportunities" to evaluate group-level climate-related risks and opportunities in our own operations, measure the impact of risks and opportunities on financial/business plans and strategies, and formulate mitigation and adaptation actions in response to climate change and nature-related risks. Additionally, SinoPac Holdings established the "Natural Disaster Emergency Response Guidelines" and emergency notification procedures and response handling guidelines to strengthen emergency response capabilities to natural disasters and other major emergencies.

SinoPac Holdings did not adjust the climate and nature-related risk and opportunity identification process this year. In the process of identifying climate and nature-related risks and opportunities, the Company comprehensively considers "time of occurrence," "likelihood," and "extent of impact"^{Note}. The scores identified for each dimension are multiplied and weighted in accordance with net values for each subsidiary to obtain group-level identification results, which serve as a basis for ranking the materiality of risks and opportunities. SinoPac Holdings selects the risk and opportunity issues with high likelihood and extent of impact (i.e., those in the first quadrant), and identified their potential operational and financial impacts on different sections of our value chain (suppliers, own operations, and investment and lending businesses), possible time of occurrence, and connections with existing risks in the financial industry (such as credit risks, market risks, and operational risks), to serve as a reference for formulating mitigation and adaptation strategies as well as for risk management.

Note "Likelihood" and "extent of impact" are assessed using 5 levels, with 1 being the lowest and 5 being the highest. The maximum "extent of impact" for major unexpected incidents is set at expected losses of US\$10 million (approximately NT\$300 million).

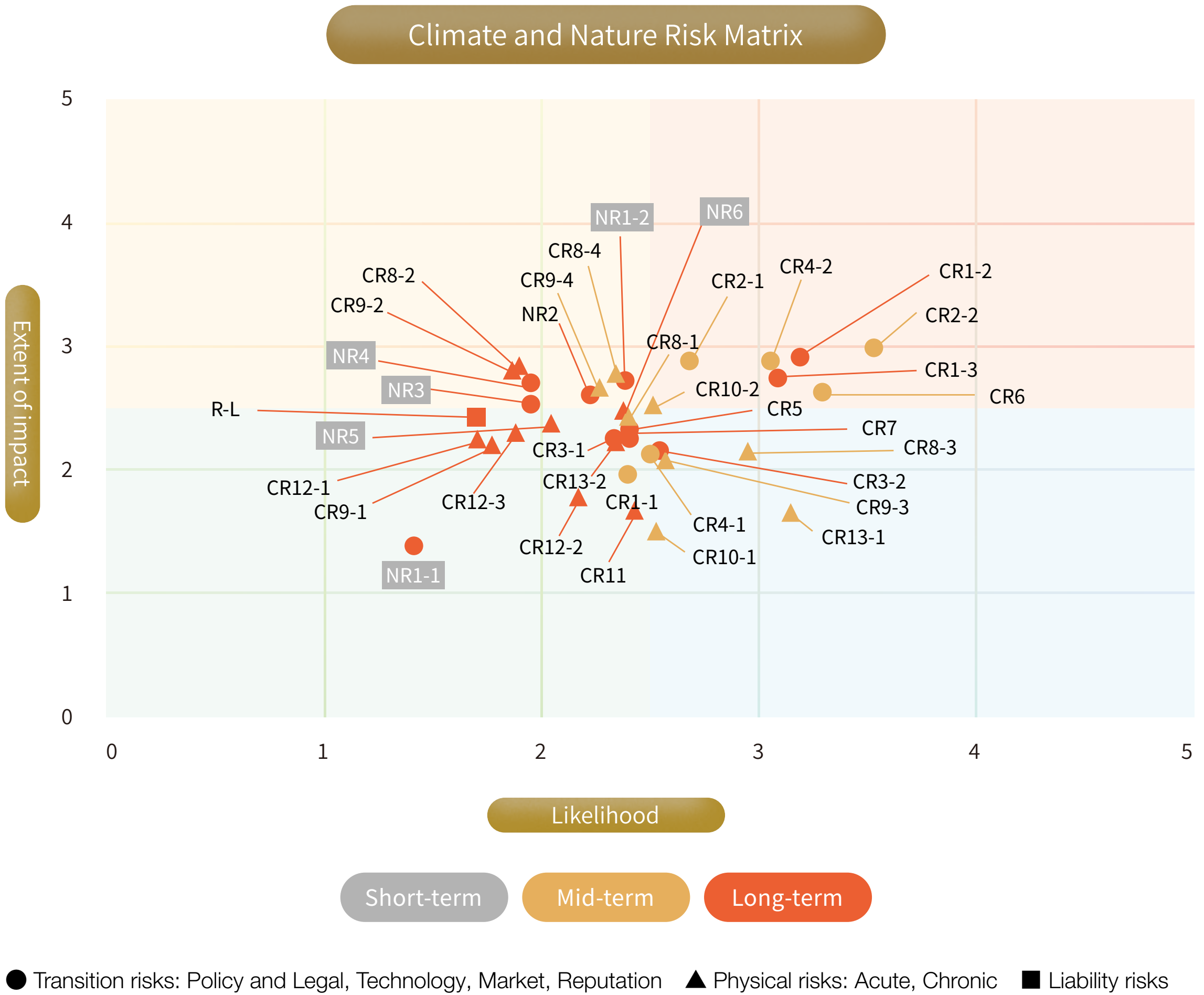
Climate and Nature Risks and Opportunities—Timelines

Timeline of Occurrence	
Short-term	Within 1 year
Mid-term	1-3 years
Long-term	3-5 years



2.1.2 Identified Climate and Nature Risks

Compiled risk items were divided into risk categories (physical risks, transition risks, and liability risks) and the Company comprehensively assessed the likelihood and the extent of impacts to determine the risks with relatively significant impacts on the different sections of SinoPac Holdings' value chain (suppliers, own operations, and investment and lending businesses), which are listed as follows:



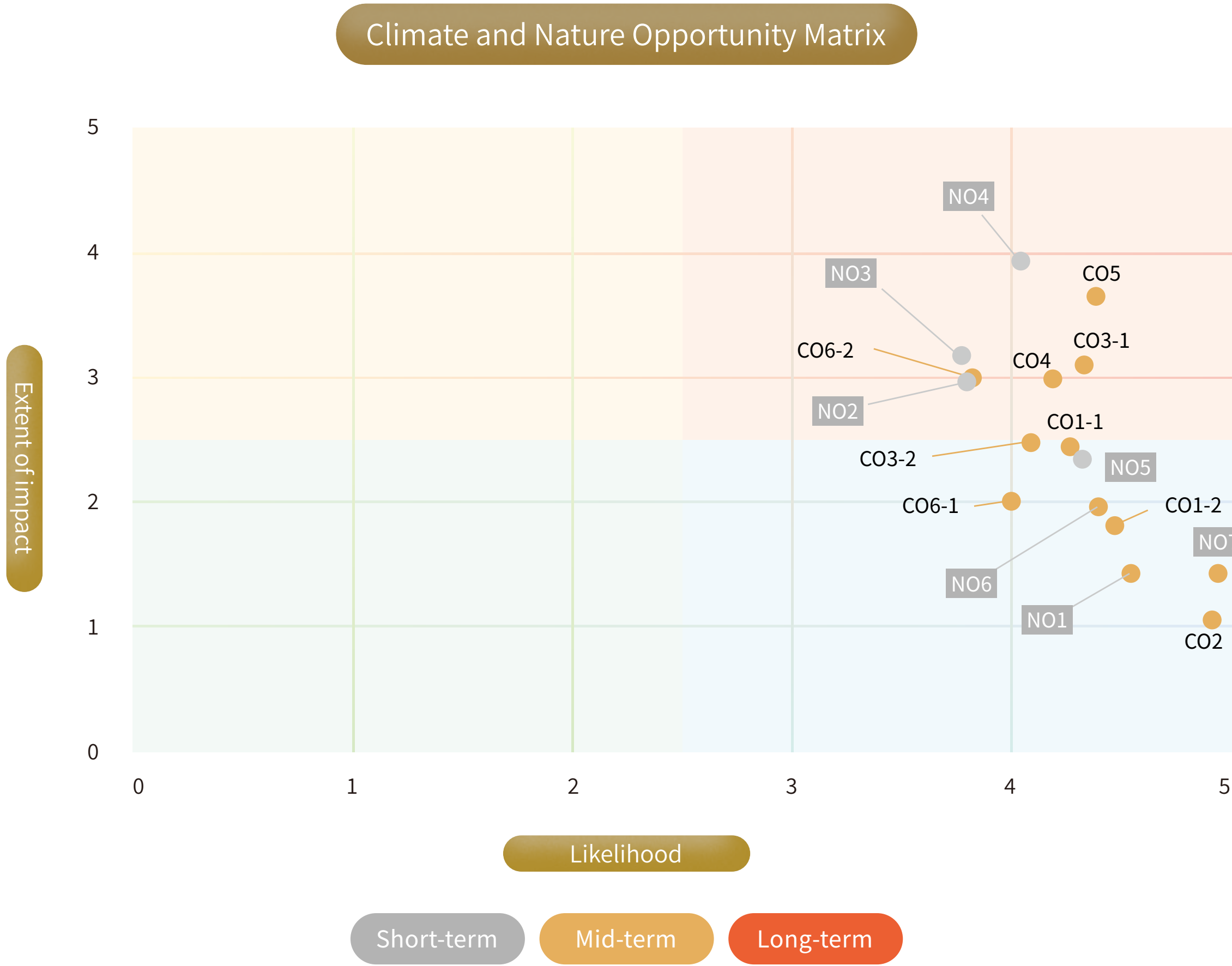
Risk Category	Risk Type	Item Code	Description of Risks	Impact Code	Impacts
Transition risks	Policy and legal	CR1	Economic changes caused by climate change-related regulations and policies	CR1-1	Tightening policies or regulations related to greenhouse gas reductions, energy conservation, power consumption, or other environmental efficiency and energy efficiency issues may cause increases in operational costs or penalties from failure to comply with related laws.
				CR1-2	Promulgation and implementation of net zero policies by various countries may affect overall sales of specific products and services (for example, proportions of electric vehicles on the vehicle market or energy efficiency standards for new buildings), leading to sharp increases/declines in the output values of specific industries, which may affect related businesses and revenue.
				CR1-3	The promotion of low-carbon policies both domestically and internationally will artificially accelerate the depreciation of equipment from industries with high carbon emissions (such as fossil fuel industries), such that they are written off before the end of their life cycles, causing their values to decline, following which they become "stranded assets."
		CR2	Tightening policies or regulations on carbon pricing, carbon taxes, carbon emissions, carbon reduction targets, and reporting obligations	CR2-1	Tightening policies or regulations on carbon reduction targets and reporting obligations (such as net zero commitments, SBT carbon reduction targets, and decarbonization policies) may reduce business opportunities if business strategies are not adjusted, thereby lowering corporate revenue.
				CR2-2	Tightening of policies associated with carbon pricing and carbon taxes (such as domestic carbon fee levies), or policies and regulations associated with energy conservation and consumption (such as for major electricity users) may reduce the profits of borrowers and investees, impact debt recovery, or affect income.
	Technology	CR3	Impacts on future corporate developments from technological advances or emerging technologies	CR3-1	Failure to successfully develop financial technologies and utilize digital financial services in leading paper-free functions and carbon-reducing green monetary flows may reduce customer willingness to interact with SinoPac, affecting our revenue.
				CR3-2	During low-carbon transition processes, errors in technological judgment or large investments in failed developments for new technologies may result in increased costs or reduced profits, affecting corporate debt and income.
	Market	CR4	Changes in customer behavior	CR4-1	Failure to launch sustainable finance products and services at suitable times may lead to loss of markets associated with climate change themes, causing loss of business and customers as well as declines in revenue.
				CR4-2	Increased awareness of environmental sustainability or extreme climate affect corporations with high power consumption/high carbon emissions, resulting in difficulty recovering debts or declines in investment values.

Risk Category	Risk Type	Item Code	Description of Risks	Impact Code	Impacts
Transition risks	Market	CR5	Reduced stability in power supply due to changes in energy structures	CR5	Renewable energies tend to be intermittent energy resources. Changes in energy structures without grid enhancements or energy storage measures may lead to power supply instability, causing power outages or power rationing, thereby impacting or interrupting corporate operations.
		CR6	Increases in raw material prices	CR6	Widespread impacts of the European Union Carbon Border Adjustment Mechanism (CBAM) are driving a gradual global increase in carbon tariff control measures on imported goods, which may further raise raw material prices and affect businesses or revenues.
	Reputation	CR7	Increased stakeholder concern toward climate change issues	CR7	Failure to actively participate in climate change issues of stakeholder concern, inability to supply green products, or poor carbon reduction performance may affect corporate reputation, resulting in business and customer losses, revenue declines, and loss of investor interest.
Physical risks	Acute	CR8	Increased frequency and severity of typhoons, heavy rainfall, and other extreme weather events	CR8-1	Damage to operational sites or equipment, operational interruptions, or personnel injuries.
				CR8-2	Critical customer data may be lost if data center equipment is damaged, increasing associated legal risks.
				CR8-3	Decreased loan collateral values may affect debt recovery.
				CR8-4	Damage to operational headquarters, sites, factories, and other properties of borrowers and investees may affect debt recovery or impact the value of investments, for example in climate-sensitive assets (such as those related to agriculture or real estate properties).
		CR9	Increased frequency and severity of avalanches, landslide disasters, and other extreme weather events	CR9-1	Damage to operational sites or equipment, operational interruptions, or personnel injuries.
				CR9-2	Critical customer data may be lost if data center equipment is damaged, increasing associated legal risks.
				CR9-3	Decreased loan collateral values may affect debt recovery.
				CR9-4	Damage to operational headquarters, sites, factories, and other properties of borrowers and investees may affect debt recovery or impact the value of investments, for example in climate-sensitive assets such as those related to agriculture or real estate.

Risk Category	Risk Type	Item Code	Description of Risks	Impact Code	Impacts
Physical risks	Acute	CR10	Increased frequency and severity of droughts, water shortages, and other extreme weather events	CR10-1	Operational sites may suffer operational interruptions or equipment damages due to heightened probabilities of droughts/water shortages.
				CR10-2	Increased probabilities of droughts/water shortages may cause damage to manufacturing, agriculture, semiconductor, and other industries with high water usage if they lack response measures for drought incidents, thereby affecting debt recovery or impacting the value of investments.
		CR11	Bank liquidity issues caused by extreme climate events	CR11	Enterprises and residents affected by natural disasters will rapidly increase bank withdrawals (customer overdrafts caused by extreme weather events) to meet sudden post-disaster capital needs. Banks will have limited short-term capabilities to provide loans to those affected, so these withdrawals may affect bank liquidity, causing internal liquidity risks to materialize.
	Chronic	CR12	Rising global sea levels may flood some low-lying areas and cause property damages	CR12-1	Damage to operational sites or equipment, operational interruptions, or personnel injuries
				CR12-2	Decreased loan collateral values may affect debt recovery.
				CR12-3	Damage to operational headquarters, sites, factories, and other properties of borrowers and investees may affect debt recovery or impact the value of investments, for example in climate-sensitive assets such as those related to agriculture or real estate.
	Chronic	CR13	Rises in average temperatures	CR13-1	High temperatures caused by extreme climate conditions will force outdoor workers to leave their jobs or increase electricity and water consumption required by air-conditioner use, impacting operational costs.
				CR13-2	Decrease expected values of some climate-sensitive assets (such agricultural or real estate properties).
	Transition risks	NR1	Changes in nature-related regulations or policies which increase compliance costs	NR1-1	Regulatory changes may cause operational sites to become located in or near ecological protection areas, thereby requiring the implementation of management measures or relocation, which in turn leads to increased costs.
				NR1-2	Tightening regulations or policies require corporations to adopt related management measures, thereby increasing compliance costs (such as for environmental impact assessments and nature conservation measures), resulting in decreased income or increased litigation risks and fines, as a result impacting the profitability of investees and borrowers.

Risk Category	Risk Type	Item Code	Description of Risks	Impact Code	Impacts
Transition risks	Technology	NR2	Increased costs from developing eco-friendly new technologies	NR2	Development of new technologies and equipment to mitigate damage to nature increase the R&D expenditures and operational costs of investees and borrowers, affecting their profitability and thereby impacting debt recovery and investment returns.
	Market	NR3	Changes in consumer preferences or increased prices for natural resources or raw materials	NR3	Consumers may change their preferences for products or services due to increased interest in nature-related issues, and the scarcity of natural resources may increase raw material prices and operational costs, resulting in declining demand for products and services of investees and borrowers, thereby reducing revenues and increasing costs for substitute products/services.
	Reputation	NR4	Increased stakeholder concern toward nature-related issues	NR4	Impacts on the natural environments from our own operational activities or those of investees and borrowers, the failure to provide nature-related products, and a lack of active involvement in nature-related issues of stakeholder concern may damage our corporate image and affect market capitalization.
Physical risks	Acute	NR5	Specific events that occur over the short term may change natural conditions. Such events may include oil leaks, forest fires, or harvest damages caused by pests.	NR5	Water resource pollution, water flow changes, wildfires, pests, and other natural events may impact corporations that rely heavily on water resources or other natural resources, and corporate operational activities may damage natural environment systems due to overexploitation of resources, oil leaks, or forest fires.
	Chronic	NR6	Changes in rainfall patterns may affect water resource sufficiency and stability	NR6	Long-term changes in rainfall patterns may affect water resource distributions, increasing operational costs related to water consumption for agricultural, food, and semiconductor industries, which rely heavily on water resources, thereby decreasing incomes and affecting the profitability of investees and borrowers.
Liability risks	Liability	R-L	Failure to establish a climate/nature governance structure, inability to reduce greenhouse gas emissions, insufficient disclosures of climate/nature-related risks, failure to adjust business strategies, environmental damage to borrowers and investees, or property losses to third parties may lead to lawsuits or risks from liability claims.	R-L	There have been an increasing number of lawsuits associated with climate change, natural environments, and biodiversity issues brought to courts by various stakeholders because organizations have failed to adopt climate change mitigation or adaptation actions, or have not fully disclosed climate and nature-related material financial risks. As losses and damages from climate change continue to increase, and biodiversity issues continue to attract attention, the liability risks arising from related litigation may also increase.

2.1.3 Identified Climate and Nature Opportunities



● Opportunity categories: Resource Efficiency, Products and Services, Energy Source, Markets, Resilience, Capital flow and Lending, Reputational Capital, Ecosystem Protection, Restoration and Regeneration, Sustainable Use of Natural Resources

Note 1 Climate opportunity categories: Resource efficiency, products and services, energy source, markets, resilience

Note 2 Nature opportunity categories: Resource efficiency, products and services, markets, capital flow and lending, reputational capital, ecosystem protection, restoration and regeneration, sustainable use of natural resources

Opportunity Category	Opportunity Type	Item Code	Description of Opportunities	Impact Code	Impacts
Opportunity	Resource efficiency	CO1	Enhance efficiency of energy resources	CO1-1	Incorporate green building designs into offices or self-owned buildings, use energy-saving equipment to enhance energy efficiency, or move IT rooms to buildings with better energy efficiency to reduce operational costs from energy consumption.
				CO1-2	Promote digitalization of internal processes, online meetings, and other paper-free solutions to enhance internal operational carbon reduction performance.
	Energy source	CO2	Increase proportion of renewable energy used at operating sites	CO2	SinoPac has invested in renewable energy usage, installed solar power generator systems in self-owned buildings for own use, and sold surplus electricity to others, thereby achieving our carbon reduction targets and creating opportunities to earn non-operating income through market transactions. Additionally, in response to the "Green Leasing 2.0 Program" launched by the Ministry of Economic Affairs, we assist corporate tenants of commercial buildings or similar venues in changing their power supply models so they can obtain green electricity and renewable energy certificates.
	Products and services	CO3	Increase green financial products and services	CO3-1	Align with government policies and regulations to expand investment and lending for renewable energy or green industries, and develop innovative sustainable financial products and services to increase business opportunities.
				CO3-2	Global trends in low-carbon green energies have increased demand for products associated with environmental sustainability and climate change. Continued investment in R&D of low-carbon products and services help to increase customers and business opportunities, and continued optimization of digital financial services enhance user convenience and offer paper-free, low-carbon benefits. Development of related products and services will drive increases in R&D investments.
		CO4	Engagement with customers	CO4	In response to green and transition trends in the financial sector, The Company is working to act as a client-side ESG communicator to assist and guide clients in undergoing low-carbon transformations through loans and investments, thereby improving operational strategies and creating mutual benefits by protecting the environment and stabilizing our relationship with existing customers, enhancing our corporate image.
	Market	CO5	Increase issuance of green financial products and green investments to seek out new business opportunities in the market	CO5	Increase issuance and investment of green bonds or participation in underwriting of renewable energy industries to enter new markets, obtain new business opportunities related to the circular economy, and increase revenues.

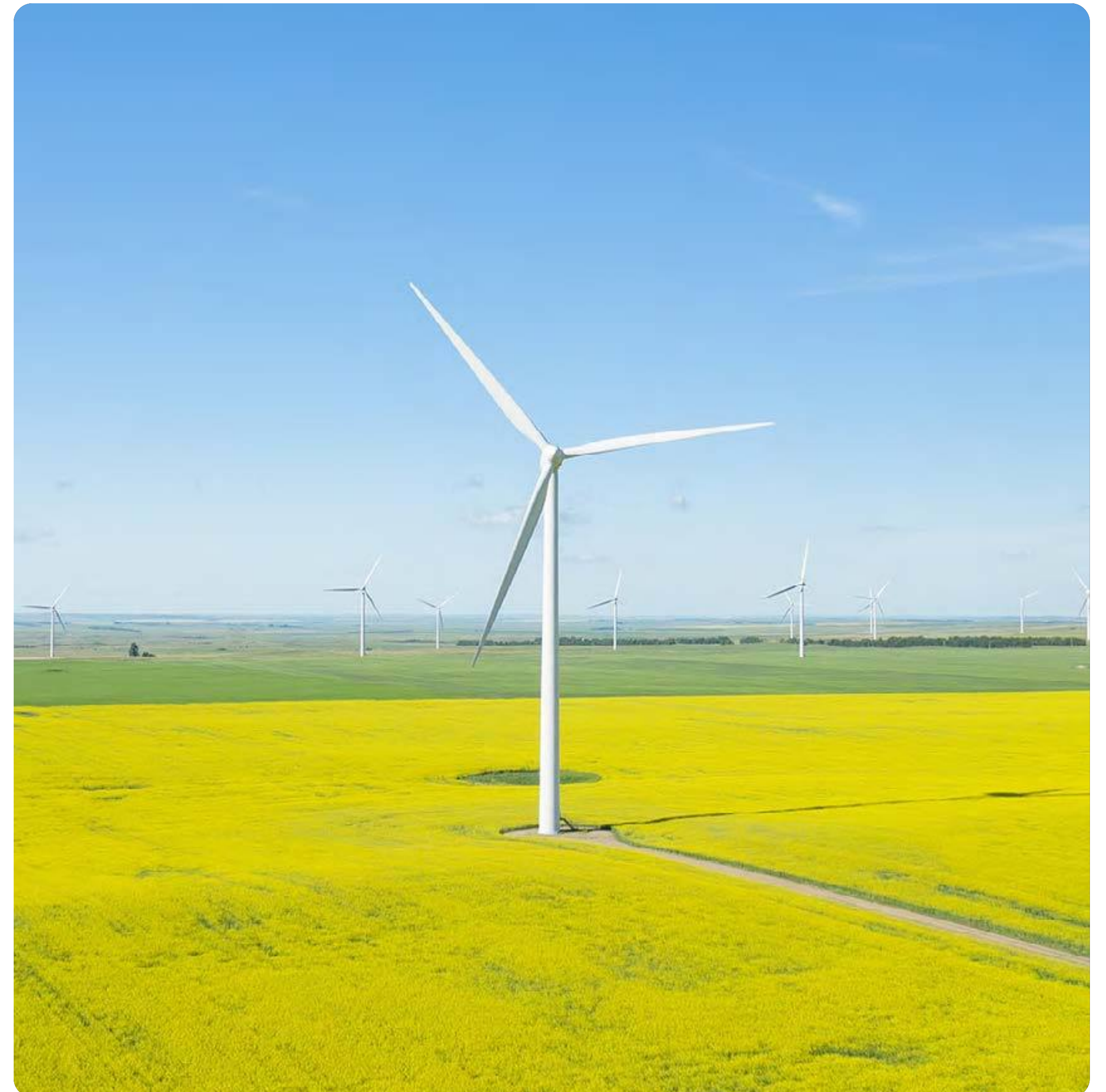
Opportunity Category	Opportunity Type	Item Code	Description of Opportunities	Impact Code	Impacts
Opportunity	Resilience	CO6	Develop adaption capabilities in response to climate change	CO6-1	Actively participate in government and international sustainability and climate change initiatives, and put related concepts into practice to garner positive media coverage and enhance our overall corporate image.
				CO6-2	Adding products related to climate change to our investment and lending portfolios will help us keep informed of market trends and increase operational flexibility.
Business performance	Resource efficiency	NO1	Enhance resource efficiency of own operations to reduce impacts and reliance on natural environments	NO1	Install water-saving equipment and devices, and purchase renewable or eco-friendly materials through green procurement procedures to reduce impacts and reliance on natural resources, and lower operational and compliance costs.
	Products and services	NO2	Develop or add financial products and services with benefits to nature	NO2	Provide eco-friendly financial solutions or green products (such as green loans and green investments) that generate positive impacts or reduce negative impacts on nature to increase income sources and competitiveness.
	Market	NO3	Promote diversity in nature-related financial products	NO3	Governments, investors, and consumers are increasing attention and involvement in nature-related issues (including biodiversity and nature/eco-friendly issues), forming emerging markets, so active development of diverse nature-related financial products and services can increase revenues.
	Capital flows and financing	NO4	Provide capital to support corporate transformations and to promote nature and green-related investments and lending	NO4	Provide investment and lending tools (including loans, bonds, and funds) for capital requirements that can generate positive impacts and reduce negative impacts on nature to increase revenues and direct capital toward eco-friendly and green activities and industries.
	Reputational capital	NO5	Actively participate in and support nature-related activities in accordance with nature-related policies and initiatives	NO5	Actively work with government and international nature-related policies and initiatives in participating in activities associated with environmental assets and ecosystem services, as well as sustainability evaluations, to generate positive impacts on society and local economies, thereby enhancing our corporate image and brand value.
	Ecosystem protection, restoration, and regeneration	NO6	Support protection, restoration, and regeneration of habitats and ecosystems, as well as other nature and ecological protection activities	NO6	Actively participate in ecological protection activities to improve ecosystems and increase resilience toward natural disasters through direct/indirect restoration, conservation, or protection of ecosystems or habitats.
Sustainability performance	Sustainable use of natural resources	NO7	Promote transformations in own operations, green procurement, and sustainable management to promote sustainable use of natural resources	NO7	Promote transformations in own operations or utilize green procurement and supplier sustainable management mechanisms to promote sustainable use of natural resources, generating positive impacts on nature as we use practical actions to protect natural resources.

2.2 Climate and Nature Strategies and Actions

The SinoPac Holdings Board of Directors approved net zero targets in 2022, pledging to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. To promote this vision, the Company launched the "Net Zero Commitment and Implementation Plan" in November 2024, establishing a transparent and feasible management framework in accordance with the GFANZ net zero transition plan guidance. The SinoPac Holdings incorporates climate goals into business operations and investment and lending strategies, and, through concrete actions and resource allocation, continuously deepens engagement with high-emission industries to strengthen financial transitions while working with clients to achieve low-carbon transformations and advancing toward a sustainable finance vision.

To ensure feasibility and continued management of transition plans, SinoPac Holdings identified impact periods and potential financial impacts of climate and nature-related risks and opportunities for different sections of our value chain (suppliers, own operations, investment and lending businesses), as well as their connections with existing risks in the financial industry (such as credit risks, market risks, and operational risks) to serve as a basis for formulating related countermeasures and risk management. The Company selected the risks and opportunities located in the first quadrant (high likelihood and high extent of impact) and ranked them by materiality for further analysis.

During risk and opportunity identification processes, the Company has considered the most likely timeframe for the risks and opportunities associated with each issue, and uses these to formulate mitigation and adaptation measures for the short, medium, and long term. As climate change scenarios and international trends evolve, the characteristics of these risks or opportunities may change accordingly. SinoPac Holdings continuously tracks and identifies associated impacts during annual identification processes, and adjusts the formulated strategies based on identification results to respond to changing scenarios and trends.



In 2024, SinoPac Holdings identified nine material climate risks and three nature risks, along with potential strategies and management measures, which are compiled in the table below. In terms of climate risk issues, the Company not only selected the issues falling in the first quadrant, but also included the top three physical risks to ensure the comprehensiveness of risk identification and assessment. In terms of nature risks, we analyzed the top three material issues to better understand the nature risks that have major corporate impacts. To further strengthen the management of climate and nature risks, SinoPac Holdings formulated risk management measures and response strategies for identified key climate and nature risks based on past operational performance of related businesses. Please refer to "[5.2 Metrics and Targets](#)" for more information.

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Policy and legal	CR2-2	Tightening policies or regulations on carbon pricing, carbon taxes, carbon emissions, carbon reduction targets, and reporting obligations	Tightening of policies associated with carbon pricing and carbon taxes (such as domestic carbon fee levies), or policies and regulations associated with energy conservation and consumption (such as for major electricity users) may reduce the profits of borrowers and investees, impact debt recovery, or affect income.	- Lending business - Investment/underwriting business	- Increase in losses in creditor rights - Decrease in investment proceeds	- Credit risks - Market risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
If investees and borrowers belong to industries with high power consumption, high pollution, or high climate risks, changes in energy laws, domestic and foreign carbon fees and carbon taxes (such as carbon tariffs imposed by the EU CBAM and US CCA) will increase operational costs and affect the profitability of investees and borrowers, resulting in difficulties in creditor rights recovery or reductions in investment proceeds					- The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending, as well as the development of sustainable financial products/services. - SinoPac Holdings has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. The Company has received the Science Based Targets (SBT) validation in January 2024. In terms of investment and lending, the Company has established the carbon inventory, monitoring, and disclosure mechanisms in accordance with the Partnership for Carbon Accounting Financials (PCAF), has actively engaged with investees and borrowers to assist them with low-carbon transformations, and plans to gradually divest from investment and lending in thermal coal and unconventional oil and gas. - SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. Bank SinoPac has established the "Responsible Lending Management Guidelines," and signed the "Equator Principles," gradually enhancing the ability of its lending personnel to identify ESG risk and assess financial impacts from climate change risks. The Bank also provides green finance advisory services to help borrowers achieve green energy transition and industrial upgrading. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project," and responsible units of the Company assess and adjust current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Policy and legal	CR1-2	Economic changes caused by climate change-related regulations and policies	Promulgation and implementation of net zero policies by various countries may affect overall sales of specific products and services (for example, proportions of electric vehicles on the vehicle market or energy efficiency standards for new buildings), leading to sharp increases/declines in the output values of specific industries, which may affect related businesses and revenue.	- Lending business - Investment/underwriting business	- Increase in losses in creditor rights - Decrease in investment proceeds	- Credit risks - Market risks - Strategic risks	Long-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Establishing net zero standards for specific industries will widen industrial competitive advantage gaps, and regulatory compliance may directly or indirectly increase costs, affecting profitability. If clients cannot adjust their operational strategies in line with net zero trends, this may result in poor operating prospects, declines in revenue, and increased probabilities of default. - Using the electric vehicle industry as an example, more than 20 countries have announced timelines for 100% electrification of public transportation vehicles, which will affect sales of gas-powered cars, and in turn impact the growth momentum of loans in the financial industry or reduce the value of equity collateral.					- The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending, as well as the development of sustainable financial products/services. - The SinoPac Holdings Board of Directors officially approved net zero targets on March 15, 2022, pledging to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. In 2024, we referenced the GFANZ framework and issued the "Net Zero Commitment and Implementation Plan" in November 2024, classifying investment and lending assets as stranded assets, carbon-constrained assets, and green assets based on risk levels, and formulated execution plans. - SinoPac Holdings has set science-based targets (SBTs) and received the validation in January 2024. The SBTs are used as mid-term checkpoints for 2050 net zero targets and for regularly tracking progress on net zero targets. - SinoPac Holdings plans to gradually divest from investment and lending in thermal coal and unconventional oil and gas, and has already formulated a "decarbonization policy" relating to positions in thermal coal mining and power generation, and unconventional oil and gas. Please refer to the SinoPac Holdings official website for the latest updates and additional information. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Market	CR4-2	Changes in customer behavior	Increased awareness of environmental sustainability or extreme climate affect corporations with high power consumption/high carbon emissions, resulting in difficulty recovering debts or declines in investment values.	- Lending business - Investment/underwriting business	1. Increase in losses in creditor rights 2. Decrease in investment proceeds	1. Credit risks 2. Market risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
1. Extreme weather events may damage the operational headquarters, assets, or product and service sales of our investees, negatively affecting profitability and debt repayment capabilities, thereby reducing the value of our investments. 2. Environmental sustainability is a global initiative. Industries with high power consumption/high emissions are facing major financial impacts, so client engagement on climate change risks should be strengthened when conducting business. 3. Increasing awareness of environmental protection issues may affect selection of investment targets. Changes in products and services may also cause sales for the original products and services provided by our investees to decline, impairing investment values.					1. SinoPac Holdings has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. The Company plans to gradually divest from investment and lending in thermal coal and unconventional oil and gas, and actively engage with investees and borrowers to aid industrial transformation and decarbonization. 2. SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. Bank SinoPac has established the "Responsible Lending Management Guidelines" and carefully assesses lending in "sensitive industries" (including high-emission industries) and "sensitive economic activities". 3. When the first line of defense processes related businesses, they must evaluate climate risks, particularly those of industries susceptible to more significant climate risks, and take climate-related measures for clients in industries susceptible to more significant climate risks. 4. Reference the ESG rating mechanism of professional institutions, constituent stocks of ESG-related benchmarks indexes, or ESG-related external resources or tools to enhance evaluations. Enhance the ESG risk analysis of "sensitive industries" and "sensitive economic activities". Where such risks are known, avoid underwriting if the assessment concludes that there is a risk of deterioration of ESG risks in the future. 5. The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Market	CR6	Increases in raw material prices	Widespread impacts of the European Union Carbon Border Adjustment Mechanism (CBAM) are driving a gradual global increase in carbon tariff control measures on imported goods, which may further raise raw material prices and affect businesses or revenues.	- Lending business - Investment/underwriting business	- Increase in losses in creditor rights - Decrease in investment proceeds	- Credit risks - Market risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Widespread impacts from the European Union Carbon Border Adjustment Mechanism (CBAM) are leading to gradual global increases of carbon tariffs on imported goods, which may further increase raw material prices and affect business or revenue, causing difficulties in creditor rights recovery or impairing investment values. - According to statistics compiled by the Ministry of Economic Affairs, CBAM has imposed restrictions on 248 products; products associated with Taiwan are mainly steel products. Trade data from the Ministry of Finance showed that, in 2022, exports of base metals and associated products from Taiwan accounted for 7.69% of total exports, of which 15% was exported to the EU. We will continue to observe the developments of related industries, compare historical profits, and conduct research and analysis.					- SinoPac Holdings and subsidiaries Bank SinoPac, SinoPac Securities, SinoPac Leasing, and SinoPac Venture Capital carefully evaluate investments and lending for enterprises with high climate risks. - SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. Bank SinoPac has established the "Responsible Lending Management Guidelines," and signed the "Equator Principles," gradually enhancing the ability of its lending personnel to identify ESG risk and assess financial impacts from climate change risks. The Bank also provides green finance advisory services to help borrowers achieve green energy transition and industrial upgrading. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Policy and legal	CR1-3	Economic changes caused by climate change-related regulations and policies	The promotion of low-carbon policies both domestically and internationally will artificially accelerate the depreciation of equipment from industries with high carbon emissions (such as fossil fuel industries), such that they are written off before the end of their life cycles, causing their values to decline, following which they become "stranded assets."	- Lending business - Investment/underwriting business - Collateral	- Increase in losses in creditor rights - Decrease in investment proceeds	- Credit risks - Market risks	Long-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
If investees and borrowers belong to industries with high power consumption, high pollution, or high climate risks, then government low-carbon policies, domestic and overseas carbon fees or carbon taxes, and changes in energy regulations may accelerate depreciation such that equipment are written off before the end of their life cycles, causing their value to decline, following which they become "stranded assets," which may increase operational costs and impact profitability, leading to difficulties in creditor rights recovery, reducing investment income/underwriting benefits, and causing market liquidity problems.					- In response to international trends and national 2050 net zero targets, the SinoPac Holdings Board of Directors officially approved net zero targets on March 15, 2022, pledging to achieve net zero emissions in its own operations by 2030 and its financial portfolios by 2050. To effectively manage and advance net zero initiatives, five major net zero execution strategies were established in 2022: "Net zero emissions in operations," "Risk Management," "Net zero in investment portfolios," "Net zero in loan assets," and "Net Zero initiatives." A five-year work plan was developed, with regular rolling reviews to ensure ongoing progress. - SinoPac Holdings has set science-based targets (SBTs) and received the validation in January 2024. The SBTs are used as mid-term checkpoints for 2050 net zero targets and for regularly tracking progress on net zero targets. - SinoPac Holdings plans to gradually divest from investment and lending in thermal coal and unconventional oil and gas, and has already formulated a "decarbonization policy" relating to positions in thermal coal mining and power generation, and unconventional oil and gas. Please refer to the SinoPac Holdings official website for the latest updates and additional information. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Policy and legal	CR2-1	Tightening policies or regulations on carbon pricing, carbon taxes, carbon emissions, carbon reduction targets, and reporting obligations	Tightening policies or regulations on carbon reduction targets and reporting obligations (such as net zero commitments, SBT carbon reduction targets, and decarbonization policies) may reduce business opportunities if business strategies are not adjusted, thereby lowering corporate revenue.	- Lending business - Investment/underwriting business - Legal compliance risks - Corporate reputation - Market competitiveness	- Increase in losses in creditor rights - Decrease in investment proceeds - Increase in operational costs	- Credit risks - Market risks - Legal compliance risks - Strategic risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Failure to achieve SBTs, comply with declared net zero commitments, or comply with reporting obligations may cause investors and consumers to reduce their transactions with SinoPac, causing revenue to decline. - Consumers and investors are become increasingly attentive of climate change issues. Tightening policies or regulations related to carbon reduction targets and reporting obligations may lead to loss of markets associated with climate change themes, causing loss of business and customers.					- SinoPac Holdings has pledged to attain net zero emissions of its financial portfolios by 2050, and formulated short, medium, and long-term work objectives for net zero emissions. In terms of investment and lending, the Company has established the carbon inventory, monitoring, and disclosure mechanisms in accordance with the Partnership for Carbon Accounting Financials (PCAF), and plans to gradually divest from investment and lending in thermal coal and unconventional oil and gas, as well as to actively engage with investees and borrowers to aid industrial transformation and decarbonization. - The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending, as well as the development of sustainable financial products/services. The Company periodically review, update, and develop green finance products and services. - SinoPac Holdings and all subsidiaries have established their "Guidelines for the Management of Climate-Related Risks and Opportunities" and "Standards for the Management of Climate-Related Risks and Opportunities" to manage climate-related risks, disclose information related to climate-related risks and opportunities, and adhere to climate-related information disclosure requirements of competent authorities. - SinoPac Holdings and all subsidiaries have established "Responsible Investment Management Guidelines" or related regulations. Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles" to incorporate ESG factors and related risks into business decision-making processes. The Company rigorously evaluates the environmental, social, and corporate governance risks of investee companies and borrowers when making decisions involving investment and asset management businesses, as well as project finance.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Physical risk	Acute	CR8-4	Increased frequency and severity of typhoons, heavy rainfall, and other extreme weather events	Damage to operational headquarters, sites, factories, and other properties of borrowers and investees may affect debt recovery or impact the value of investments, for example in climate-sensitive assets (such as those related to agricultural or real estate properties).	- Lending business - Investment/underwriting business - Collateral	- Increase in losses in creditor rights - Decrease in investment proceeds - Impaired credit collateral values	- Credit risks - Market risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
Severe climate events (such as typhoons, heavy rainfall, or earthquakes) may damage operational headquarters, sites, factories, or equipment of investees and borrowers, causing significant declines in corporate property values and increasing revenue fluctuations. This leads to increase uncertainties in debt repayment and profitability, thereby causing difficulties in creditor rights recovery, and impacting on investment values.					- SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. The Company also incorporates ESG issues into investment analyses and decision-making processes, and reviews ESG information disclosed by investees. The Company implements post-investment management by monitoring whether investees are affected by typhoons, heavy rainfall, and other extreme climate events. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. It carefully evaluates the environmental, social, and corporate governance risks of borrowers, and monitors whether clients are assessing and appropriately responding to climate risks and opportunities. - When the first line of defense processes related businesses, they must evaluate climate risks, particularly those of industries susceptible to more significant climate risks, and take climate-related measures for clients in industries susceptible to more significant climate risks. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Physical risk	Acute	CR8-3	Increased frequency and severity of typhoons, heavy rainfall, and other extreme weather events	Decreased loan collateral values may affect debt recovery.	- Lending business - Collateral	- Increase in losses in creditor rights - Impaired credit collateral values	Credit risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Borrower collateral values may decline significantly due to severe climate events such as typhoons, heavy rainfall, or earthquakes, reducing client repayment capabilities and willingness, resulting in lawsuits or losses in creditor rights. - Declines in collateral value increase of loss given default (LGD) and affect expected losses in credit risks, so additional capital is required to maintain capital adequacy ratios.					- Bank SinoPac has clearly listed "communities with potential safety concerns" to avoid lending on real estate targets prone to flooding, landslides, faults, soil liquefaction, tsunamis, and nuclear disasters. - Apart from land, guarantees, deposits, securities, and items governed by other regulations, all collateral shall be insured by the borrower (or provider) based on appraised values and loan amounts to reduce risks, and the subsidiary underwriting said loans shall be listed as a designated beneficiary. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. It carefully evaluates the environmental, social, and corporate governance risks of borrowers, and monitors whether clients are assessing and appropriately responding to climate risks and opportunities. - Lending assessments incorporate physical risks on a case-by-case basis, and the Company have procured credible external databases to provide business and approval personnel with objective assessments and information disclosures related to physical risks. During review processes, we consider the risks of real estate used as credit enhancements, and loan-to-value ratios are adjusted if necessary, or additional credit enhancement measures may be implemented as needed. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Physical risk	Acute	CR10-2	Increased frequency and severity of droughts, water shortages, and other extreme weather events	Increased probabilities of droughts/water shortages may cause damage to manufacturing, agriculture, semiconductor, and other industries with high water usage if they lack response measures for drought incidents, thereby affecting debt recovery or impacting the value of investments.	- Lending business - Investment/underwriting business - Risks to own operations	- Impaired credit collateral values - Increase in losses in creditor rights - Decrease in investment proceeds	- Credit risks - Market risks	Mid-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
Investees or borrowers in industries with heavy water usage (such as agriculture, electronics, semiconductors, and manufacturing) may be affected by water shortages or uneven water distribution, causing operational interruptions or equipment damage, affecting production volumes, reducing profits, and creating difficulties in debt recovery or reducing investment income.					- SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. The Company also incorporates ESG issues into investment analyses and decision-making processes, and reviews ESG information disclosed by investees. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. It carefully evaluates the environmental, social, and corporate governance risks of borrowers, and monitors whether clients are assessing and appropriately responding to climate risks and opportunities. It also monitors ESG risks of borrowers through post-lending management mechanisms. - When the first line of defense processes related businesses, they must evaluate climate risks, particularly those of industries susceptible to more significant climate risks, and take climate-related measures for clients in industries susceptible to more significant climate risks. - The Risk Management Division of SinoPac Holdings oversees the "Financial Impact Quantitative Analysis for TCFD Scenario Simulation Project" and the establishment of the TCFD team. It evaluates and adjusts current strategies and policies related to overall sustainable finance developments, sustainable products and services, green energy, and environment and energy management based on quantitative impacts, in order to enhance climate resilience.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Policy and legal	NR1-2	Changes in nature-related regulations or policies which increase compliance costs	Tightening regulations or policies require corporations to adopt related management measures, thereby increasing compliance costs (such as for environmental impact assessments and nature conservation measures), resulting in decreased income or increased litigation risks and fines, as a result impacting the profitability of investees and borrowers.	- Lending business - Investment/underwriting business - Legal risks	- Increase in losses in creditor rights - Decrease in investment proceeds - Impaired credit collateral values	- Credit risks - Market risks - Legal compliance risks	Long-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Tightening regulations or policies requires corporations to adopt related management measures, increasing operational costs (such as for environmental impact assessments and nature conservation measures). Failure to comply with these regulations in a timely manner may increase litigation risks and incur fines, impacting profitability. - Tightening regulations may increase operational costs and reduce profits for borrowers and investees, affecting their asset values and overall valuation, thereby increasing the Company's credit risk and losses in creditor rights recovery, and decreasing the Company's investment proceeds.					- SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. The Company also incorporates ESG issues into investment analyses and decision-making processes, and reviews ESG information disclosed by investees. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. It also monitors ESG risks of borrowers through post-lending management mechanisms.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Transition risk	Technology	NR2	Increased costs from developing eco-friendly new technologies	Development of new technologies and equipment to mitigate damage to nature increase the R&D expenditures and operational costs of investees and borrowers, affecting their profitability and thereby impacting debt recovery and investment returns.	- Lending business - Investment/underwriting business	- Increase in losses in creditor rights - Decrease in investment proceeds - Impaired credit collateral values	- Credit risks - Market risks	Long-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
- Development of new technologies and equipment to mitigate damage to nature increases the R&D expenditures and operational costs of investees and borrowers, affects their profitability, and may result in failure to repay debt, thereby increasing the Company's losses in creditor rights recovery and decreasing its investment proceeds. - Developing new technologies and equipment to mitigate damage to natural environments is a positive measure in the long run, but may lead to financial and operational challenges in the short term, and requires caution from enterprises and investors.					- SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. The Company also incorporates ESG issues into investment analyses and decision-making processes, and reviews ESG information disclosed by investees. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. It also monitors ESG risks of borrowers through post-lending management mechanisms. It encourages clients to focus on sustainable economic activity targets and invest in environmental goals such as biodiversity, protection and restoration of ecosystems, and the sustainability and conservation of water and marine resources.			

Risk Category	Risk Type	Item Code	Risk Item	Impacts	Impact Aspects	Potential Impacts	Links to Other Risks	Possible Time of Occurrence
Physical risk	Chronic	NR6	Changes in rainfall patterns may affect water resource sufficiency and stability	Long-term changes in rainfall patterns may affect water resource distributions, increasing operational costs related tofrom water consumption for agricultural, food, and semiconductor industries, which that rely heavily on water resources, thereby decreasing incomes and affecting the profitability of investees and borrowers profitability.	- Lending business - Investment/underwriting business	- Increase in losses in creditor rights - Decrease in investment proceeds - Impaired credit collateral values	- Credit risks - Market risks	Long-term
Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans					Mitigation or Adaptation Measures/Response Strategies			
Global warming affects rainfall patterns, and enterprises with high dependency on water resources may need to invest large amounts of funds in response measures, which not only increases capital expenditures, but may also lead to operational difficulties, declines in property values, and impacts on profitability and repayment capabilities, thereby resulting in difficulties in the Company's creditor rights recovery and decreasing its investment proceeds.					- SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations as guiding principles for promoting and implementing responsible investment. The Company also incorporates ESG issues into investment analyses and decision-making processes, and reviews ESG information disclosed by investees. - Bank SinoPac has established "Responsible Lending Management Guidelines" and signed the "Equator Principles," and incorporates ESG issues into credit investigation and decision-making processes. - When the first line of defense processes related businesses, they identify, and assess driving factors such as water consumption and water pollution, as well as their impact on operations and production processes of various industries. This serve as a basis for future mitigation and adaptation measures, including potential future attention to clients' investments in reclaimed water, desalinated seawater, and water-saving technologies. - Lending assessments incorporate physical risks on a case-by-case basis, and the Company have procured credible external databases to provide business and approval personnel with objective assessments and information disclosures related to physical risks.			

In 2024, we identified 4 material climate opportunities and 3 nature opportunities, potential strategies, and management measures, which are compiled in the table below. In terms of nature opportunities, we analyzed the top 3 material issues to better understand the nature opportunities with major corporate impacts. To better understand climate and nature opportunities, SinoPac Holdings formulated opportunity development management measures and response strategies for corresponding indicators associated with identified key climate and nature opportunities based on past operational performance of related businesses. Please refer to "[5.2 Metrics and Targets](#)" for more information.

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Market	CO5	Increase issuance of green financial products and green investments to seek out new business opportunities in the market	Increase issuance and investment of green bonds or participation in underwriting of renewable energy industries to enter new markets, obtain new business opportunities related to the circular economy, and increase revenues.	- Investment/underwriting business - Product and sales services - Corporate reputation	- Increased income - Enhanced corporate image	Short-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- Increase issuance of and investment in green bonds to enter new markets and obtain new business opportunities related to circular economy. - Issuance of our green finance bonds rely on Bank SinoPac's high credit ratings. Positive market ratings for Bank SinoPac allow us to absorb market funds at lower interest rates, and insurance companies and publicly listed companies have a higher willingness to subscribe, so all funds can be used for developing renewable energy lending services. - Increase proportion of investments in green bonds to reduce exposure to climate risks and enhance resilience to climate change. The Company issue bonds to raise funds for our green investment plans and invest in low-carbon and renewable energy industries to increase environmental sustainability investments. - Increasing green investments help to enhance the Company's image so we can be included in ESG-related funds. The Company issues green bonds and uses all collected funds for loans related to our green investment plans.				- Grasp new business opportunities and work to understand investor and consumer concerns regarding climate change issues as well as needs and preferences for green financial products and services; continue to develop green/ESG funds, bonds, and loan products and services themed around sustainable development; and increase investment balances of green bonds as appropriate. The Company also issue green bonds to raise funds required for development of renewable energy businesses and environmental sustainability businesses to diversify our product categories and increase operational flexibility. - Provide low-carbon products and services, and offer investment plans for solar energy, wind power, hydropower, biomass power, and other renewable energy solutions.		

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Capital flows and lending	NO4	Provide capital to support corporate transformations and to promote nature and green-related investments and lending	Provide investment and lending tools (including loans, bonds, and funds) for capital requirements that can generate positive impacts and reduce negative impacts on nature to increase revenues and direct capital toward eco-friendly and green activities and industries.	- Risks to own operations - Lending business - Product and merchandise sales - Customer service - Corporate reputation	- Enhanced competitiveness - Increased product and service categories - Enhanced corporate image	Mid-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
Continue to optimize loan policies and direct capital toward nature-friendly industries to increase proportions of low-risk, high-stability income assets, and increase financial resilience. The Company continue to issue sustainability bonds and utilize funds for renewable energy and energy technology developments, pollution prevention and control, and lending for related industries.				- Actively promote green energy lending and strategic investments in key technologies, renewable energies, circular economy, and low-carbon targets; strengthen the integration of ESG-related issues into capital utilization considerations; direct capital toward nature-friendly or green activities and industries, and enhance customer acceptance of and participation in green products through market promotions. - Grasp new business opportunities; work to understand investor and consumer concerns regarding nature issues and needs and preferences for green financial products and services; continue to develop green/ESG financial products themed around sustainable development.		

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Products and services	CO3-1	Increase green financial products and services	Align with government policies and regulations to expand investment and lending for renewable energy or green industries, and develop innovative sustainable financial products and services to increase business opportunities.	- Product and merchandise sales - Lending business - Investment/underwriting business - Strategic risks - Legal compliance risks	- Increased business/investment opportunities - Increased income	Short-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- The Company continues to optimize our responsible lending and responsible investment policies to increase investment and lending in companies with better performance in ESG, carbon reduction, and sustainable economic activities, while also offering preferential loan conditions and green financial products to encourage corporate enhancement of information disclosures and launching of green products to increase revenue proportions from sustainable economic activities. - Align with government policies through green loans, green bonds, green energy trust services, and other related products to exert the financial influence, helping renewable energy companies obtain the capital required for operational developments. The Company also engage with our investees and borrowers to guide relevant industries, investors, and consumers in focusing on green and sustainable issues, thereby expanding our business scope and increasing income sources. - The Company continues to launch green bonds, green consumer loans, green funds, and other financial products to align with current consumption trends and policies proposed by competent authorities.				- The SinoPac Holdings Sustainable Development Committee continues to be attentive of domestic and foreign sustainable development issues and climate change trends, and has formulated specific sustainable guidelines. A Sustainability Office has been established under the Board to serve as a dedicated unit for sustainable development and promotion of the five net zero strategies aligned with our sustainability commitment to "mitigate and adapt to climate change"; these action plans and targets are adjusted on a rolling basis each year. - The Customer Relations Team is responsible for promoting and strengthening responsible investment and responsible lending, as well as development of sustainable finance products/services. Bank SinoPac has signed and incorporated the Equator Principles, and we aim to promote sustainable development using our core financial businesses. The team continue to keep abreast of market trends and develop green finance products to provide themed products that meet client needs, and formulate short, medium, and long-term plans and annual work plans. - The Company actively develops green financial products, including sustainability bonds, solar power lending, lending for emerging renewable energies and power generation equipment, sustainability-linked loans, and green deposits.		

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Products and services	CO4	Engagement with customers	In response to green and transition trends in the financial sector, The Company is working to act as a client-side ESG communicator to assist and guide clients in undergoing low-carbon transformations through loans and investments, thereby improving operational strategies and creating mutual benefits by protecting the environment and stabilizing our relationship with existing customers, enhancing our corporate image.	- Lending business - Investment/underwriting business - Corporate reputation	- Increased income - Increased operational flexibility	Short-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- Bank SinoPac has introduced lending assessment mechanisms and low-carbon transformation loans for renewable energy and eco-friendly corporations, and also provides preferential conditions to borrowers that adhere to government regulations. - Act as a client-side ESG communicator, provide green loans and conduct exchanges through investor conferences to guide clients in low-carbon transformations, expanding our scope of business and enhancing our corporate image. - The Comapny combines ESG and shareholder activism for investees involved in negatively listed industries or companies, engaging with investees to assist them with transition, helps them understand ESG principles, urges them to comply with ESG requirements, and directs them toward sustainable economic activities to reduce our climate risks and increase revenues.				- The Customer Relations Team is responsible for promoting and strengthening responsible investment and responsible lending and development of green finance products/services. And works to enhance climate awareness in customers and provides themed products that adhere to customer needs. - Bank SinoPac continues to assess and keep informed of the demands of non-green industries and transforming industries. The Company actively develops loan products with sustainable development targets and increases green finance loans. Apart from working with external institutes to provide professional guidance to clients, the Company also assists clients with low-carbon transformations through loans, helping them to improve operational strategies; our strengthened engagement creates mutual benefits by protecting the environment and stabilizing our relationship with existing customers, thereby enhancing our corporate image - SinoPac Holdings continues to strengthen transition engagement, encourage investees and borrowers to set SBTs and formulate carbon reduction plans, and develop financial products and services for transformation in tandem with external professional institutions and vendors. The Company encourages our corporate clients to conduct greenhouse gas inventories and verifications to identify key low-carbon transformation indicators, and provides financial solutions to promote corporate low-carbon transformation. - SinoPac Holdings and all subsidiaries are working to build a green energy financial ecosystem that strengthens our leadership position in the solar photovoltaic lending market. We keep informed of technological developments and policy trends in the green energy industry, align with Taiwan's 2050 net zero transformation "12 Key Strategies" and strive to enable industrial low-carbon transformations through green finance.		

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Market	NO3	Promote diversity in nature-related financial products	Governments, investors, and consumers are increasing attention and involvement in nature-related issues (including biodiversity and nature/eco-friendly issues), forming emerging markets, so active development of diverse nature-related financial products and services can increase revenues.	- Product and merchandise sales - Customer service - Lending business - Investment/underwriting business	- Enhanced corporate image - Increased operational flexibility - Increased revenues - Increased business opportunities	Mid-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- In response to increasing interest in nature-related (including biodiversity and nature/eco-friendly) issues, The Company direct current and upcoming financial products to supporting nature-friendly and green activities and industries to provide funds and resources that enable technological commercialization, which helps to expand customer sources and enhance our reputation. - The market for nature-related financial products has strong potential for growth. The Company focuses on developing financial products that support biodiversity and low-carbon economics to attract new clients and enhance loyalty of existing clients, thereby optimizing income structures and lowering climate risk impacts while solidifying our competitive position in the green finance market.				- The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending and development of sustainable financial products/services, as well as aligning with government policies and regulations to expand investment and lending in sustainable financial products or renewable energies or green industries. - Strengthen collaborations with government and non-government organizations and environmental protection institutes to ensure that our products adhere to market demands and regulatory requirements, continue to develop and promote nature-related financial products, and strengthen internal training to enhance employee knowledge and professionalism associated with green finance to ensure that our new products are successfully promoted and implemented.		

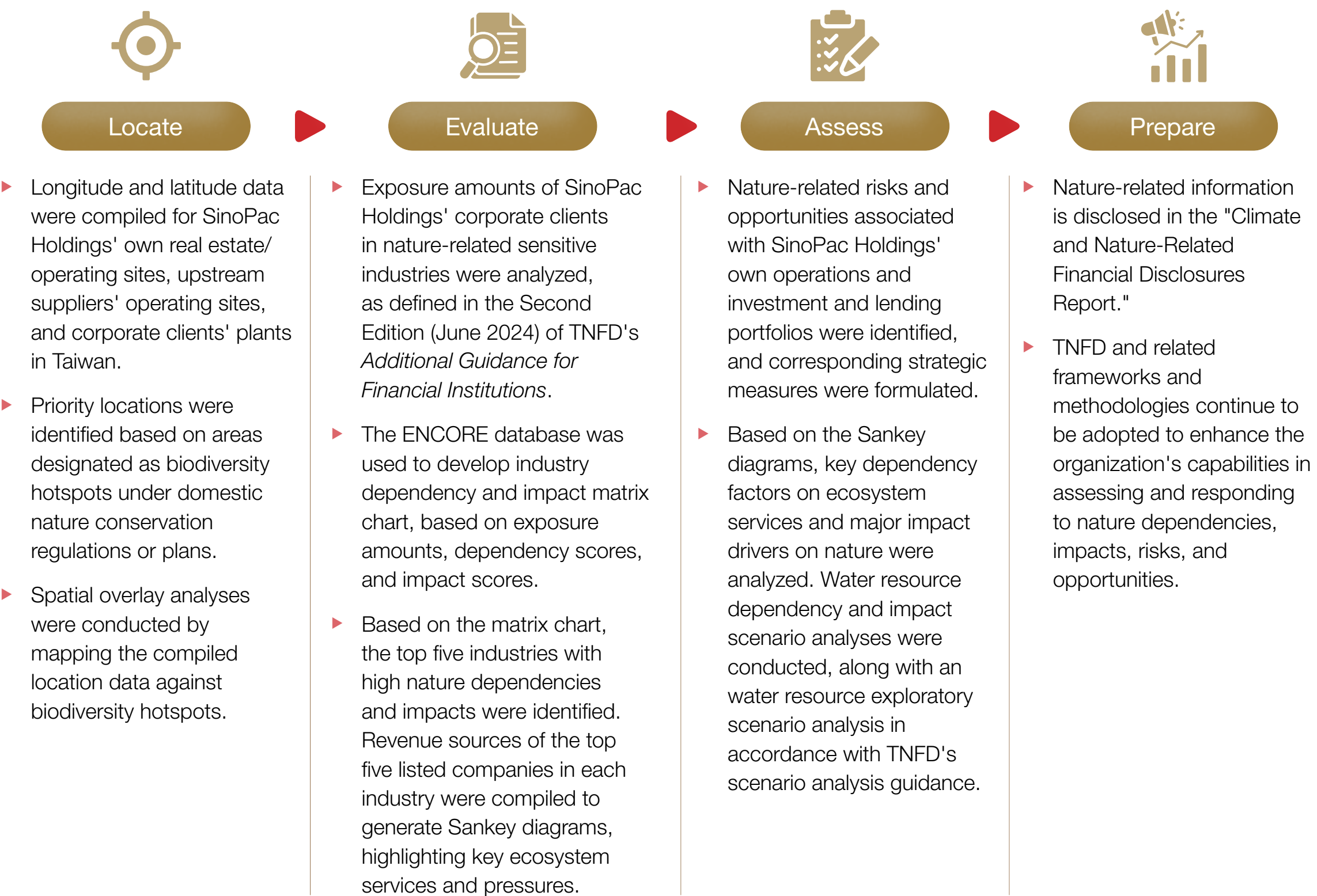
Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Resilience	CO6-2	Develop adaption capabilities in response to climate change	Adding products related to climate change to our investment and lending portfolios will help us keep informed of market trends and increase operational flexibility.	- Lending business - Investment/underwriting business - Product and merchandise sales	- Increased operational flexibility - Increased business opportunities - Increased income from investments - Enhanced corporate image	Short-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- Global trends in low-carbon green energies have increased demand for products associated with environmental sustainability and climate change. The Company has included climate change products in our investment and lending portfolios to align with current investment trends, and we evaluate industries with high climate risks in our investment and lending portfolios to enhance our resilience toward climate risks and increase income. - The Company has increased climate change products (such as carbon emission and ESG related products) in our investment and lending portfolio, focusing not only on financial indicators, but also diversifying investment targets, increasing investment in different industries such as electric vehicles and energy transition to increase operational flexibility, align with market trends, and respond to market changes.				- The Customer Relations Team is responsible for promoting and strengthening responsible investment and responsible lending and development of green finance products/services. And works to enhance climate awareness in customers and provides themed products that adhere to customer needs. - The Company keeps informed of market products, continue to assess/provide themed products that adhere to customer needs, and reference and utilize ESG evaluation mechanisms, ESG benchmark index constituents, and other ESG-related external resources or tools from professional institutes to support investments associated with sustainable development themes, and focus investments on sustainable development industries or targets. - SinoPac Holdings and all subsidiaries have established the "Responsible Investment Management Guidelines" or related regulations for promoting and implementing responsible investment. We also incorporated ESG issues into investment analysis and decision-making processes, and review the ESG information disclosed by investees. - Bank SinoPac has established the "Responsible Lending Management Guidelines" and signed the "Equator Principles," incorporated ESG issues into credit investigation and decision-making processes, and carefully evaluates borrower's environmental, social, and corporate governance risks.		

Opportunity Type	Item Code	Opportunity Item	Impacts	Impact Aspects	Potential Opportunities	Possible Time of Occurrence
Products and services	NO2	Develop or add financial products and services with benefits to nature	Provide eco-friendly financial solutions or green products (such as green loans and green investments) that generate positive impacts or reduce negative impacts on nature to increase income sources and competitiveness.	- Lending business - Investment/underwriting business	- Increased product and service categories - Enhanced corporate image - Increased operational flexibility	Mid-term
Assessments of Development Opportunities Related to Operational Strategies, Potential Businesses/Products, and Finances				Opportunity Development Management Measures/Response Strategies		
- Launch nature-friendly financial products (such as green energy loans, green deposits, and green bonds) to expand our green finance market share, increase income sources and competitiveness, combine business and nature protection goals, and increase portfolio resilience and income stability. - We continue to strive for ESG-related business opportunitiesand communicate ESG issues to collaborating partners, recommending incorporation in corporate governance and investment policies to fulfill corporate social responsibilities. - Proactively aligning with government policies and regulations and expanding investments in sustainable financial products, renewable energy, or green industries allows us to gain government support, leading to increases in clients and income while accelerating growth in business opportunities.				- The Customer Relations Team is responsible for implementing and enhancing responsible investment and responsible lending and development of sustainable financial products/services. - Align with government policies and regulations, and expand investments in sustainable financial products, renewable energy, or green industries to gain policy support at an early stage to enable provision of green and sustainable financial products and services. - Bank SinoPac has long promoted and supported renewable energy lending and issued green bonds, facilitating capital flows toward industries with positive ecological impacts. Apart from monitoring whether clients have assessed and appropriately responded to climate change and nature resource risks and opportunities, the Company has also established a dedicated credit investigation team to strengthen internal professional capabilities, and enhance customer acceptance of and participation in green products through market promotions.		

2.3 Strategies for Nature-Related Risks

To evaluate the nature dependencies, impacts, risks, and opportunities of SinoPac Holdings' own operations, supply chain, and investees and borrowers, we adopted the LEAP approach proposed by TNFD. Natural factors were incorporated into the evaluation process to enable a comprehensive analysis of nature-related risks and opportunities, serving as a reference for future decision-making. The LEAP approach consists of four stages: Locate, Evaluate, Assess, and Prepare.

The LEAP approach and framework were applied to design SinoPac Holdings' analysis process for nature-related issues:

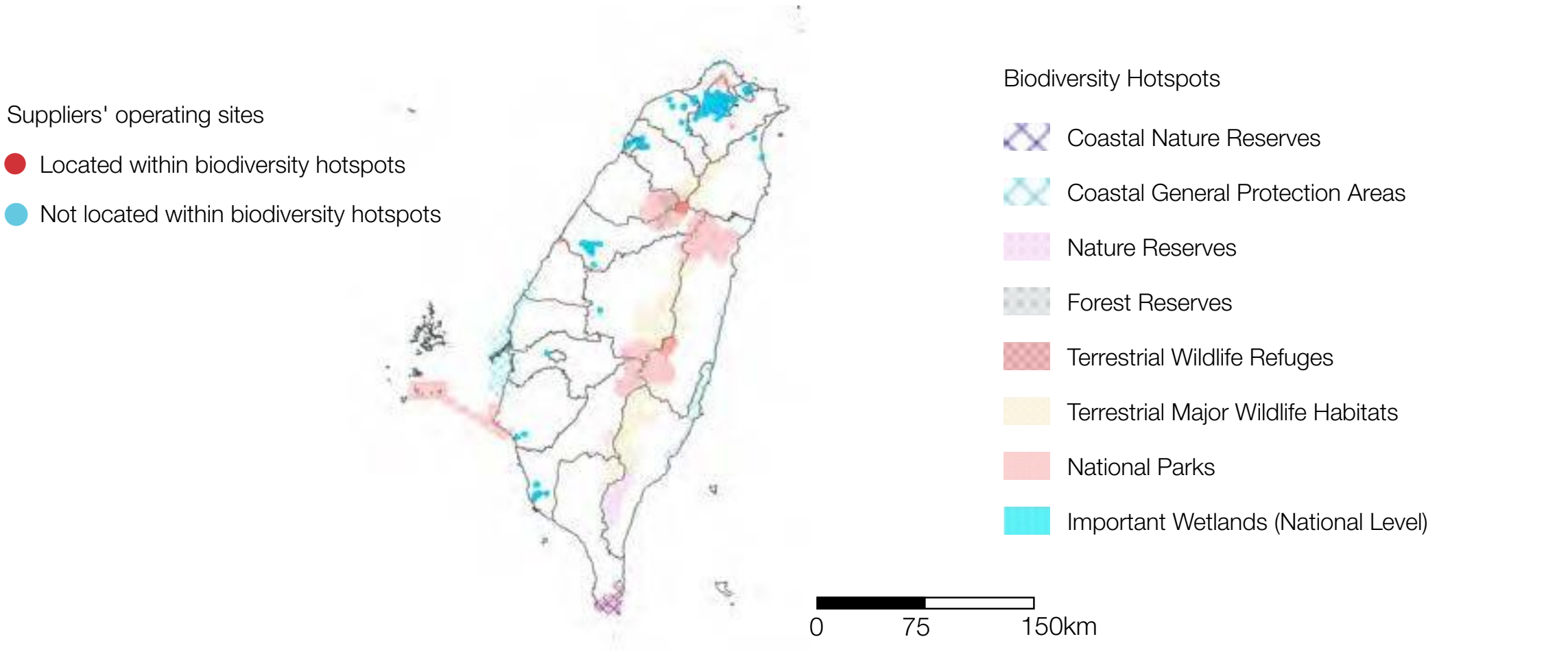


2.3.1 Biodiversity Hotspot Analysis

SinoPac Holdings follows the LEAP analysis procedures, with the "L" (Locate) step focusing on whether the Company's own business activities and value chains affect the natural environment, specific biomes, or ecologically sensitive areas. SinoPac Holdings thus overlays the latitude and longitude location data of own real estate/operating sites, upstream suppliers' operating sites, and downstream corporate clients' plants in Taiwan with the areas designated as biodiversity hotspots by laws and regulations or programs related to important domestic nature conservation in 8 maps that include national parks, terrestrial wildlife refuges, terrestrial major wildlife habitats, nature reserves, forest reserves, coastal nature reserves, coastal general protected areas, and important wetlands (national level).

Upstream suppliers' operating sites ^{Note 1}	
Methodology: Overlay the maps to evaluate the procurement amount from suppliers' operating sites in biodiversity hotspots.	
Results: The operating sites and headquarters of suppliers are mostly located in urban area, and the impact on biodiversity is relatively minor. There are no operating sites of upstream suppliers of SinoPac Holdings located in biodiversity hotspots.	
Reference date: December 31, 2024	
Unit: NT\$ million	
Procurement amount from biodiversity hotspots	Percentage of total procurement of SinoPac Holdings
0	0.00%

^{Note 1} The assessment scope covers domestic suppliers of the SinoPac Holdings and five major subsidiaries.



Downstream corporate clients' plants

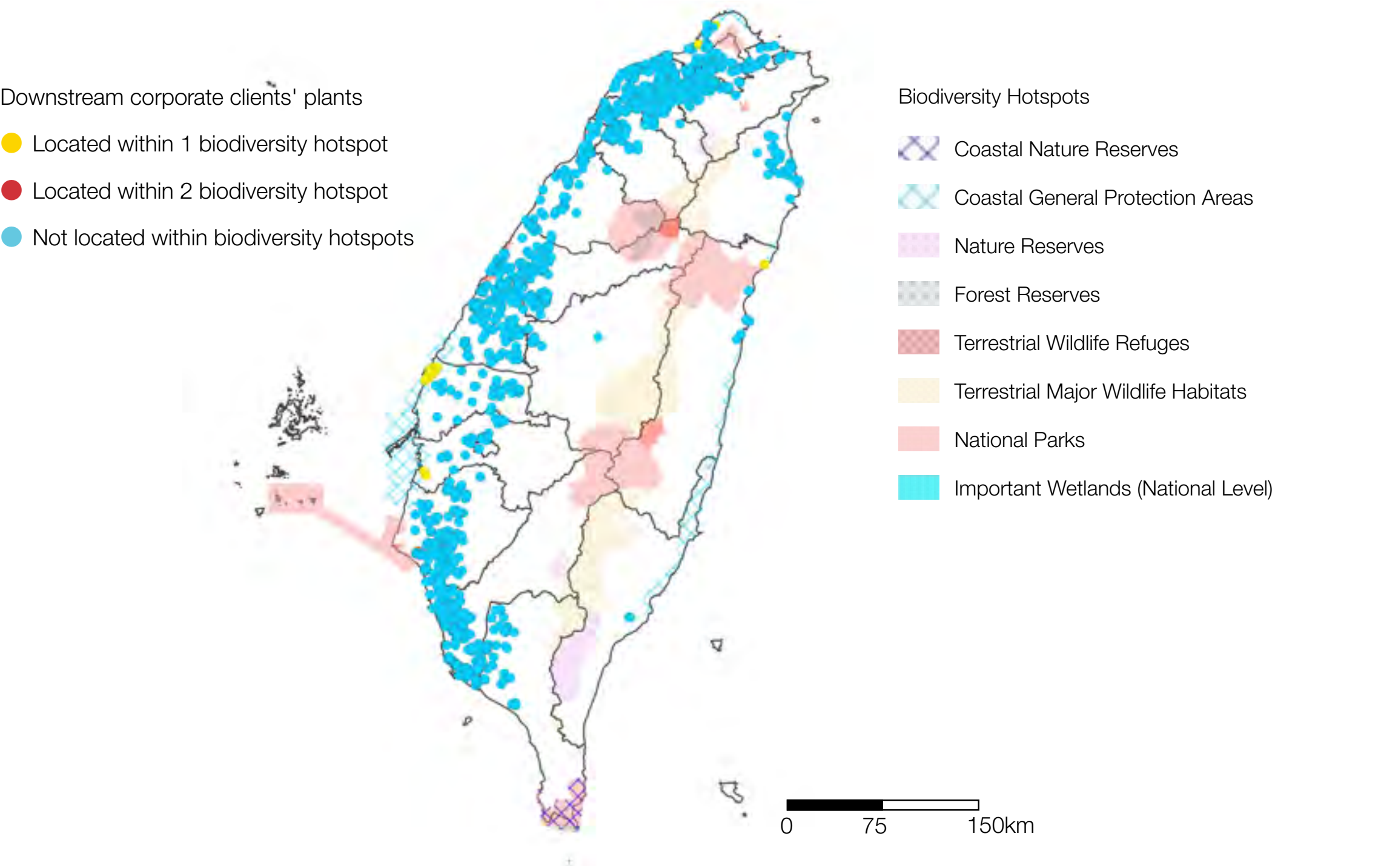
Methodology: Overlay the maps to evaluate the investment and lending amount for downstream corporate clients' plants in biodiversity hotspots.

Results: Downstream corporate clients' plants are mostly located in areas near the coast and rivers, which often overlap with biodiversity hotspots. The risk exposure to investment and lending of downstream corporate clients' plants in Taiwan that are in biodiversity hotspots amounts to approximately NT\$2,174 million, which accounts for approximately 0.08% of SinoPac Holdings' total investment and lending.

Reference date: December 31, 2024

Unit: NT\$ million

Investment and lending amount in biodiversity hotspots	Percentage of total investment and lending of SinoPac Holdings
2,174	0.08%



Own real estate/operating sites

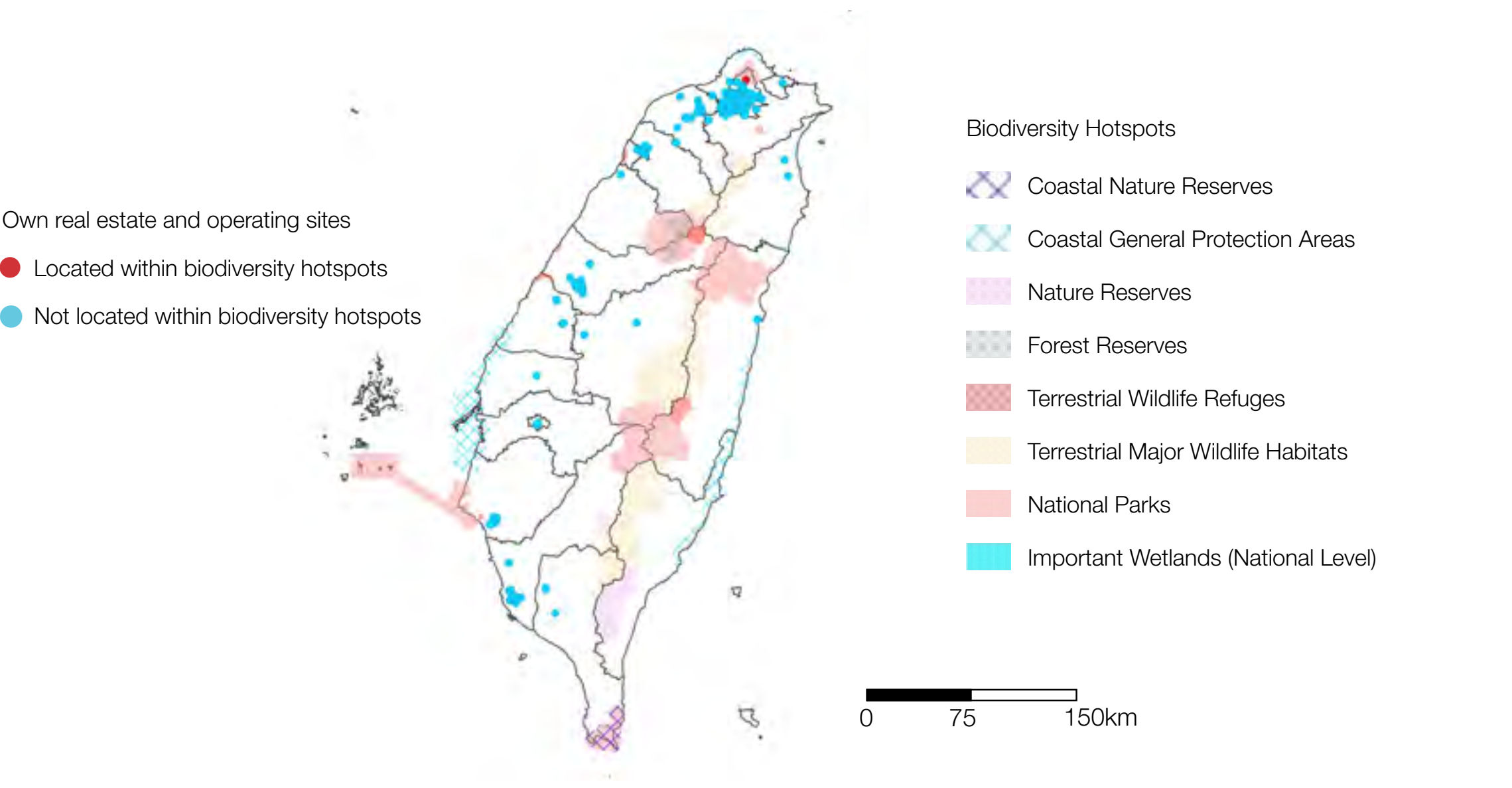
Methodology: Overlay the maps to evaluate the book value of own real estate located in biodiversity hotspots and the number of operating sites located in biodiversity hotspots.

Results: As the locations of own real estate and operating sites are mostly in urban areas, they have little impact on biodiversity. The book value of own real estate of SinoPac Holdings located in biodiversity hotspots is approximately NT\$25 million, which accounts for approximately 0.001% of the total assets of SinoPac Holdings. No operating sites of SinoPac Holdings in Taiwan are located in biodiversity hotspots.

Reference date: December 31, 2024

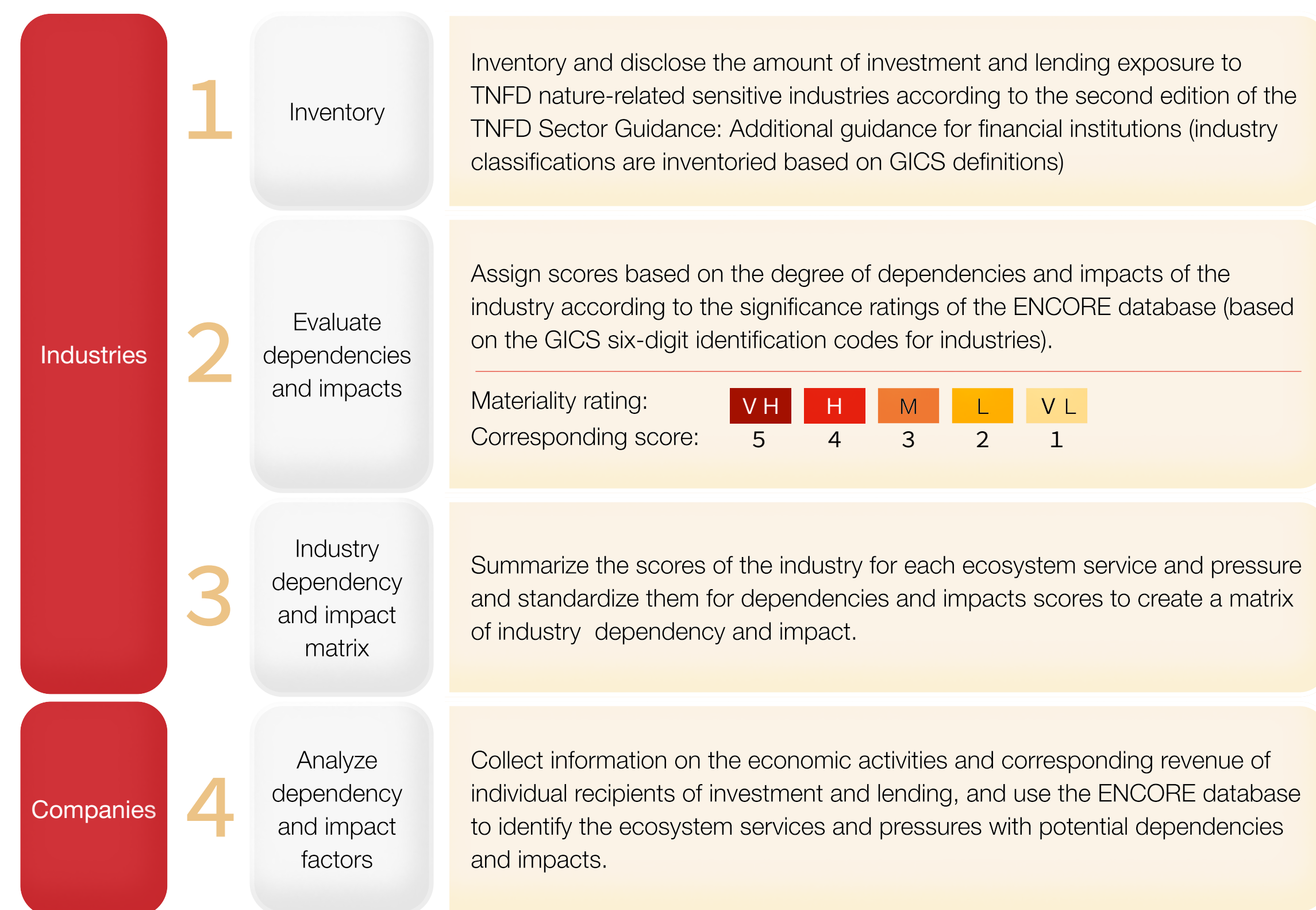
Unit: NT\$ million

Own real estate	
Book value of properties in biodiversity hotspots	Percentage of total assets of SinoPac Holdings
25	0.001%
Own operating sites	
Number of operating sites in biodiversity hotspots	0



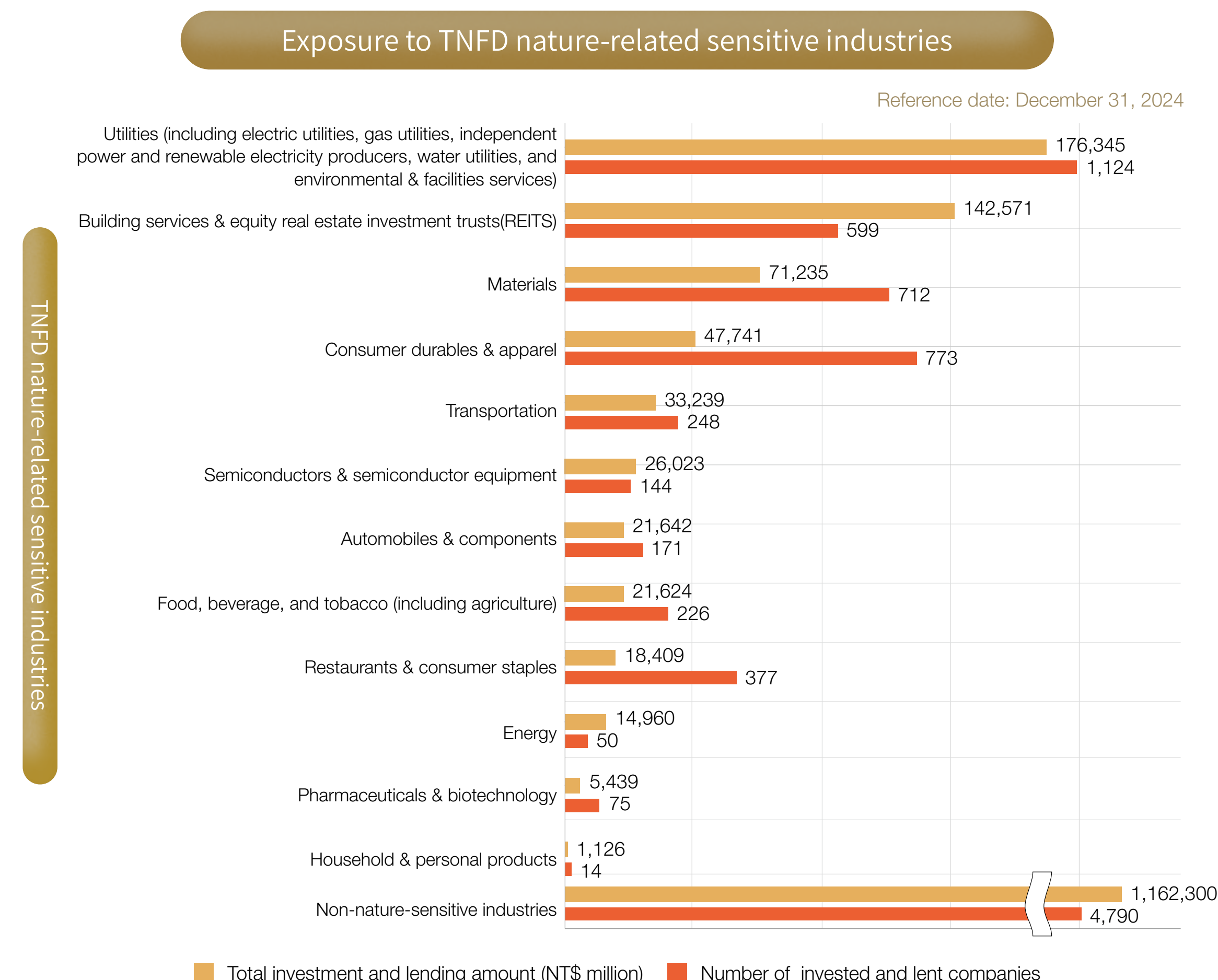
2.3.2 Nature-Related Dependencies and Impacts Evaluation

SinoPac Holdings complies with the second edition of the TNFD "Additional guidance for financial institutions" (published in June 2024) to disclose the exposure to nature-related sensitive industries and also references the LEAP approach, including "E" (Evaluate), which identifies and evaluates nature-related dependencies and impacts. Using the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tools in accordance with the guidance to establish a matrix of industry dependency and impact in the investment and lending portfolio and understand the overall nature-related risk exposure. The Company also focuses on high-risk exposure and high-risk industries, collects information on the economic activities of individual investees and borrowers and identifies the critical ecosystem services and pressures for the investment and lending portfolio to determine the extent of the investment and lending counterparty's dependencies and impacts on natural capital. The analysis procedures are as follows:

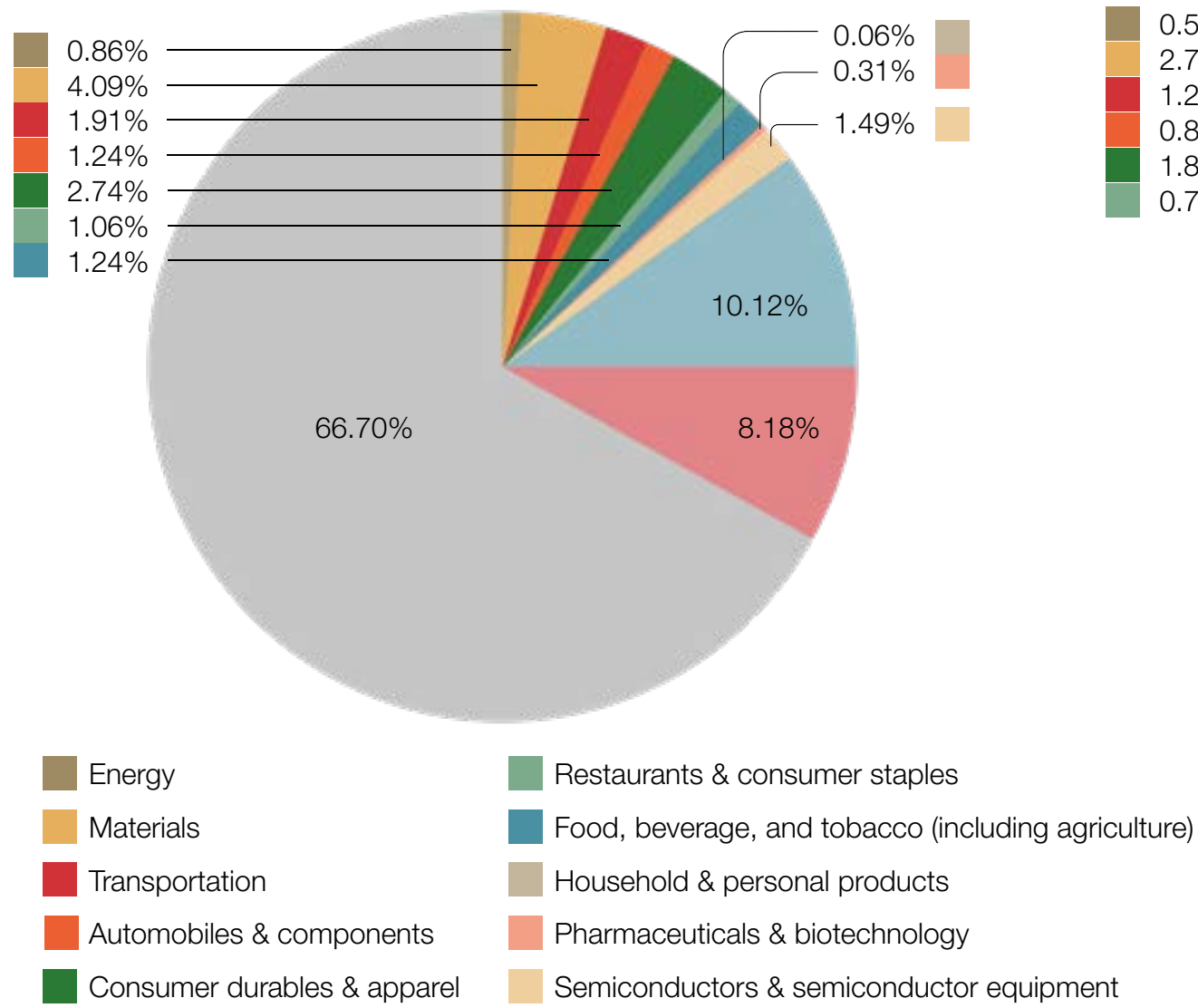


Exposure to TNFD nature-related sensitive industries

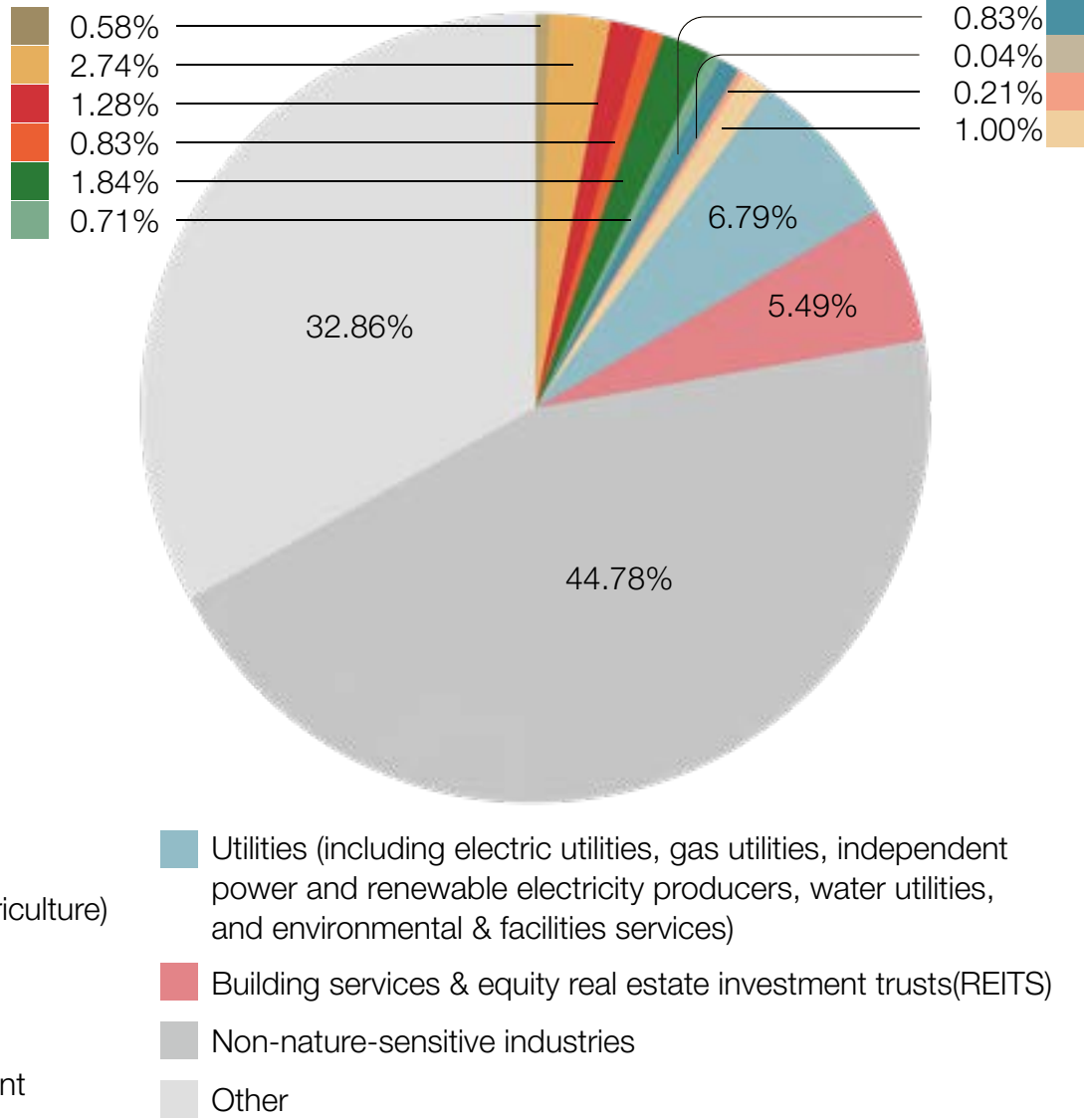
According to the definition of top 12 nature-related sensitive industries listed in the second edition of the "Additional guidance for financial institutions" (June 2024) released by TNFD (the industry classification is defined in accordance with the GICS classification), as of December 31, 2024, the investment and lending amount in TNFD nature-related sensitive industries was NT\$580,354 million, accounting for approximately 33.30% of the investment and lending portfolio on corporate clients, or 22.36% of the overall investment and lending amount of SinoPac Holdings (including personal loans).



Percentage of investment and lending portfolio on corporate clients



Percentage of overall investment and lending amount (including personal loans)



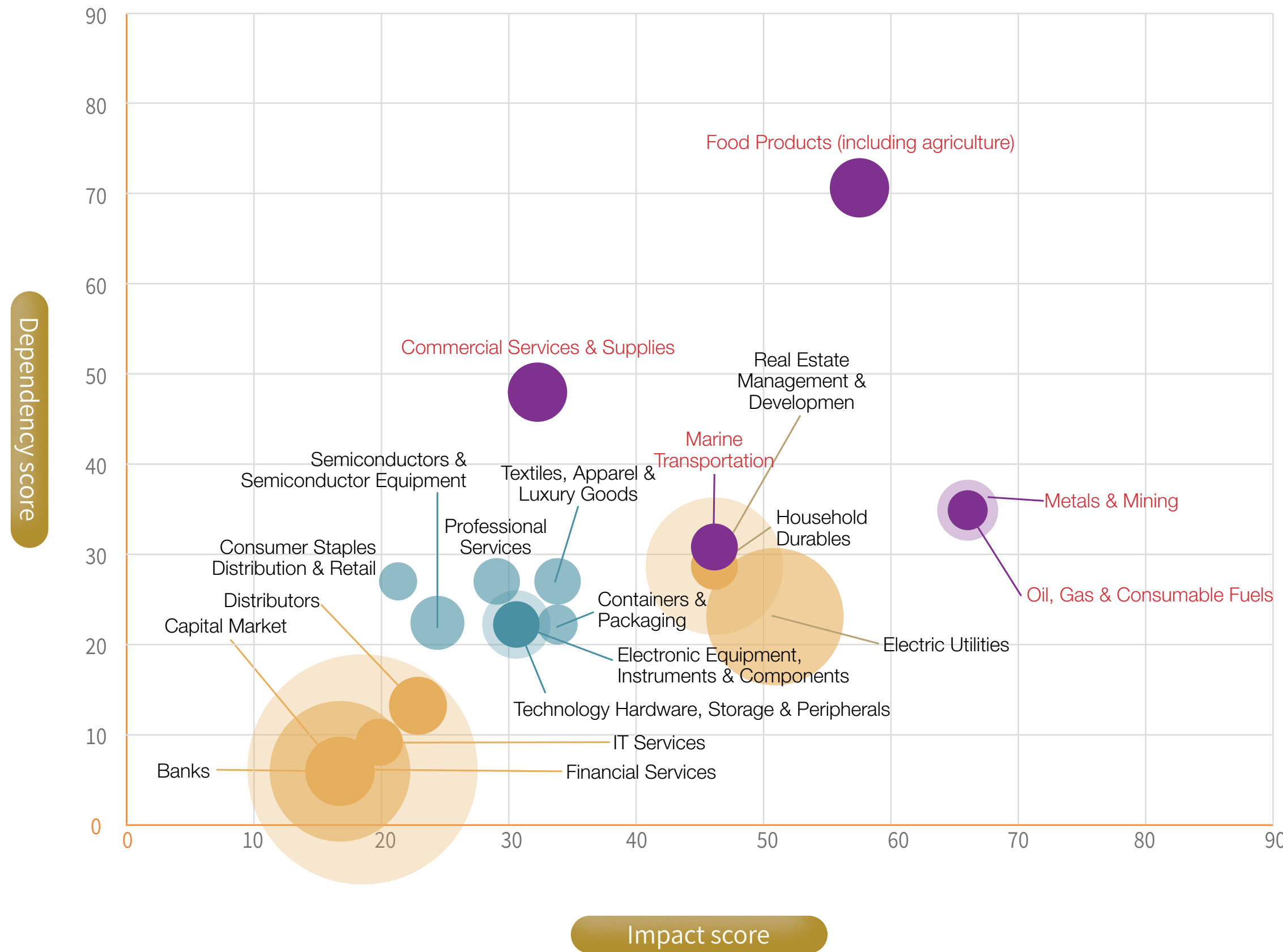
SinoPac Holdings Industry Dependency and Impact Matrix

The Company used the latest version (June 2024) of the ENCORE tool to produce a matrix of dependencies and impacts of the top 20 industries, which are defined in accordance with the GICS classification, according to the investment and lending amount.

Description of matrix axis		
Level of dependencies (Y axis)	Level of impacts (X axis)	Bubble size
Companies' dependence on ecosystem services for survival, such as the ability to regulate water flow and quality and the ability to recover from disasters such as fires and floods. The ENCORE database includes 25 ecosystem services.	Changes in the state of nature may be caused by direct, indirect, or cumulative actions by organizations. They may result in changes in nature's ability to provide social and economic functions. The impacts may be positive or negative. The ENCORE database includes 13 pressures.	Investment and lending amount as of December 31, 2024

The top five industries within the company's overall investment and lending portfolio that exhibit the highest levels of dependency on and impact on nature (represented by purple bubbles in the chart) are: "food products (including agriculture)", "metals & mining", "oil, gas & consumable fuels", "marine transportation", and "commercial services & supplies".

Matrix of dependencies and impacts of the top 20 GICS industries

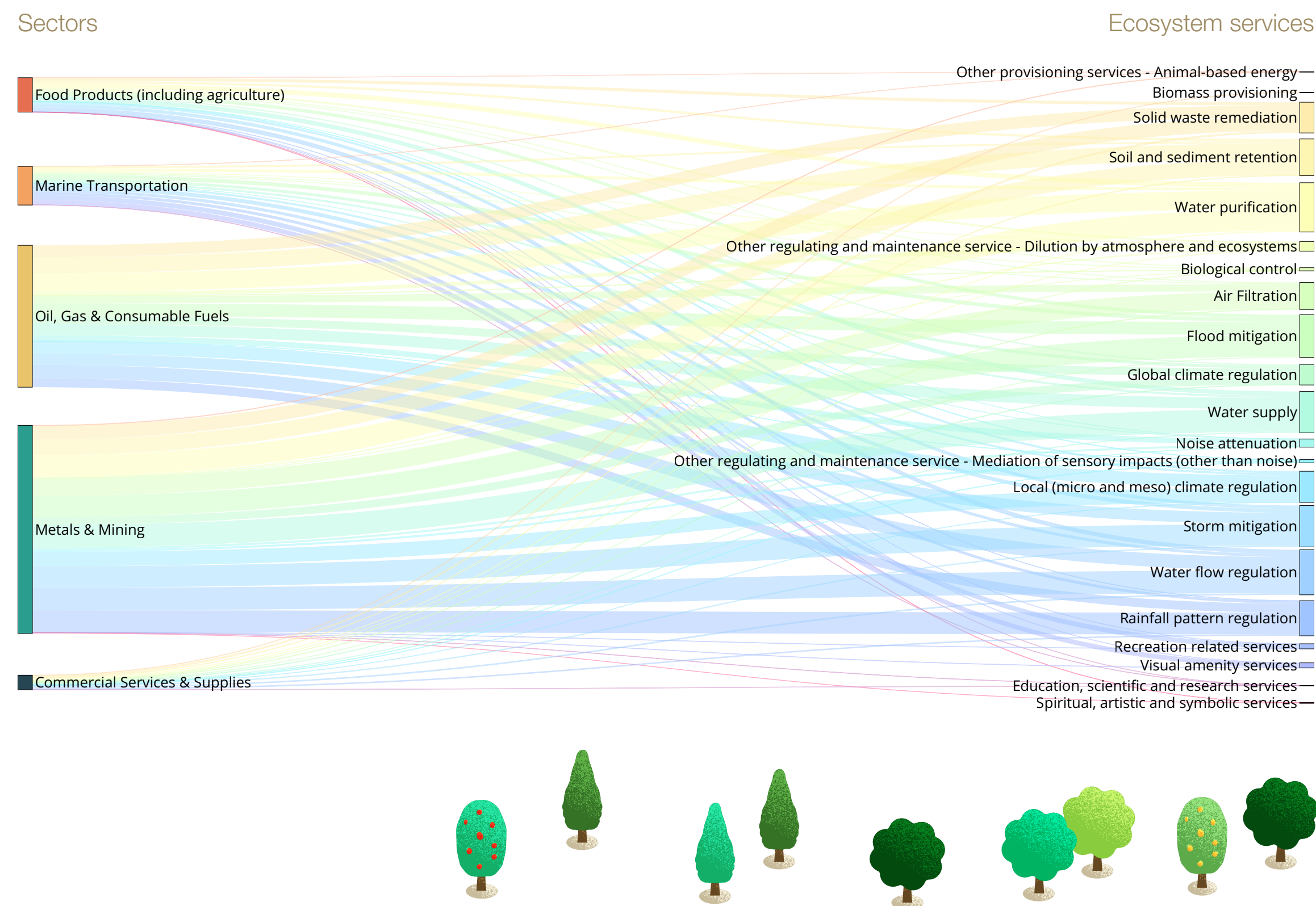


Sankey diagram of Top 25 listed companies in the top five high dependencies and impacts industries

For the top five industries with the highest dependency and impact on nature (food products (including agriculture); metals & mining; oil, gas & consumable fuels; marine transportation ; and commercial services & supplies), SinoPac Holdings collected information on the business activities of the top five listed companies in each industry (totaling 25 companies) according to exposure. SinoPac Holdings uses public information to determine the economic activities of such companies and identifies potential dependencies (ecosystem services) and impacts (pressures). This enables the Company to carry out nature-risk identification of the entire investment and lending portfolios and establish corresponding risk management processes, expecting to mitigate potential impacts.

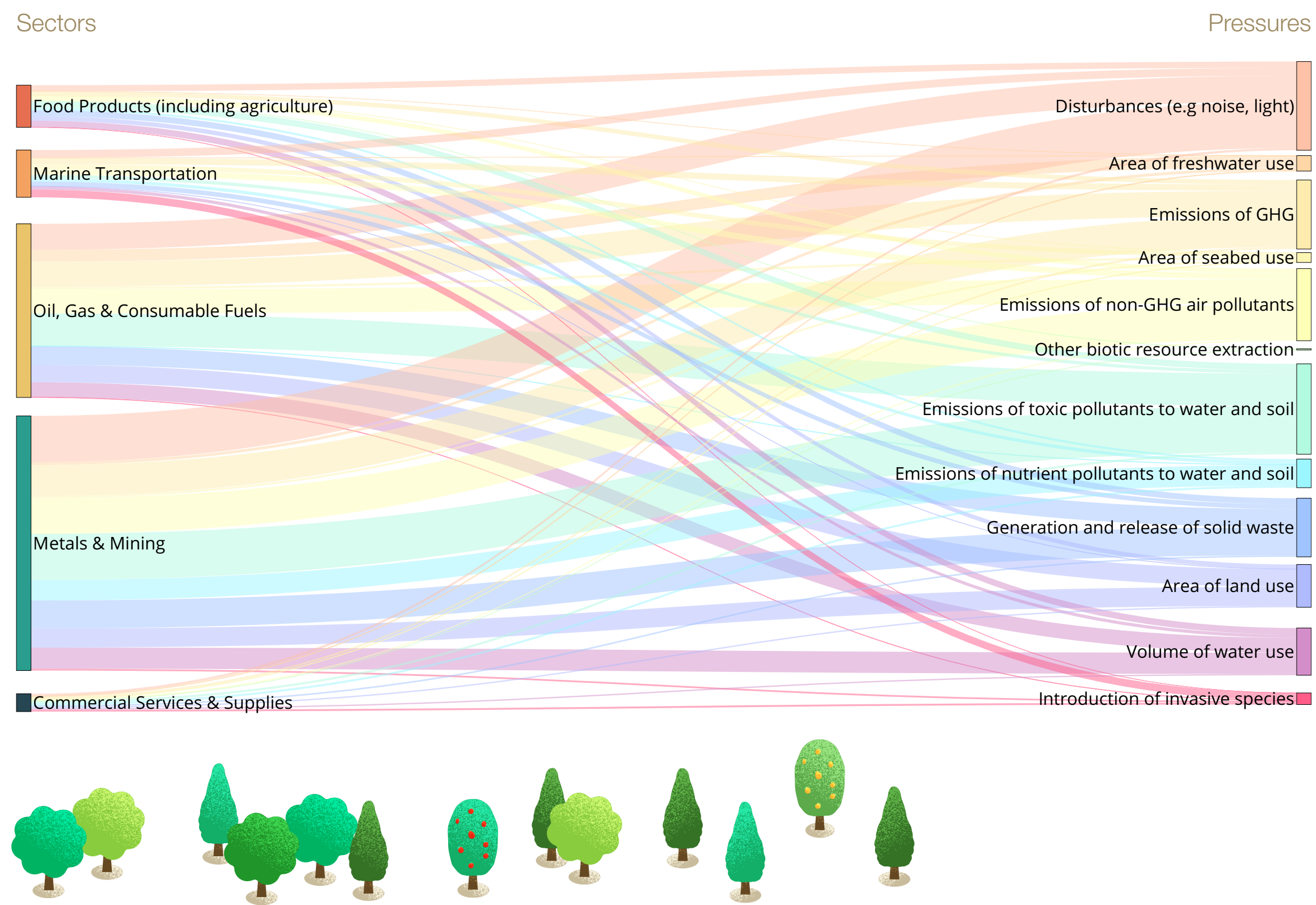
Sankey Diagram of Nature-related Dependencies

The analysis results of the dependencies are shown in the figure below. Through the analysis, we found out that the companies' economic activities depend on the following top three ecosystem services: water purification, water flow regulation, and flood mitigation, accounting for approximately 31.34%.



Sankey Diagram of Nature-related Impacts

The analysis results of the impacts are shown in the figure below. We analyzed the companies' economic activities and identified the top three pressures that affect the ecology. They included discharge of toxic pollutants into water and soil, disturbance (e.g., noise and light), and non-greenhouse gas emissions, accounting for approximately 46.90%.



2.4 Green Strategies

2.4.1 Green Operations

SinoPac Holdings is committed to reducing environmental impacts from own operations through promotion of various carbon reduction actions while also working with other value chain stakeholders to initiate low-carbon transformations and achieve net zero targets. In March 2022, SinoPac Holdings has officially pledged to achieve net zero emissions in its own operations by 2030 and SBT goal for net zero in the Group's investment and financing portfolio by 2050, and our target was verified by the Science Based Targets Initiative (SBTi) in January 2024. In operational terms, SinoPac is committed to protecting the environment, raising environmental awareness of employees and suppliers, introducing environmental management systems, and reducing greenhouse gas emissions and waste. The Sustainable Development Committee convenes once every quarter to track and report progress on the short, medium, and long-term targets set by the Environmental Sustainability Team.

SinoPac Holdings continues to implement green and low-carbon actions. We expanded the scope of domestic ISO14064-1:2018 greenhouse gas inventories to 100%, completed inventory of our overseas operating sites in August 2021, and passed third-party verifications in 2022, bringing domestic and foreign inventory scope and verifications to 100%. The base year was therefore adjusted to 2021. In 2024, SinoPac Holdings expanded ISO 50001:2018 Energy Management System and ISO14001:2015 Environmental Management System scope to 100% in all seven self-owned buildings, obtained third-party verification, and received the Sustainability and Resilience Practice Award from the British Standards Institution (BSI). Additionally, SinoPac Holdings and first-tier subsidiaries have introduced an internal carbon pricing mechanism to enhance energy efficiency, strengthen carbon reduction awareness, and achieve low-carbon operations through internal behavior changes.

In 2024, SinoPac Holdings used 6.67 million kWh of green electricity in self-owned office buildings and operational sites for operational power consumption. We obtained 6,544 renewable energy certificates and our green electricity usage accounted for 19% of total power consumption. As of year-end 2024, SinoPac Holdings has cumulatively signed Power Purchase Agreements (PPAs) to import 8.78 million kWh of green electricity each year. Additionally, Bank SinoPac completed installation of rooftop solar photovoltaic systems on self-owned office buildings, with an installed capacity of 13.5 KW, which generates around 17,000 kWh each year, equivalent to a reduction of 8.4 tons in carbon emissions. SinoPac Holdings and its subsidiaries purchased the first batch of carbon credits (10,000 tons; not yet used) from the Taiwan Carbon Solution Exchange in 2023 to prepare for carbon neutrality, and will continue to launch green energy and low-carbon transformation plans in accordance with net zero emissions goals. SinoPac Holdings's efforts in management of environmental operations have been recognized by internal and external stakeholders. In 2024, SinoPac Holdings participated in the CDP Climate Change Questionnaire for the fifth consecutive year and was awarded the highest honor of Leadership Level A. The company has maintained its Leadership Level status for five consecutive years.



Energy Management

SinoPac Holdings gradually introduced the ISO 50001 energy management system in all seven office buildings starting in 2019 to optimize energy management efficiency. In 2024, we completed incorporation of the ISO 50001 energy management system in our seventh building (Songshan), increasing our coverage rate to 100%. We will continue to monitor and measure the performance of energy conservation measures and key operational characteristics while implementing various energy conservation solutions. The Company also continuously monitors and measures the performance of energy conservation measures based on the key characteristics of operations. SinoPac Holdings has also reviewed its low carbon strategy for potential for reducing carbon emissions. It has planned to gradually replace its company vehicles powered by internal combustion engines with hybrid or electric vehicles. In 2024, SinoPac Holdings completed the construction of the first electric vehicle charging station at the Zhonglun Building of the head office. The carbon reduction benefits from the replacement of company vehicles powered by internal combustion engines with electric vehicles in Scope 1 emissions was 5.26 metric tons.



Environmental Managemen

SinoPac Holdings gradually introduced the ISO 14001:2015 environmental management system in all seven office buildings starting in 2019 to improve environmental risks. In 2024, we completed incorporation of the ISO 14001 environmental management system in our seventh building (Songshan), increasing our coverage rate to 100%. We will continue to control and reduce impacts from major environmental factors, and establish long-term and feasible measures to facilitate climate sustainable development.



Greenhouse Gas Management

SinoPac Holdings began conducting GHG inventories in accordance with the Act for Operational Control in 2018 and began implementing ISO 14064-1:2018 in 2019. We formulated plans to inventory total greenhouse gas emissions from SinoPac Holdings and all subsidiaries, and also set short, medium, and long-term reduction targets for Scope 1 and Scope 2 emissions in accordance with SBTi financial industry indicators. We plan to achieve operational net zero in 2030 through energy conservation and carbon reduction, use of renewable energy, and renewable energy certificates. In 2022, we completed inventory of all domestic and foreign sites for SinoPac Holdings and our five main subsidiaries, achieving a coverage rate of 100%. In future, we will continue to conduct GHG inventories in accordance with our carbon reduction pathway plans, and will incorporate green energy and low-carbon transitions into our sustainable finance vision. (Please refer to [5.4 Greenhouse Gas Emissions](#))

Energy Conservation and Carbon Reduction Measures and Results in 2024

Business Premise	Energy Conservation Measure	Description	Annual Electricity Saved (MWh)	GHG Reduced (metric tons -CO ₂ e)
Bank SinoPac	Electricity consumption of air conditioning cooling tower	Improving air conditioning system and replacing the air conditioning cooling towers at Nanjing Building, saving power on the air conditioning system.	77.01	38.04
Bank SinoPac	Installation of LED lighting fixtures	Replacing traditional lighting fixtures with energy-saving LED lighting fixtures in branches and offices	399.38	197.29
SinoPac Securities	Electricity consumption of air conditioning chiller	Replacing the air conditioning chiller in the 8 th floor computer room of the Taikai Building, saving power consumption.	54.31	26.83
SinoPac Securities	Replace old energy-consuming split air conditioners	Replacing split air conditioners in Zhongzheng and Hsinchu Science Park branches.	7.75	3.83
Total			538.45	265.99

2.4.2 Green Investments and Financing

In response to the carbon reduction goals of the Glasgow Climate Pact and the "Green Finance Action Plan 3.0" announced by the FSC in 2022, SinoPac Holdings and its subsidiaries utilized their core financial businesses to promote energy-saving and carbon-reducing investment and financing products and services that help reduce greenhouse gas emissions. Through concrete actions to mitigate climate change, SinoPac Holdings aims to become an accelerator for green finance and drive sustainable transition of value chains.

Green Investing Products and Services

1. Proprietary sustainable (mainly green) investment products

Unit:NT\$

Category	2023		2024	
	Year-end AUM	Ratio	Year-end AUM	Ratio
ESG Integration- SinoPac SITC: SinoPac Taiwan ESG Plus Fund	400,129,383	0.51%	389,373,273	0.38%
Best in Class- SinoPac SITC: SinoPac Taiwan Target Exposure ESG ETF	9,930,668,890	12.78%	5,944,886,047	5.75%
Thematic- SinoPac SITC: SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF	2,159,231,374	2.78%	8,712,079,148	8.42%
Total sustainable investing AUM	12,490,029,647	16.07%	15,046,338,468	14.55%
Total investing AUM ^{Note}	77,721,662,709		103,429,020,913	

^{Note} The total net assets of Mutual funds of the SinoPac SITC.

2. Third-party sustainable (mainly green) investment products

Unit:NT\$

Category	2023		2024	
	Year-end AUC	Ratio	Year-end AUC	Ratio
ESG Integration	1,291,957,510	0.95%	2,823,434,940	1.75%
Best in Class	440,672,911	0.32%	530,588,599	0.33%
Total sustainable investing AUC	1,732,630,421	1.27%	3,354,023,539	2.08%
Total investing AUC ^{Note}	136,160,506,868		161,429,081,678	

^{Note} Refers to the combined total amount of domestic and overseas funds of Bank SinoPac and SinoPac Securities.

Green Financing Products and Services

1. Corporate Finance

Unit: NT\$				
Category	2023		2024	
	Year-end Monetary value	Ratio	Year-end Monetary value	Ratio
Sustainability-linked loans	23,206,226,538	2.89%	23,246,663,165	2.57%
Bank SinoPac: Loans to the Eco-friendly Textiles Industries	3,231,354,959	0.40%	3,263,568,210	0.36%
Bank SinoPac: Financing for energy storage systems	5,971,175,359	0.74%	13,101,847,683	1.45%
Bank SinoPac: Replacement of Large Diesel Vehicles	671,471,040	0.08%	314,720,222	0.03%
Bank SinoPac: Solar Photovoltaic Energy Generation Equipment Financing for Corporates	104,653,625,328	13.05%	128,918,016,064	14.24%
Bank SinoPac: Other Green Energy Loan ^{Note 1}	2,265,524,893	0.28%	5,492,585,268	0.61%
SinoPac Leasing: Financing for Green Energy Equipment and its Supply Chain	1,222,773,020	0.15%	1,834,192,554	0.20%
Total sustainable value	141,222,151,137	17.61%	176,171,593,166	19.46%
Total corporate finance value ^{Note 2}	801,913,439,540		905,208,902,720	

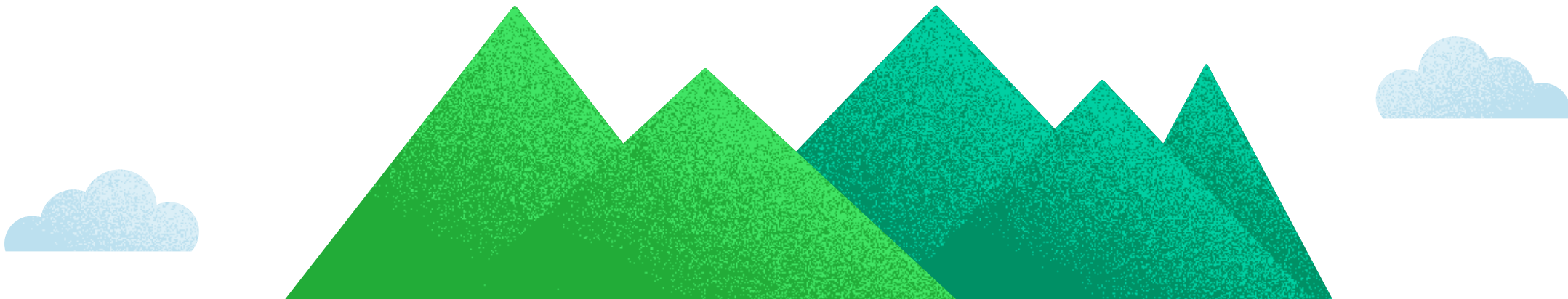
^{Note 1} Bank SinoPac's "Other green energy loan" mainly includes onshore wind power, geothermal, small hydro power, bioenergy and other energy construction projects, excluding solar photovoltaic energy generation equipment financing and energy storage systems financing.

^{Note 2} The balance includes Bank SinoPac and SinoPac Leasing's (including overseas operations) total corporate loan/financing outstanding (including Non-accrual Loans).

2. Consumer Finance

Unit: NT\$				
Category	2023		2024	
	Year-end Monetary value	Ratio	Year-end Monetary value	Ratio
Bank SinoPac: Green Mortgage	2,049,002,574	0.29%	4,940,045,416	0.65%
Bank SinoPac: Financing for Household Solar Energy Equipment	239,227,712	0.03%	210,598,364	0.03%
Bank SinoPac: Personal Electric Vehicle loans	62,493,744	0.01%	36,427,314	0.005%
Total sustainable products	2,350,724,030	0.33%	5,187,071,094	0.68%
Total consumer finance value ^{Note}	712,390,342,790		765,023,803,483	

^{Note} Outstanding amount of the overall retail banking (including Non-accrual Loans), which includes the balance of mortgages, car loans, credit loans, credit card lending, etc.



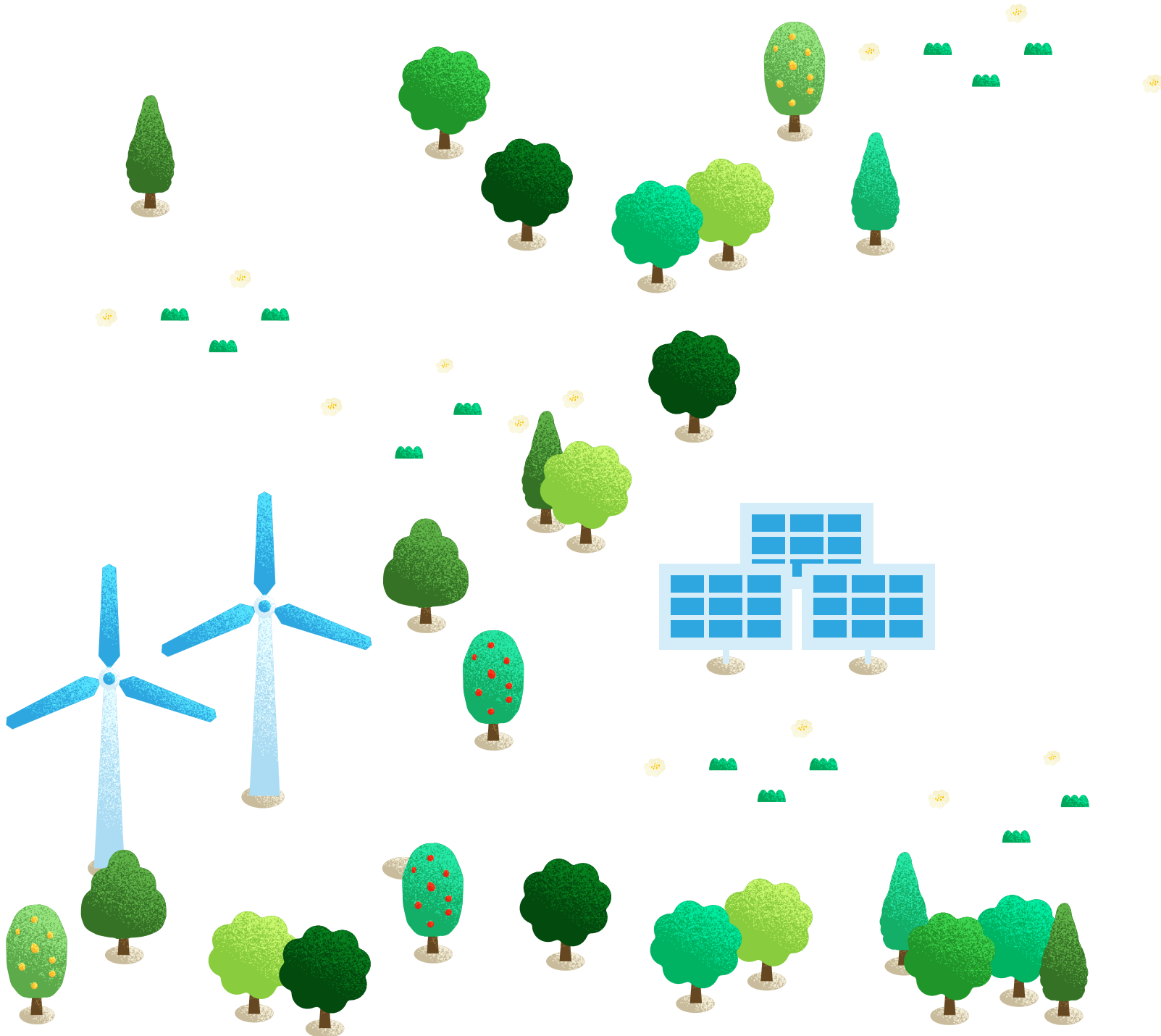
2.4.3 Green Procurement

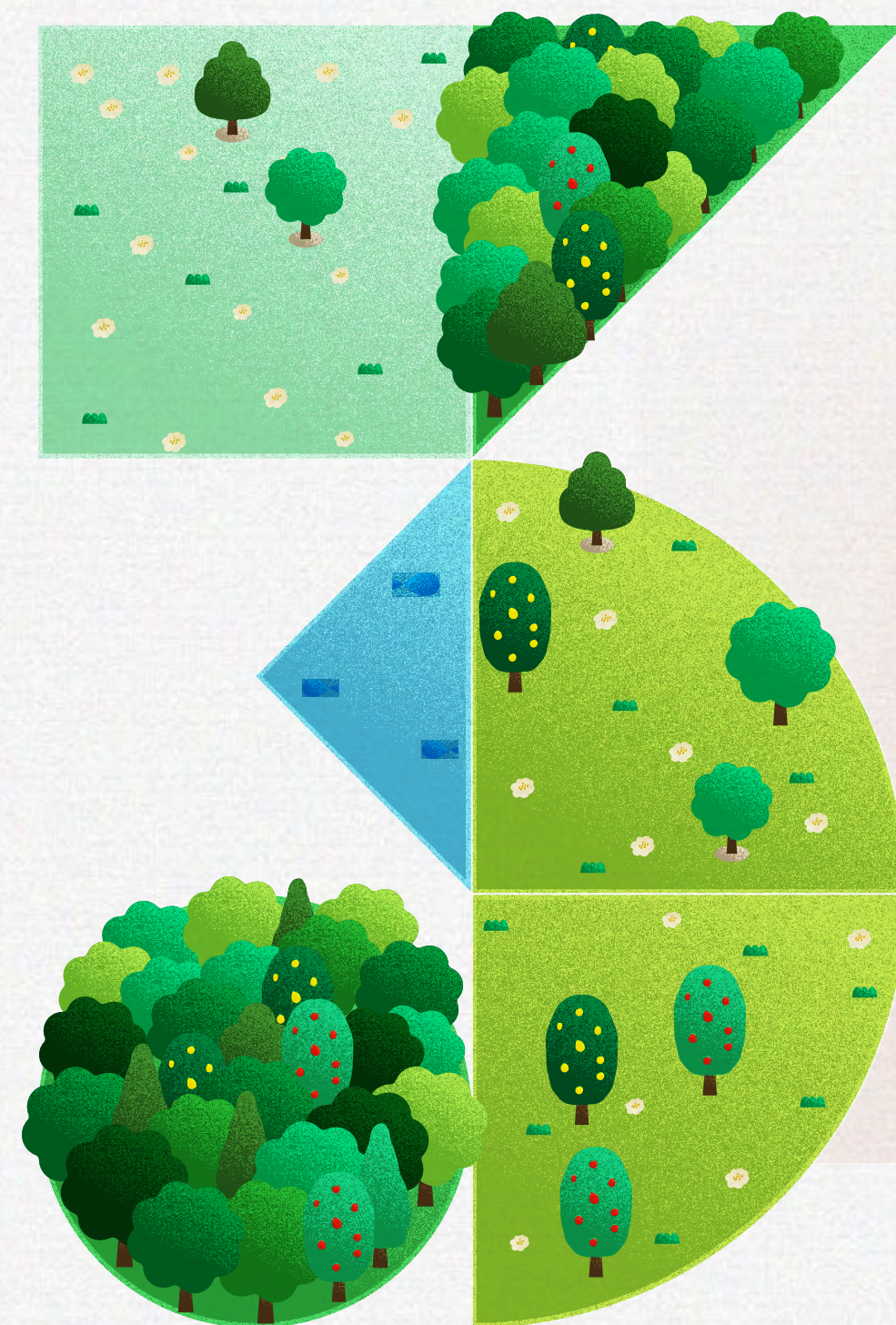
In order to maintain sound management of environmental performance, SinoPac Holdings carefully selects collaborating suppliers and has established a supplier assessment platform to conduct annual supplier appraisals. We incorporated appropriate supplier appraisal items from Taiwan Sustainable Taxonomy and classified supplier risk by business characteristics. SinoPac Holdings distributes self-evaluation surveys to high-risk and moderate-risk suppliers every 2-3 years to assess their risks, and conducts risk identification procedures and on-site audits for key sustainability issues to support low-carbon and sustainable suppliers through green procurement and sustainable supplier management.

SinoPac Holdings Achievements in Green Procurement

Unit:TWD

Indicator	2022		2023		2024	
	Total procurement	Green procurement amount	Total procurement	Green procurement amount	Total procurement	Green procurement amount
Construction services	396,320,211	11,613,044	394,791,791	59,898,204	660,738,169	72,896,171
Computer and information services	1,528,147,601	23,756,510	1,534,304,028	15,824,758	1,438,964,442	55,407,597
Office supplies	72,734,925	33,490,463	69,168,348	44,903,745	99,249,126	46,954,823
Property management and security	127,244,960	0	116,729,307	0	191,096,869	0
Printed materials	94,492,124	9,464,182	86,295,076	5,529,389	102,511,690	6,773,110
Advertising and Marketing	146,253,757	25,498,040	229,791,992	40,980,458	283,186,439	52,989,729
Total procurement amount	2,365,193,578	103,822,239	2,431,080,542	167,136,554	2,775,746,735	235,021,430
Green procurement ratio	4.39%		6.87%		8.5%	





Climate and Nature Scenario Analyses

3.1 Climate Physical Risks

- 3.1.1 Heavy Rainfall and Flooding
- 3.1.2 Droughts
- 3.1.3 Landslide Disasters
- 3.1.4 Rising Sea Levels

3.2 Climate Transition Risks

- 3.2.1 Carbon Cost Payments
- 3.2.2 Energy Transition
- 3.2.3 Net Zero Emissions in Own Operations

3.3 Significant Areas of Uncertainty Considered in the Assessment of Climate Resilience

3.4 Nature Scenario Analysis

- 3.4.1 Nature Risks: Water Resource Exploratory Scenarios
- 3.4.2 Assessment of water resources dependency scenario
- 3.4.3 Assessment of water resources impact scenario

3.5 Scenario Analyses for Climate Opportunities

A N A L Y S I S

3.1 Climate Physical Risks

SinoPac Holdings has conducted four scenario analyses for physical risks: Heavy rainfall and flooding, droughts, landslide disasters, and rising sea levels. Heavy rainfall and flooding may occur as Taiwan is often impacted by typhoons which bring heavy rain and cause flooding in low-lying areas. Impacts from global climate change in recent years have increased the frequency of flooding incidents due to heavy rainfall in some regions, causing financial losses in the entire value chain. Droughts result from Taiwan's high mountains, short and fast-flowing rivers, and high variability in river flows, which make it difficult to retain water. Impacts from global climate change in recent years have increased fluctuations in river flows, causing operational impacts due to suspended operations or additional costs required to obtain water (for example, costs from deploying water trucks). Landslide disasters may occur as Taiwan has many mountains and is often impacted by earthquakes and typhoons, which may cause slope collapses and affect the safety of real estate and businesses located in slope regions. Finally, as Taiwan is an island, rising sea levels over the long term may impact real estate in low-lying coastal areas and around rivers. Heavy rainfall and flooding, droughts, and landslide disasters are acute physical risks, while rising sea levels are a chronic physical risk.

In 2023, our report adopted Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) scenarios. This year, we adopted IPCC Sixth Assessment Report (AR6) scenarios for heavy rainfall and flooding, droughts, and landslide disasters, while maintaining AR5 scenarios for rising sea levels.

SinoPac Holdings analyzed the physical risks for various sections of the entire value chain (suppliers, own operations, and investment and lending businesses) and evaluated the potential impacts on capital adequacy ratios from expected losses, setting five degrees of potential impact as follows:

Potential Impact Level	Low	Moderately Low	Moderate	Moderately High	High
Capital adequacy ratio reduction (A)	0%<A<1%	1%<A<2%	2%<A<3.5%	3.5%<A<5%	A>5%
Equivalent amount (TWD)	Under NT\$2.1 billion	Around NT\$2.1-4.2 (inclusive) billion	Around NT\$4.2-7.4 (inclusive) billion	Around NT\$7.4-10.5 (inclusive) billion	Above NT\$10.5 billion



Overview of Physical Risks and Scenario Analysis Results

Risk Factors			Acute Physical Risk: Heavy Rainfall and Flooding		Acute Physical Risk: Droughts		Acute Physical Risk: Landslide Disasters		Chronic Physical Risk: Rising Sea Levels		
Parameters			Rainfall volumes and inundation probability maps loss ratios for real estate values, revenue impact ratios		Standardized Precipitation Index threshold values and water conservation alert levels revenue impact ratios		Rainfall volumes and landslide susceptibility index loss ratios for real estate values, revenue impact ratios		Rising sea levels and parameters in the Climate Change Scenario Analyses Documents for Domestic Banks loss ratios for real estate values, revenue impact ratios		
Climate Scenarios			AR6 SSP1-2.6/ SSP2-4.5/ SSP5-8.5		AR6 SSP1-2.6/ SSP2-4.5/ SSP5-8.5		AR6 SSP1-2.6/ SSP2-4.5/ SSP5-8.5		AR5 RCP 2.6/ RCP 4.5/ RCP 8.5 ^{Note 2}		
Timeline			The lifespan of real estate is around 50-80 years. Lending businesses with real estate as collateral may extend our business relationships with clients due to refinance in loan. Based on the availability of data and the time point of the impact on real estate falling in 2030 and 2050, the analysis is conducted at the following time points.		2030, 2050		The lifespan of real estate is around 50-80 years. Lending businesses with real estate as collateral may extend our business relationships with clients due to refinance in loan. Based on the availability of data and the time point of the impact on real estate falling in 2030 and 2050, the analysis is conducted at the following time points.		The lifespan of real estate is around 50-80 years. Lending businesses with real estate as collateral may extend our business relationships with clients due to refinance in loan. Based on the availability of data and the time point of the impact on real estate falling after the middle of the century, the analysis is conducted at the following time points.		
			2030, 2050				2030, 2050		Mid-century (2050), end of the century (2100)		
Scenario Analysis Methods ^{Note 1}			Obtained latitude and longitude values for real estate addresses to assess AR6 heavy rainfall and flooding risk levels.		Obtained latitude and longitude values for real estate addresses to assess AR6 drought risk levels.		Obtained latitude and longitude values for real estate addresses to assess AR6 landslide disaster risk levels.		Obtained latitude and longitude values for real estate addresses and used geographic information system (QGIS) to conduct overlap analysis. Analyzed sea levels at various timepoints under each scenario and identified areas in Taiwan that may fall below predicted sea levels.		
Value Chain Analysis	Upstream suppliers' operating sites ^{Note 3}		Operational risks	Low impact ⓘ		Low impact ⓘ		Low impact ⓘ		Low impact ⓘ	
	Own operating sites ^{Note 4}		Operational risks	Low impact ⓘ		Low impact ⓘ		Low impact ⓘ		Low impact ⓘ	
	Own real estate ^{Note 4}		Operational risks	Low impact ⓘ		-		Low impact ⓘ		Low impact ⓘ	
	Downstream	Loan collateral ^{Note 5}	Credit risks	Low impact ⓘ		-		Low impact ⓘ		Low impact ⓘ	
		Corporate clients' plants ^{Note 6}	Credit risks and market risks	Low impact ⓘ		Low impact ⓘ		Low impact ⓘ		Low impact ⓘ	
Analysis Results			The total expected losses from own operating sites, own real estate, loan collateral, upstream suppliers' operating sites, and corporate clients' plants have potentially low impacts on capital adequacy ratios under all scenarios at all timepoints.		The total expected losses from own operating sites, upstream suppliers' operating sites, and corporate clients' plants have potentially low impacts on capital adequacy ratios under all scenarios at all timepoints.		The total expected losses from own operating sites, own real estate, loan collateral, upstream suppliers' operating sites, and corporate clients' plants have potentially low impacts on capital adequacy ratios under all scenarios at all timepoints.		The total expected losses from own operating sites, own real estate, loan collateral, upstream suppliers' operating sites, and corporate clients' plants have potentially low impacts on capital adequacy ratios under all scenarios at all timepoints.		

Note 1

Conducted individual assessments for real estate assets located on the island of Taiwan and Penghu, Kinmen, and Matsu for heavy rainfall and flooding, droughts, and landslide disasters; assessments were only conducted on real estate assets located on the island of Taiwan for rising sea levels.

Note 2

Analyzed using the Coastal Risk Screening Tool developed by Climate Central based on a study by Kopp et al. (2014) published in the international academic journal Earth's Future, which contained a model for predicting rising sea levels around the globe.

Note 3

Assessment scope encompassed domestic suppliers for SinoPac Holdings and its five main subsidiaries.

Note 4

Assessment scope encompassed domestic operating sites and own real estate for SinoPac Holdings and all subsidiaries.

Note 5

Assessment scope encompassed domestic loan collateral for SinoPac Holdings and all subsidiaries.

Note 6

Assessment scope encompassed domestic corporate clients' plants for SinoPac Holdings and all subsidiaries.

Physical Risks-Mitigation and Adaptation Measures

Risk Factors	Analysis Target	Mitigation and Adaptation Measures
① Acute physical risk: Heavy Rainfall and Flooding 	Upstream suppliers' operating sites	• Maintain signing rates of Supplier Sustainability Commitment at 100% for domestic suppliers. ①②③④ • Continue to strengthen supplier awareness of climate change issues and organize regular supplier communications and exchanges themed around climate issues. In 2024, we hosted 1 supplier session themed round ESG/ climate change issues and provided ESG management guidance documents to 1 supplier on a trial basis. ①②③④
② Acute physical risk: Droughts 	SinoPac Holdings operating sites and own real estate	• Apart from adhering to the "Natural Disaster Emergency Response Guidelines," SinoPac Holdings and all subsidiaries have formulated business continuity plans and organized remote backup drills to prepare for sudden natural disasters. ①②③④ • The company takes comprehensive commercial fire insurance and comprehensive electronics equipment insurance for all assets each year which cover typhoon and flooding incidents. With total-mass-based control, our insurance policies entitle us to settlements of approximately 90% of post-disaster recovery costs, so most losses can be offset. ①④ • Operating sites in drought-prone areas prepare water storage tanks and rent water trucks when necessary to shorten operation interruption times. ② • Enhance waterproofing facilities and drainage pipelines for offices in identified high-risk areas. Installations of floodgate have been completed for 77.8% of self-owned buildings in high-risk areas as of 2024. ① • Continue to track physical risks identified under scenario analyses and reference historical climate data from the National Science and Technology Center for Disaster Reduction when purchasing own real estate. ①③
③ Acute physical risk: Landslide Disasters 	Loan collateral	• The credit investigation process already incorporated the ESG risks included in the environmental (including climate change) risks for analysis, and the Company reviews clients' action plans for ESG risks. ①③④ • Avoid lending on real estate targets prone to flooding, landslides, faults, soil liquefaction, tsunamis, and nuclear disasters. ①③④ • Apart from land, guarantees, deposits, securities, and items governed by other regulations, all collateral shall be insured by the borrower (or provider) based on appraised values and loan amounts to reduce risks, and the subsidiary providing the loan shall be listed as a designated beneficiary. ①③④ • Major natural disasters should be considered when ranking region of real estate for undertaking, and immediate reviews of associated areas should be conducted during emergency incidents. ①③④ • With regard to physical risks of areas where real estate collaterals are located, rigorous assessments should be conducted as needed to determine whether said areas may be potential climate disaster sites, and the Disaster Risk Adaption Platform should be referenced when determining loan ratios. When listing real estate as collateral, climate-related physical risks should be taken into consideration, and climate risks of heavy rainfall, rising sea levels, and flood-prone areas should be identified. ①③④ • The Company have formulated corresponding short/medium/long-term targets and incorporated climate change risk factors into loan evaluation procedures and regulations to serve as references for determining loan conditions and review levels. ①③④ • Added systemic registration and disclosure mechanisms incorporating potential risks from rising sea levels and landslide disaster risk information to real estate appraisal processes. ③④ • Established domestic climate change physical risk database in 2024 and plan to apply the information in real estate collateral appraisal processes in 2025. ①③④
④ Chronic physical risk: Rising Sea Levels 	Corporate clients' plants	• The credit investigation process already incorporated the ESG risks included in the environmental (including climate change) risks for analysis, and the Company reviews clients' action plans for ESG risks. Additionally, a list of industries with high climate risks has been established, and the processes includes the evaluation of climate risks (including physical risks). ①②③④ • Determine whether clients have analyzed and established appropriate responses to climate change risks (both physical and transition risks) and opportunities, for example, the physical risks associated with their main operating sites or plants. As needed, carefully assess whether said areas are potential climate disaster sites and to serve as a reference for credit investigations. ①②③④ • SinoPac Holdings pays attention to the environment, society, and governance of potential investees before investments. The Company also learns about the impact of climate change on the industry and the company's operations through investors' conferences, seminars, and interviews of upstream and downstream suppliers and includes them in the factors to be considered for investment assessment. ①②③④ • The "Responsible Investment Management Guidelines" stipulate that: "Climate risks of investment targets should be assessed and reviewed before setting investment quotas, and assessment results should be used to establish mechanisms for differential management. Due diligence and careful evaluation should be conducted for listed industries with high climate risks. Climate risk assessment and reviews should be based on the Banking Book Stock ESG Risk Assessment Form or Banking Book Bond ESG Risk Assessment Form." ①②③④ • The Company has formulated corresponding short/medium/long-term targets which are incorporated into non-financial risk identifications/assessments for investment and lending client operations. ①②③④ • Established domestic climate change physical risk database in 2024 and plan to apply the information in physical risk assessment processes in 2025. ①②③

3.1.1 Heavy Rainfall and Flooding

Upstream suppliers' operating sites

Procurement amounts and expected losses from suppliers located in areas ranked as "high risk" of climate sensitivity, and the procurement costs transferred to SinoPac Holdings are measured based on the expected losses.

Method: Calculated procurement amounts and expected losses^{Note 1} from suppliers located in areas ranked as "high risk" of climate sensitivity to heavy rainfall and flooding under all SSP scenarios and timepoints.

Results: Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints amounted to NT\$15 million, around 0.57% of total procurement of SinoPac Holdings, and expected losses amounted to NT\$0.3 million.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Heavy Rainfall and Flooding						
Scenario	2030			2050		
	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses
SSP1-2.6	15	0.57%	0.3	15	0.57%	0.3
SSP2-4.5	15	0.57%	0.3	15	0.57%	0.3
SSP5-8.5	15	0.57%	0.3	15	0.57%	0.3

Note 1 Expected losses = Total procurement amount x Probability of flooding under AR6 climate change physical risks from heavy rainfall and flooding x Inundation potential x Ratio of costs of asset damage repairs

Own operating sites

Revenues and expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1}, from own operating sites located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints. This calculation took into account expected losses from work stoppage, costs of asset damage repairs, and costs offset by insurance settlements.

Results: Expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints ranged from NT\$1.87-3.65 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Heavy Rainfall and Flooding		
Scenario	2030	2050
	Expected losses	Expected losses
SSP1-2.6	1.87	3.65
SSP2-4.5	2.37	3.65
SSP5-8.5	2.37	3.65

Note 1 Expected losses = (Losses from work stoppage + Costs of asset damage repairs) - Insurance settlements. (1) "Losses from work stoppage" were calculated as the losses in revenue resulting from one day of work stoppage when rainfall intensity reached the government standard for suspending work and class; (2) "Costs of asset damage repairs" were calculated as the annual revenue for said operational location in 2024 x Probability of flooding under AR6 climate change physical risks from heavy rainfall and flooding x Inundation potential x Ratio of costs of asset damage repairs; (3) "Insurance settlements" were calculated as 90% of costs of asset damage repairs.



"Own operating sites and own real estate" climate sensitivity distributions for heavy rainfall and flooding under the SSP5-8.5 (2050) scenario

Own real estate

Book values and expected losses from own real estate located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated book values and expected losses^{Note 1} from own real estate located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints.

Results: The total book values of own real estate located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints ranged from NT\$30-131 million, around 0.001-0.004% of the total assets of SinoPac Holdings; expected losses ranged from NT\$9-59 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Heavy Rainfall and Flooding						
Scenario	2030			2050		
	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses
SSP1-2.6	30	0.001%	9	131	0.004%	59
SSP2-4.5	30	0.001%	9	131	0.004%	59
SSP5-8.5	30	0.001%	9	131	0.004%	59

Note 1 Expected losses = Book values of own real estate x Probability of flooding under AR6 climate change physical risks from heavy rainfall and flooding x Inundation potential x Median of expected values of loss ratios for real estate value.

Loan collateral

Loan amounts and incremental expected losses from real estate as collateral located in areas ranked as "high risk" of climate sensitivity.

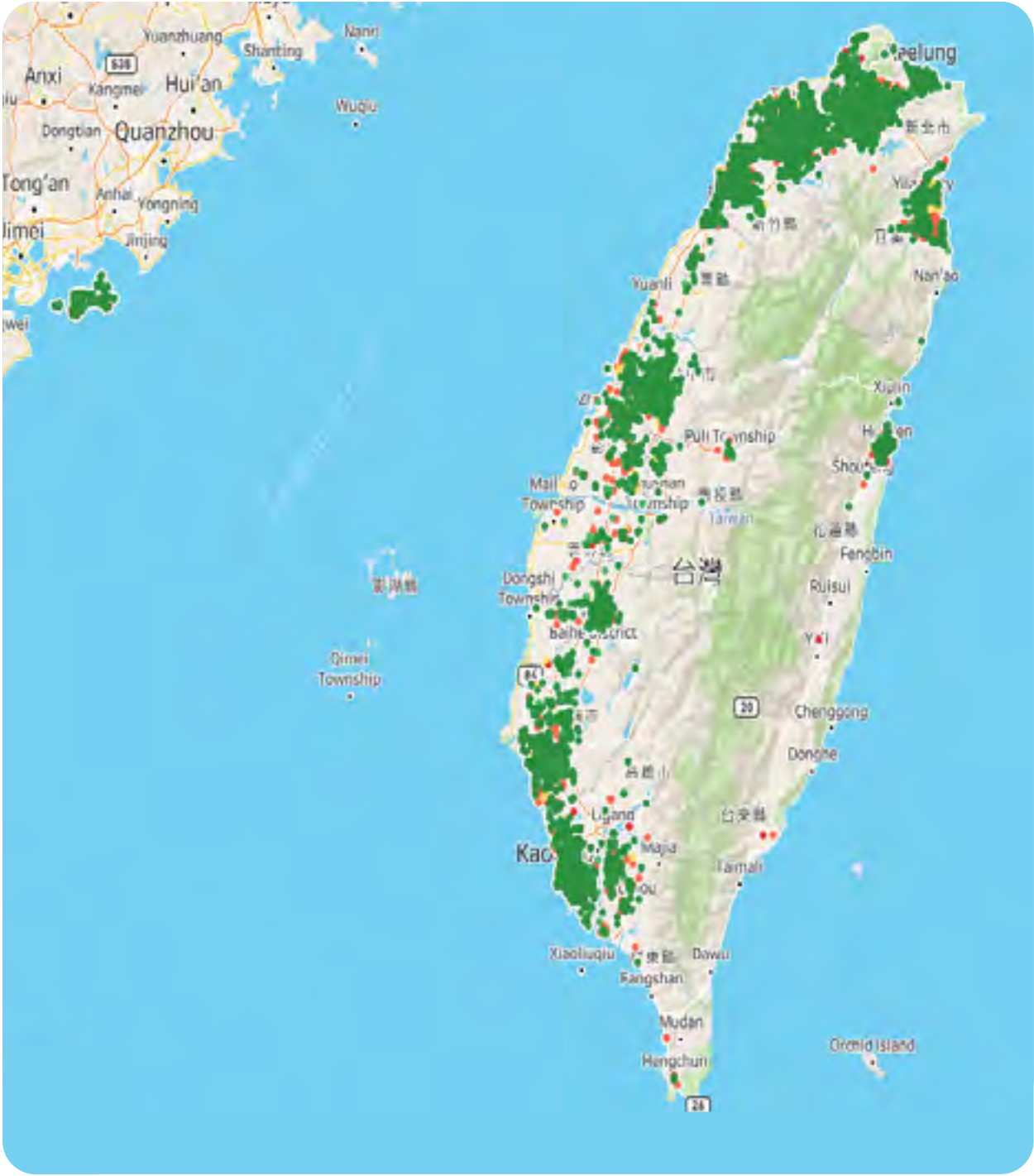
Method: Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate probabilities of default based on internal ratings for loan clients and referenced the LGD estimation method from the "Climate Change Scenario Analysis Report for Domestic Banks" to evaluate incremental expected losses^{Note 1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints.

Results: The total amount of loans from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints ranged from NT\$10,703-14,973 million, around 0.60-0.84% of overall loan amounts of SinoPac Holdings; incremental expected losses ranged from NT\$48-58 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Heavy Rainfall and Flooding						
Scenario	2030			2050		
	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses
SSP1-2.6	10,703	0.60%	48	14,387	0.81%	57
SSP2-4.5	10,711	0.60%	48	14,387	0.81%	57
SSP5-8.5	10,711	0.60%	48	14,973	0.84%	58

Note 1 Incremental expected losses = Probability of default x Change in loss given default x Loan amount.



"Loan collateral" climate sensitivity distributions for heavy rainfall and flooding under the SSP5-8.5 (2050) scenario

Loan collateral—Potential impacts on interest income

Based on opinions from internal experts, the potential impacts on interest income were estimated when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting.

Method: The Company estimated possible business volumes for the next five years based on the amounts of loans with real estate as collateral and average interest rates over the past five years, then calculated the amounts of real estate as collateral located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints to estimate potential impacts on interest income^{Note 1} when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting based on opinions from internal experts.

Results: Potential financial impacts from interest income ranged from NT\$13-345 million under all SSP scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024							Unit: NT\$ million	
Acute Physical Risk: Heavy Rainfall and Flooding								
Scenario	Reduction of loan-to-value ratio based on opinions of internal experts	Average interest rate	2030		2050			
			Loan amounts from "high risk" of climate sensitivity	Impacts on interest income	Loan amounts from "high risk" of climate sensitivity	Impacts on interest income		
SSP1-2.6	-5.0%	Average interest rates for past five years for each loan type	10,415	13	13,905	16		
	Rejected loan applications			264		329		
SSP2-4.5	-5.0%		10,424	13	13,905	16		
	Rejected loan applications			264		329		
SSP5-8.5	-5.0%		10,424	13	14,492	17		
	Rejected loan applications			264		345		

Note 1 Impacted on interest income = Assumed impact on loan-to-value ratio x Average interest rate x Loan amount.

Downstream corporate clients

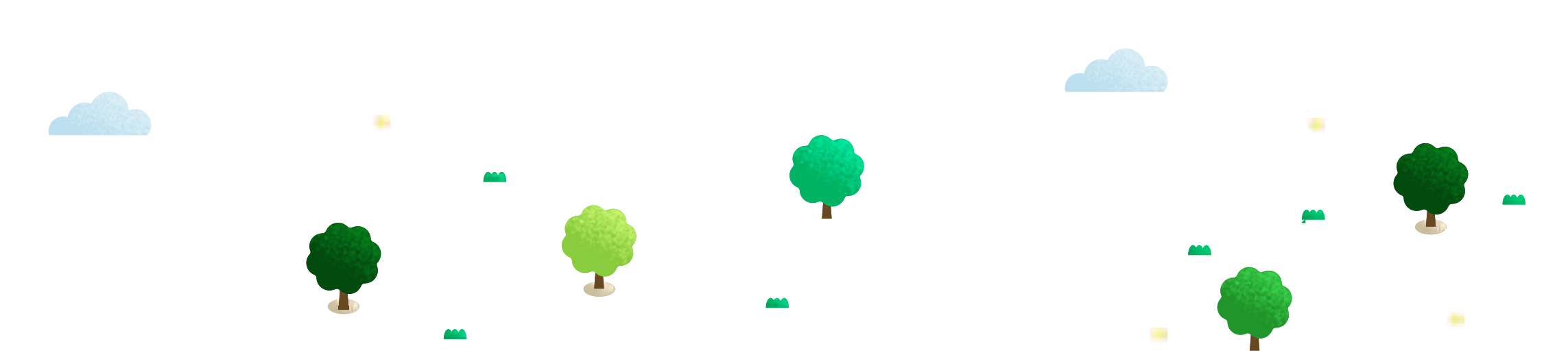
Investment and lending amounts, and expected losses of investments/lending from corporate clients with plants located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints.

Results: The total investment and lending amounts and proportions of all investment and lending amounts of SinoPac Holdings from clients with plants located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and flooding under all SSP scenarios and timepoints are shown as follows. The expected losses amounted to NT\$7 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024							Unit: NT\$ million	
Acute Physical Risk: Heavy Rainfall and Flooding								
Scenario	2030			2050				
	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses		
SSP1-2.6	18,192	0.70%	7	18,726	0.72%	7		
SSP2-4.5	18,192	0.70%	7	18,727	0.72%	7		
SSP5-8.5	18,192	0.70%	7	18,747	0.72%	7		

Note 1 Expected losses = Probability of default x Loss given default x investment and lending amount (for higher internal credit rating risk).



3.1.2 Droughts

Upstream suppliers' operating sites

Procurement amounts and expected losses from suppliers located in areas ranked as "high risk" of climate sensitivity, and the procurement costs transferred to SinoPac Holdings are measured based on the expected losses.

Method: Calculated procurement amounts and expected losses^{Note 1} from suppliers located in areas ranked as "high risk" of climate sensitivity to droughts under all SSP scenarios and timepoints.

Results: Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for droughts under all SSP scenarios and timepoints amounted to NT\$92 million, around 3.41% of total procurement at SinoPac Holdings, and expected losses ranged from NT\$0.043-0.048 million.

Reference date: December 31, 2024

Unit: NT\$ million

Acute Physical Risk: Droughts						
Scenario	2030			2050		
	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses
SSP1-2.6	92	3.41%	0.043	92	3.41%	0.048
SSP2-4.5	92	3.41%	0.043	92	3.41%	0.048
SSP5-8.5	92	3.41%	0.043	92	3.41%	0.048

Note 1 Expected losses = Total procurement amount x Revenue impact ratios under AR6 climate change physical risks from drought

Own operating sites

Revenues and expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1} from own operating sites located in areas ranked as "high risk" of climate sensitivity for droughts under all scenarios and timepoints.

Results: Expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity for droughts under all SSP scenarios and timepoints ranged from NT\$1.51-1.66 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024

Unit: NT\$ million

Acute Physical Risk: Droughts		
Scenario	2030	2050
	Expected losses	Expected losses
SSP1-2.6	1.51	1.66
SSP2-4.5	1.51	1.66
SSP5-8.5	1.51	1.66

Note 1 Expected losses = Annual revenues from operational locations in 2024 x Revenue impact ratios under AR6 climate change physical risks from droughts



Downstream corporate clients

Investment and lending amounts, and expected losses of investments/ lending from corporate clients with plants located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for droughts under all SSP scenarios and timepoints.

Results: The total investment and lending amounts and proportions of all investment and lending amounts of SinoPac Holdings from clients with plants located in areas ranked as "high risk" of climate sensitivity for droughts under all SSP scenarios and timepoints are shown as follows. The expected losses amounted to NT\$62 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Droughts						
Scenario	2030			2050		
	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses
SSP1-2.6	20,776	0.80%	62	20,776	0.80%	62
SSP2-4.5	20,776	0.80%	62	20,776	0.80%	62
SSP5-8.5	20,776	0.80%	62	20,776	0.80%	62

Note 1 Expected losses = Probability of default x Loss given default x investment and lending amount (for higher internal credit rating risk).

3.1.3 Landslide Disasters

Upstream suppliers' operating sites

Procurement amounts and expected losses from suppliers located in areas ranked as "high risk" of climate sensitivity, and the procurement costs transferred to SinoPac Holdings are measured based on the expected losses.

Method: Calculated procurement amounts and expected losses^{Note 1} from suppliers located in areas ranked as "high risk" of climate sensitivity to landslide disasters under all scenarios and timepoints.

Results: Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints amounted to NT\$93 million, around 3.44% of total procurement of SinoPac Holdings, and expected losses ranged from NT\$1.6-1.7 million.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Landslide Disasters						
Scenario	2030			2050		
	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses
SSP1-2.6	93	3.44%	1.6	93	3.44%	1.7
SSP2-4.5	93	3.44%	1.6	93	3.44%	1.7
SSP5-8.5	93	3.44%	1.6	93	3.44%	1.7

Note 1 Expected losses = Total procurement amount x Probability of 350 mm/24 hr rainfall for all scenarios under AR6 climate change physical risks from landslide disasters x Hazard index combining slope, historical collapses, and other factors x Ratio of costs of asset damage repairs for each landslide disaster

Own operating sites

Revenues and expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity.

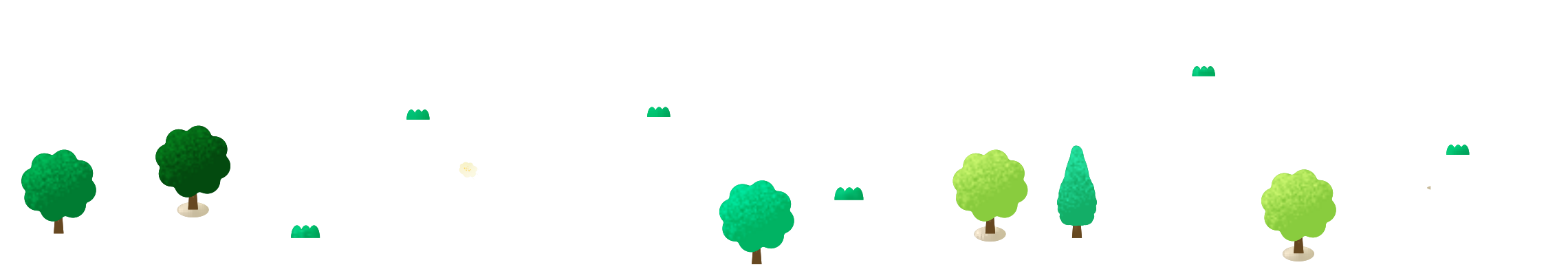
Method: Expected losses^{Note 1} from own operating sites located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints. This calculation took into account expected losses from work stoppage, costs of asset damage repairs, and costs offset by insurance settlements.

Results: Expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints ranged from NT\$334.77-335.19 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024 Unit: NT\$ million

Acute Physical Risk: Landslide Disasters		
Scenario	2030	2050
	Expected losses	Expected losses
SSP1-2.6	334.77	335.19
SSP2-4.5	334.77	335.19
SSP5-8.5	334.77	335.19

Note 1 Expected losses = (Losses from work stoppage + Costs of asset damage repairs) - Insurance settlements. (1) "Losses from work stoppage" were calculated as annual revenue required to operate the business at said location in 2024; (2) "Costs of asset damage repairs" were calculated as the annual revenue from said operational location in 2024 x Probability of 350 mm/24 hr rainfall for all scenarios under AR6 climate change physical risks from landslide disasters x Hazard index combining slope, historical collapses, and other factors x Ratio of costs of asset damage repairs for each landslide disaster; (3) No settlements are paid for landslide disaster incidents, and therefore "insurance settlements" were zero.



Own real estate

Book values and expected losses from own real estate located in areas ranked as "high risk" of climate sensitivity.

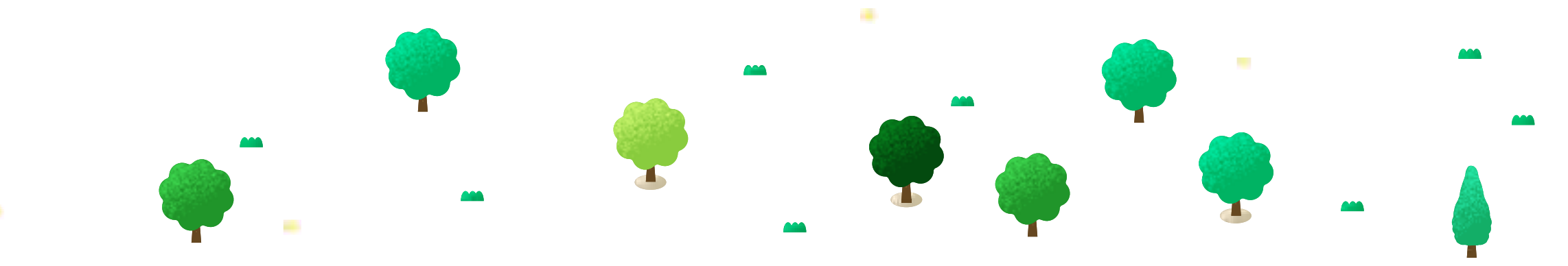
Method: Calculated book values and expected losses^{Note 1} from own real estate located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints.

Results: The total book values of own real estate located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints amounted to NT\$125 million, around 0.004% of the total assets of SinoPac Holdings ; expected losses ranged from NT\$11-12 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024 Unit: NT\$ million

Acute Physical Risk: Landslide Disasters						
Scenario	2030			2050		
	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses
SSP1-2.6	125	0.004%	11	125	0.004%	12
SSP2-4.5	125	0.004%	11	125	0.004%	12
SSP5-8.5	125	0.004%	11	125	0.004%	12

Note 1 Expected losses = Book value of own real estate x Probability of 350 mm/24 hr rainfall for all scenarios under AR6 climate change physical risks from landslide disasters x Hazard index combining slope, historical collapses, and other factors x Median of expected value of loss ratio for real estate value for each landslide disaster



Loan collateral

Loan amounts and incremental expected losses from real estate as collateral located in areas ranked as "high risk" of climate sensitivity.

Method: Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate probabilities of default based on internal ratings for loan clients and referenced the LGD estimation method from the "Climate Change Scenario Analysis Report for Domestic Banks" to evaluate incremental expected losses^{Note 1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints.

Results: The total amount of loans from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints ranged from NT\$21,799-22,956 million, around 1.22-1.29% of overall loan amounts of SinoPac Holdings; incremental expected losses ranged from NT\$10-11 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024							Unit: NT\$ million						
Acute Physical Risk: Landslide Disasters													
Scenario	2030			2050									
	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses							
SSP1-2.6	21,799	1.22%	10	22,942	1.29%	11							
SSP2-4.5	21,813	1.23%	10	22,956	1.29%	11							
SSP5-8.5	21,822	1.23%	10	22,956	1.29%	11							

Note 1 Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Loan collateral— Potential impacts on interest income

Based on opinions from internal experts, the potential impacts on interest income were estimated when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting.

Method: The Company estimated possible business volumes for the next five years based on the amounts of loans with real estate as collateral and average interest rates over the past five years, then calculated the amounts of real estate as collateral located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints to estimate the potential impacts on interest income^{Note 1} when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting based on opinions from internal experts.

Results: Potential financial impacts from interest income ranged from NT\$22-457 million under all SSP scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024							Unit: NT\$ million						
Acute Physical Risk: Landslide Disasters													
Scenario	Reduction of loan-to-value ratio based on opinions of internal experts	Average interest rate	2030		2050								
			Loan amounts from "high risk" of climate sensitivity	Impacts on interest income	Loan amounts from "high risk" of climate sensitivity	Impacts on interest income							
SSP1-2.6	-5.0%	Average interest rates for past five years for each loan type	20,350	22	21,380	23							
	Rejected loan applications			437		457							
SSP2-4.5	-5.0%		20,364	22	21,394	23							
	Rejected loan applications			437		457							
SSP5-8.5	-5.0%		20,373	22	21,394	23							
	Rejected loan applications			437		457							

Note 1 Impacted on interest income = Assumed impact on loan-to-value ratio x Average interest rate x Loan amount.

Downstream corporate clients

Investment and lending amounts, and expected losses of investments/ lending from corporate clients with plants located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints.

Results: The total investment and lending amounts and proportions of all investment and lending amounts of SinoPac Holdings from clients with plants located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all SSP scenarios and timepoints are shown as follows. The expected losses amounted to NT\$0.4 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Acute Physical Risk: Landslide Disasters						
Scenario	2030			2050		
	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses
SSP1-2.6	406	0.02%	0.4	406	0.02%	0.4
SSP2-4.5	406	0.02%	0.4	406	0.02%	0.4
SSP5-8.5	406	0.02%	0.4	406	0.02%	0.4

Note 1 Expected losses = Probability of default x Loss given default x investment and lending amount (for higher internal credit rating risk).

Upstream suppliers' operating sites

Procurement amounts and expected losses from suppliers located in areas ranked as "high risk" of climate sensitivity, and the procurement costs transferred to SinoPac Holdings are measured based on expected losses.

Method: Calculated procurement amounts and expected losses^{Note 1} from suppliers located in areas ranked as "high risk" of climate sensitivity to rising sea levels under all RCP scenarios and timepoints.

Results: Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints ranged from NT\$0.1-65 million, around 0.002-2.39% of total procurement of SinoPac Holdings, and expected losses ranged from NT\$0.003-3.2 million.

Reference date: December 31, 2024Unit: NT\$ million

Chronic Physical Risk: Rising Sea Levels						
Scenario	2050			2100		
	Procurement amounts from "high risk" climate sensitivity risks	Proportion of total procurement of SinoPac Holdings	Expected losses	Procurement amounts from "high risk" climate sensitivity risks	Proportion of total procurement of SinoPac Holdings	Expected losses
RCP2.6	0.1	0.002%	0.003	64	2.36%	3.2
RCP4.5	0.1	0.002%	0.003	64	2.36%	3.2
RCP8.5	18	0.67%	0.9	65	2.39%	3.2

Note 1 Expected losses = Total procurement amounts * Annual frequency of flooding incidents (set at 5% in consideration of the fact that suppliers located in areas ranked as "high risk" of climate sensitivity are based in low-lying terrain at high risk from rising sea levels, referencing the Bankers Association of the Republic of China "Climate Change Scenario Analysis Report for Domestic Banks," which calculated annual flooding probability by assuming that flooding from heavy rain occurs once every 20 years.)

Own operating sites

Revenues and expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity.

Method: Referenced the "Climate Change Scenario Analyses Report for Domestic Banks" issued by the Bankers Association of the Republic of China, and used the revenue impact ratios of the highest physical risk level (Level 5) to calculate expected losses Note 1 from own operating sites located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints. This calculation took into account expected losses from work stoppage, costs of asset damage repairs, and costs offset by insurance settlements.

Results: Expected losses from own operating sites located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints ranged from NT\$0-91.81 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024

Unit: NT\$ million

Chronic Physical Risk: Rising Sea Levels		
Scenario	2050	2100
	Expected losses	Expected losses
RCP2.6	0	29.96
RCP4.5	0	29.96
RCP8.5	0	91.81

Note 1 Expected losses = (Losses from work stoppage + Costs of asset damage repairs) - Insurance settlements. (1) "Losses from work stoppage" were calculated as annual revenue required to operate the business at said location in 2024; (2) "Costs of asset damage repairs" were calculated as the annual revenue from said operational location in 2024 x Revenue impact ratios; (3) "Insurance settlements" were calculated as 90% of costs of asset damage repairs.

Own real estate

Book values and expected losses from own real estate located in areas ranked as "high risk" of climate sensitivity.

Method: Referenced the "Climate Change Scenario Analyses Report for Domestic Banks" issued by the Bankers Association of the Republic of China, using the real estate loss ratios of the highest physical risk level (Level 5) to calculate expected losses^{Note 1} from own real estate located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints.

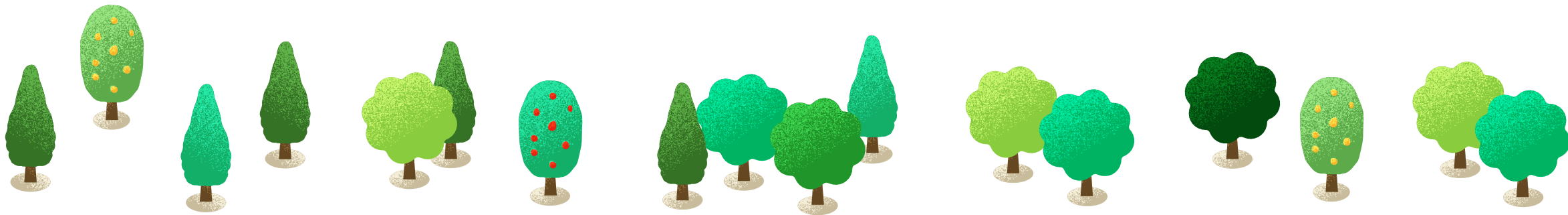
Results: The total book values of own real estate located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all scenarios and timepoints ranged from NT\$0-143 million, around 0-0.005% of the total assets of SinoPac Holdings; expected losses ranged from NT\$0-3 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024

Unit: NT\$ million

Chronic Physical Risk: Rising Sea Levels						
Scenario	2050			2100		
	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses	Book values of own real estate located in areas ranked as "high risk" of climate sensitivity	Propotion of total assets of SinoPac Holdings	Expected losses
RCP2.6	0	0	0	109	0.004%	2
RCP4.5	0	0	0	109	0.004%	2
RCP8.5	0	0	0	143	0.005%	3

Note 1 Expected losses = Book value of own real estate x loss ratio for Real estate value x Probability of hazard occurrence.



Loan collateral

Loan amounts and incremental expected losses from real estate as collateral located in areas ranked as "high risk" of climate sensitivity.

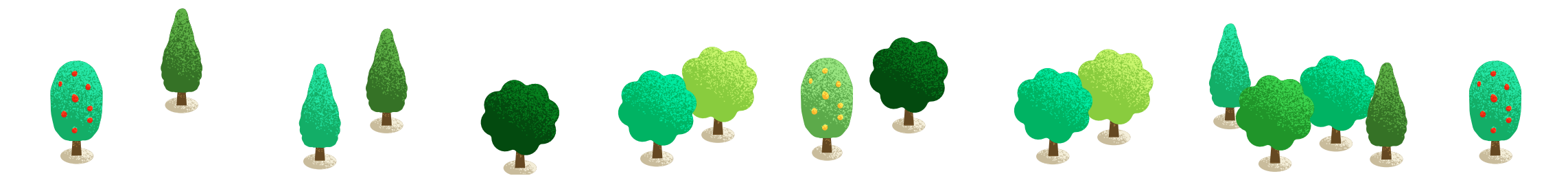
Method: Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate probabilities of default based on internal ratings for loan clients and referenced the LGD estimation method from the "Climate Change Scenario Analysis Report for Domestic Banks" to evaluate incremental expected losses^{Note 1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints.

Results: The total amount of loans and proportion of total loans from real estate as collateral in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints are shown in the following table. The incremental expected losses ranged from NT\$4-162 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024 Unit: NT\$ million

Chronic Physical Risk: Rising Sea Levels						
Scenario	2050			2100		
	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses
RCP2.6	3,290	0.18%	4	8,505	0.48%	9
RCP4.5	3,771	0.21%	5	9,553	0.54%	11
RCP8.5	3,895	0.22%	5	18,540	1.04%	162

Note 1 Incremental expected losses = Probability of default x Change in loss given default x Loan amount.



Loan collateral—Potential impacts on interest income

Based on opinions from internal experts, the potential impacts on interest income were estimated when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting.

Method: The Company estimated possible business volumes for the next five years based on the amounts of loans with real estate as collateral and average interest rates over the past five years, then calculated the amounts of real estate as collateral located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints to estimate potential impacts on interest income^{Note 1} when loan-to-value ratios were reduced from at least -5.00% to exclusion from underwriting based on opinions from internal experts.

Results: Potential financial impacts from interest income ranged from NT\$3-363 million under all RCP scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024 Unit: NT\$ million

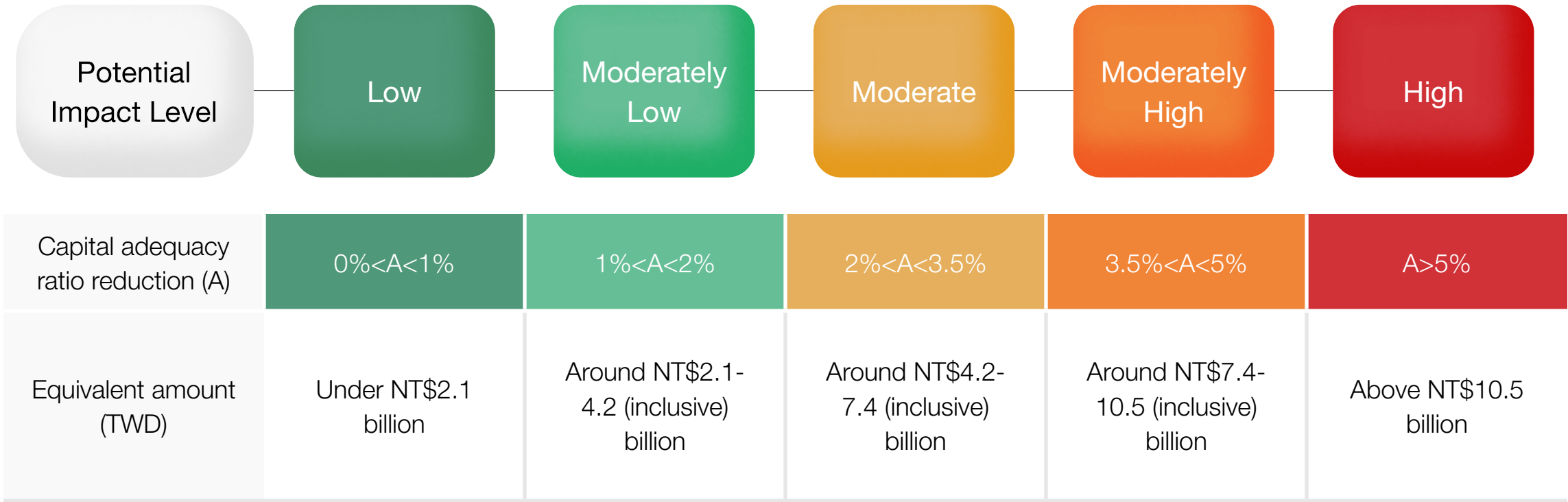
Chronic Physical Risk: Rising Sea Levels						
Scenario	Reduction of loan-to-value ratio based on opinions of internal experts	Average interest rate	2050		2100	
			Loan amounts from "high risk" of climate sensitivity	Impacts on interest income	Loan amounts from "high risk" of climate sensitivity	Impacts on interest income
RCP2.6	-5.0%	Average interest rates for past five years for each loan type	3,098	3	8,083	9
	Rejected loan applications			62		177
RCP4.5	-5.0%		3,527	4	9,100	10
	Rejected loan applications			70		198
RCP8.5	-5.0%		3,630	4	17,320	18
	Rejected loan applications			72		363

Note 1 Impacted on interest income = Assumed impact on loan-to-value ratio x Average interest rate x Loan amount.

3.2 Climate Transition Risks

To assess transition risks from global net zero trends, SinoPac Holdings conducted separate analyses on different value chain sections (suppliers, own operations, and investment and lending businesses) to evaluate potential financial impacts of three risk incidents under different climate scenarios and time scales. The evaluation focused on: (1) possible additional "carbon costs" (such as carbon credits, carbon taxes, and carbon fees), (2) "energy transitions" from compulsory installed capacity quotas under government low-carbon transition goals (Nationally Determined Contributions, NDCs) and (3) net zero emissions in own operations by 2030.

Potential financial impacts on SinoPac Holdings from transition risks: The Company analyzed transition risks for various sections of the entire value chain (suppliers, own operations, and investment and lending businesses) and evaluated potential impacts on capital adequacy ratios from incremental expected losses to set five potential impact levels:



Downstream corporate clients

Investment and lending amounts, and expected losses of investments/ lending from corporate clients with plants located in areas ranked as "high risk" of climate sensitivity.

Method: Calculated expected losses^{Note 1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints.

Results: The total investment and lending amounts and proportions of all investment and lending amounts at SinoPac Holdings from clients with plants located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all RCP scenarios and timepoints are shown as follows. The expected losses ranged from NT\$0.1-11 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Reference date: December 31, 2024						Unit: NT\$ million
Chronic Physical Risk: Rising Sea Levels						
Scenario	2050			2100		
	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts at SinoPac Holdings	Expected losses	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts at SinoPac Holdings	Expected losses
RCP2.6	8,528	0.33%	0.1	14,670	0.57%	9
RCP4.5	10,874	0.42%	0.1	15,307	0.59%	11
RCP8.5	11,027	0.42%	0.1	30,258	1.17%	11

Note 1 Expected losses = Probability of default x Loss given default x Investment and lending amount (for higher internal credit rating risk).

Overview of Transition Risk and Scenario Analysis Results

Risk Factors	Carbon Cost Payments	Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations																																											
Parameters	Carbon costs	Contract capacities, equipment construction costs, electricity sold per kW of renewable energy, renewable energy certificate costs, monetary substitution per kW, and monetary substitution rate ^{Note 2} .	Equipment replacement costs, green electricity costs, renewable energy certificate costs ^{Note 4} , and costs for hiring external consultants.																																											
Climate Scenarios	• Network for Greening the Financial System (NGFS): Phase 5 model REMIND-MAGPIE 3.3-4.8 IntegratedPhysicalDamages (median) predicted carbon prices 1. Below 2° C (equivalent to the SBTi 2.5% annual linear reduction pathway). 2. Net Zero 2050/1.5° C (equivalent to the SBTi 4.2% annual linear reduction pathway). • International Energy Agency (IEA): 1. Predicted carbon prices disclosed by the "World Energy Outlook 2021" report: Sustainable Development Scenarios (SDS), equivalent to Below 2° C (equivalent to the SBTi 2.5% annual linear reduction pathway). 2. Predicted carbon prices disclosed by the "World Energy Outlook 2024" report : 2050 Net Zero Emissions (NZE) scenario, equivalent to Net Zero 2050/1.5° C (equivalent to the SBTi 4.2% annual linear reduction pathway). NGFS Phase 5 Carbon Price Predictions <table><tr><th>Year</th><th>1.5°C scenario carbon price (USD/tCO2)</th><th>2.0°C scenario carbon price (USD/tCO2)</th></tr><tr><td>2025</td><td>476.40</td><td>477.84</td></tr><tr><td>2030</td><td>558.12</td><td>557.91</td></tr><tr><td>2035</td><td>688.81</td><td>658.58</td></tr><tr><td>2040</td><td>856.22</td><td>820.34</td></tr><tr><td>2045</td><td>1,082.63</td><td>985.14</td></tr><tr><td>2050</td><td>1,391.61</td><td>1,159.21</td></tr></table> IEA Scenario Carbon Price Predictions <table><tr><th>Year</th><th>1.5°C scenario carbon price (USD/tCO2)</th><th>2.0°C scenario carbon price (USD/tCO2)</th></tr><tr><td>2025</td><td>126.31</td><td>109.16</td></tr><tr><td>2030</td><td>162.33</td><td>148.49</td></tr><tr><td>2035</td><td>230.83</td><td>178.27</td></tr><tr><td>2040</td><td>289.72</td><td>212.58</td></tr><tr><td>2045</td><td>354.41</td><td>272.83</td></tr><tr><td>2050</td><td>430.70</td><td>318.51</td></tr></table> Nationally Determined Contributions (NDC) Achieve net zero emissions in own operations by 2030	Year	1.5°C scenario carbon price (USD/tCO2)	2.0°C scenario carbon price (USD/tCO2)	2025	476.40	477.84	2030	558.12	557.91	2035	688.81	658.58	2040	856.22	820.34	2045	1,082.63	985.14	2050	1,391.61	1,159.21	Year	1.5°C scenario carbon price (USD/tCO2)	2.0°C scenario carbon price (USD/tCO2)	2025	126.31	109.16	2030	162.33	148.49	2035	230.83	178.27	2040	289.72	212.58	2045	354.41	272.83	2050	430.70	318.51	2024-2025 ^{Note 3} [Expected average asset holding period is 1-7 years].	2024-2025 ^{Note 3} [Expected average asset holding period is 1-7 years].	Conducted analyses for each year from 2025-2030 based on the SinoPac Holdings target of net zero emissions in own operations by 2030 ^{Note 5} .
Year	1.5°C scenario carbon price (USD/tCO2)	2.0°C scenario carbon price (USD/tCO2)																																												
2025	476.40	477.84																																												
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2050	430.70	318.51																																												
Timeline	2025-2050 (analysis conducted for every five-year period) [Expected average asset holding period is 1-7 years].	2024-2025 ^{Note 3} [Expected average asset holding period is 1-7 years].	Conducted analyses for each year from 2025-2030 based on the SinoPac Holdings target of net zero emissions in own operations by 2030 ^{Note 5} .																																											

Risk Factors			Carbon Cost Payments		Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations
Scenario Analysis Methods			- As carbon costs affect suppliers' cost of goods sold, which may be passed on to SinoPac via increased procurement costs were quantified. - Selected nine high-carbon-emission industries (Oil and gas, Power generation, Metal mining, Chemical material manufacturing, Industrial manufacturing-motor vehicle manufacturing, Industrial manufacturing-manufacture of basic metals and fabricated metal products, Cement, Shipping, and Aviation) from the industrial climate risk heatmap^{Note 1} and high-carbon-emission corporations monitored by the Ministry of Environment; additional "carbon costs" of investees and borrowers were assessed to quantify potential financial impacts. (Please refer to 5.5 Exposure to Industries with High Climate Risks for information on the industrial climate risk heatmap and exposure amounts)		Conducted scenario analyses on investees and borrowers based on a list of major electricity users provided by external consultants.	Calculated potential financial impacts from transition risks under carbon reduction scenarios based on decreases in carbon costs resulting from expected reductions in carbon emissions.
Value Chain Analysis	Own operations	Operational risks	-		-	Low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints.
	Carbon costs transferred from upstream suppliers ^{Note 6}	Operational risks	- Low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios. - Analysis results revealed that only 3 suppliers were listed as high-carbon-emission corporations by the Ministry of Environment, with low impacts on SinoPac Holdings.		Analysis results revealed that only 5 suppliers were major electricity users, with low impacts on SinoPac Holdings.	-
	Downstream corporate clients ^{Note 7}	Credit risks and market risks	Credit risks and market risks hold low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.		Low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.	-
Analysis Results			- Assessments of expected carbon costs transferred from suppliers revealed low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios. - Assessments of our investment and lending portfolios in "high-carbon-emission industries" and "high-carbon-emission corporations monitored by the Ministry of Environment" revealed that total incremental expected losses from credit risks and market risks hold low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.		Assessments of our investment and lending portfolios in "major electricity users" revealed that total expected losses from credit risks and market risks hold low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.	Assessments of the costs required to achieve net zero emissions in own operations revealed low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints.

^{Note 1} The scope of assessment for the industrial climate risk heatmap encompassed domestic and foreign investment and lending portfolios of SinoPac Holdings and all subsidiaries.

^{Note 2} "Contract capacities" were estimated using the indirect emission volumes disclosed by the Ministry of Environment on the Mandatory Greenhouse Gas Reporting System; "equipment construction costs" were based on the "Renewable energy Feed-in Tariffs (FIT)" released by the Ministry of Economic Affairs, which set preliminary (Phase 1) construction costs for rooftop solar photovoltaic equipment with installed capacity of more than 500 kW as NT\$37,500/kW; "electricity sold per kW of renewable energy" was based on the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" and set at annual levels of 1,250 kWh/kW for solar photovoltaic power; "renewable energy certificate costs" were calculated using the market trading price of NT\$4/kWh; "monetary substitution per kW" was set at 2,500 kWh/kW based on the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"; "monetary substitution rate" was set at NT\$4/kWh based on the Ministry of Economic Affairs "Fee rate of monetary substitution payment for consumers of renewable energy obligation."

^{Note 3} The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" stipulates that eligible entities are required to complete installations of renewable energy power generation equipment, purchase of renewable energy electricity and certificates, or the installation of energy storage equipment, either individually or in combination by 2025, and therefore the analysis was conducted based on the annual requirements specified in the regulations. The obligated capacity for renewable energy installations is determined as 10% of the average contract capacity of the user in the previous year. In the case of fulfilling the obligations by installing renewable energy power generation equipment before 2023, the notified obligated capacity by the central competent authority is reduced by 20%. For those who fulfill their obligations before 2024, the notified obligated capacity by the central competent authority is reduced by 10%.

^{Note 4} "Renewable Energy Certificate Costs" are determined according to the National Renewable Energy Certification Center. The prices are often negotiated between buyers and sellers through market mechanisms. Based on current market estimates, the cost is projected to be around NT\$4/kWh by 2030.

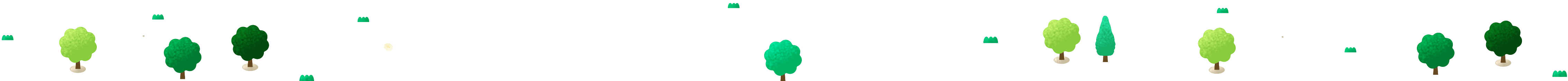
^{Note 5} Please refer to the [SinoPac Holdings official website](#) for more details on our net zero commitment.

^{Note 6} Assessment scope encompassed domestic suppliers for SinoPac Holdings and its five main subsidiaries.

^{Note 7} The scope of assessment encompassed domestic and foreign investment and lending portfolios of SinoPac Holdings and all subsidiaries.

Transition Risks-Mitigation and Adaptation Measures

Risk Factors	Analysis Target	Mitigation and Adaptation Measures
Carbon Cost Payments	Carbon costs transferred from upstream suppliers Corporate clients in high-carbon-emission industries Corporate clients listed as high-carbon-emission corporations by the Ministry of Environment	• Use the "Responsible Investment Management Guidelines" as a guideline for promoting and implementing responsible investment. • Adhere to the "Responsible Lending Management Guidelines," "Corporate Banking Manual," "Equator Principles (Bank SinoPac)," "Financial Markets Manual (Bank SinoPac)," and "Transaction Guidelines for Sustainable Development (SinoPac Leasing)" for rigorous evaluation of the environmental, social, and corporate governance impacts of businesses operated by corporate clients when making investment and lending decisions. • Formulated "Concentration and Risk Limitations for High-Risk Industries" in consideration of overall business developments, risk appetites, future industrial developments, and business cycles of SinoPac Holdings and all subsidiaries. High-carbon-emission industries (such as non-ferrous metals, shipping, oil & gas exploration and wholesale marketing, and coal chemicals) have been included in quota controls for high-risk industries. • Strengthen management of sustainable supply chains, optimize supplier grading systems, continue to survey high-carbon-emission suppliers, further expand green procurement items such that 90% of procured items are government-certified green procurement and finance items. The usage ratio of green building materials for renovation and decoration has exceeded 94.91%. • SinoPac Holdings' commitment of attaining net zero emissions in all of the asset portfolios by 2050 was approved by the Board of Directors in March 2022. SinoPac Holdings joined SBTi in August 2022 and submitted Science Based Targets (SBTs) which were validated and approved in January 2024. We look forward to initiating low-carbon transition alongside stakeholders and striving to "Achieve Net Zero Emissions in Taiwan Through Sustainable Finance." • To fulfill net zero commitments, SinoPac Holdings is working to improve decarbonization policy and improve decarbonization coverage.
Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Corporate clients who are major electricity users affected by these Regulations	
Net Zero Emissions in Own Operations	Own operations	• Achieve net zero emissions in own operations by 2030 in accordance with SBT carbon reduction targets. • Implement internal carbon pricing mechanisms: Review/adjust internal carbon pricing mechanisms for own operations. • Raise renewable energy usage ratios: Continue to raise annual targets for renewable energy usage ratios. • Promote energy and carbon reduction programs: Maintain inventory scope and certification rate of self-owned buildings under ISO14001 and ISO50001 management systems.



3.2.1 Carbon Cost Payments

Carbon costs transferred from upstream suppliers

Estimate carbon costs transferred from suppliers to assess potential financial impacts from procurement costs.

Method: Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5° C) to estimate potential financial impacts of expected carbon cost transfers^{Note 1}.

Results: Carbon costs transferred from suppliers are shown in the chart below, with low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.

Reference date: December 31, 2024Unit: NT\$ million

Risk Factor: Carbon Cost Payments									
Scenario	Data Source	Business Scope	Procurement Costs	Carbon Costs Transferred From Suppliers					
				2025	2030	2035	2040	2045	2050
< 2° C	IEA	Procurement	2,700	21	27	35	45	53	63
	NGFS	Procurement	2,700	93	109	128	156	189	226
1.5° C	IEA	Procurement	2,700	25	32	45	56	69	84
	NGFS	Procurement	2,700	93	109	134	167	207	252

Note 1 Expected carbon cost transfers = Procurement amounts from said suppliers × Estimated carbon emission intensity × Carbon prices under warming scenario. (1) "Estimated carbon emission intensity" was estimated using the "2023 CO2 Emissions from Fuel Combustion" published by the Ministry of Economic Affairs as well as GDP released by the Executive Yuan Directorate General of Budget, Accounting and Statistics; (2) "Carbon prices under warming scenario" used predicted carbon prices under the NGFS or IEA 1.5° C and 2° C scenarios.



Downstream corporate clients

Assessment of the nine "high-carbon-emission industries in industrial climate risk heatmap" and "high-carbon-emission corporations monitored by the Ministry of Environment" (Please refer to [5.5 Exposure to Industries with High Climate Risks for the industrial climate risk heatmap](#))

- 1. Credit risks (loans, bills, and bonds): Calculated accentuating change ratios of financial factors in existing models or assessment tools using estimated carbon costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.
- 2. Market risks (equity investments): Calculated impacts on company's equity using estimated carbon costs and analyzed relative changes in stock prices and incremental losses from price declines.

Method: Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5° C) as well as estimated additional carbon costs^{Note 1} to analyze incremental changes in incremental expected losses^{Note 2} from climate risks on loan, bill, and bond positions, and incremental losses from price declines^{Note 3} in equity investment positions from climate risks.

Results: Our investment and lending portfolios in "high-carbon-emission industries" and "high-carbon-emission corporations monitored by the Ministry of Environment" are shown in the chart below and hold low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.

Note 1 Additional carbon costs = (BAU carbon emissions - Carbon emissions under warming scenario) × Carbon prices under warming scenario. (1) "BAU carbon emissions" were estimated using IEA projected sector carbon emission growth rates under current policies; (2) "Carbon emissions under warming scenario" were estimated based on SBT 2° C and 1.5° C carbon reduction pathways and respective annual carbon reduction rates of 2.5% and 4.2%; (3) "Carbon prices under warming scenario" were estimated based on 2° C and 1.5° C scenarios of NGFS or IEA .

Note 2 Incremental expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is derived by applying the additional carbon cost to financial data, using existing models or assessment tools to calculate the stressed PD value, and then determining the change relative to the original PD.

Note 3 Incremental losses from price declines = Investment amount × Loss ratio from price declines. (1) "Loss ratio from price decline" = Impact on equity/ predicted equity; (2) Impact on equity = Additional carbon costs × (1 - Tax rate).



Downstream corporate clients

Reference date: December 31, 2024Unit: NT\$ million

Risk Factor: Carbon Cost Payments									
Scenario	Data Source	Business Scope	Investment and Lending Amounts	Credit risks: Incremental expected losses from climate risks Market risks: Incremental losses from price declines from climate risks					
				2025	2030	2035	2040	2045	2050
< 2° C	IEA	Credit risks (loans, bills, and bonds) (A)	193,778	361	367	381	388	396	401
		Market risks (equity investments) (B)	11,724	19	74	136	213	276	351
		Overall investment and lending portfolios (=A+B)	205,502	380	440	517	601	671	752
	NGFS	Credit risks (loans, bills, and bonds) (A)	193,778	367	394	404	426	440	453
		Market risks (equity investments) (B)	11,724	81	301	501	731	927	1,117
		Overall investment and lending portfolios (=A+B)	205,502	448	695	906	1,157	1,367	1,570
1.5° C	IEA	Credit risks (loans, bills, and bonds) (A)	193,778	363	389	403	415	428	446
		Market risks (equity investments) (B)	11,724	31	125	259	400	551	650
		Overall investment and lending portfolios (=A+B)	205,502	394	514	662	815	979	1,096
	NGFS	Credit risks (loans, bills, and bonds) (A)	193,778	375	403	439	462	478	504
		Market risks (equity investments) (B)	11,724	116	431	772	1,117	1,423	1,587
		Overall investment and lending portfolios (=A+B)	205,502	492	835	1,211	1,579	1,901	2,091

Upstream suppliers

Procurement amounts from suppliers that are major electricity users.

Method: Compiled a list of SinoPac Holdings suppliers for 2024 and identified the number of major electricity users and procurement amounts.

Results: The number of suppliers who are major electricity users and procurement amounts are shown in the chart below, amounting for around 4.97% of total procurement at SinoPac Holdings.

Reference date: December 31, 2024Unit: NT\$ million

Risk Factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"									
Major electricity users		Procurement amounts		Proportion of total procurement at SinoPac Holdings					
5		134.23		4.97%					



Downstream corporate clients

Assessments of our investment and lending clients in "major electricity users"

1. Credit risks (loans, bills, and bonds): Calculated accentuating change ratios of financial factors in existing models or assessment tools using estimated energy transition costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.
2. Market risks (equity investments): Calculated impacts on company's equity using estimated energy transition costs and analyze relative changes in stock prices and incremental losses from price declines.

Method: Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, and evaluated additional procurement or construction costs^{Note 1} from corporate clients listed as major electricity users to determine incremental changes in expected losses^{Note 2} on loan, bill, and bond positions from climate risks and incremental losses from price declines^{Note 3} in equity investment positions from climate risks.

Results: Investment and lending amounts are shown in the chart below, with low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios.

Reference date: December 31, 2024

Unit: NT\$ million

Risk Factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"					
Business Scope	Investment and Lending Amounts	Credit risks: Incremental expected losses from climate risks Market risks: Incremental losses from price declines from climate risks			
		Solar equipment installed in 2024	Solar equipment installed in 2025	Renewable energy electricity and certificates purchased in 2025	Monetary substitutions paid in 2025
Credit risks (loans, bills, and bonds) A)	47,347	8.4	8.4	8.4	8.4
Market risks (equity investments) (B)	13,971	1.1	1.2	3.2	6.3
Overall investment and lending portfolios (=A+B)	61,317	9.4	9.5	11.5	14.7

Note 1 Additional costs from energy transition were calculated as 10% of said user's average contract capacities for the previous year. (1) Additional costs to install solar power equipment = (Contract capacity × 10% × Discounts for early completion × Solar equipment installation costs)/Amortization period of 20 years; (2) Additional costs for purchasing renewable energy electricity and certificates = Contract capacity × 10% × Annual amount of electricity sold per kW of solar photovoltaic energy × Price of solar photovoltaic certificates; (3) Additional costs for monetary substitutions = Contract capacity × 10% × kWh/kW for monetary substitution × Monetary substitution rate.

Note 2 Incremental changes in expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is derived by applying the additional carbon cost to financial data, using existing models or assessment tools to calculate the stressed PD value, and then determining the change relative to the original PD.

Note 3 Incremental losses from price declines = Investment amount × Loss ratio from price declines. (1) "Loss ratio from price decline" = Impact on equity/predicted equity; (2) Impact on equity = Additional energy transition costs × (1 - Tax rate).

3.2.3 Net Zero Emissions in Own Operations

Own operations

Estimated potential financial impacts on own operations from low-carbon transition risks based on the SinoPac Holdings target of net zero emissions in own operations by 2030.

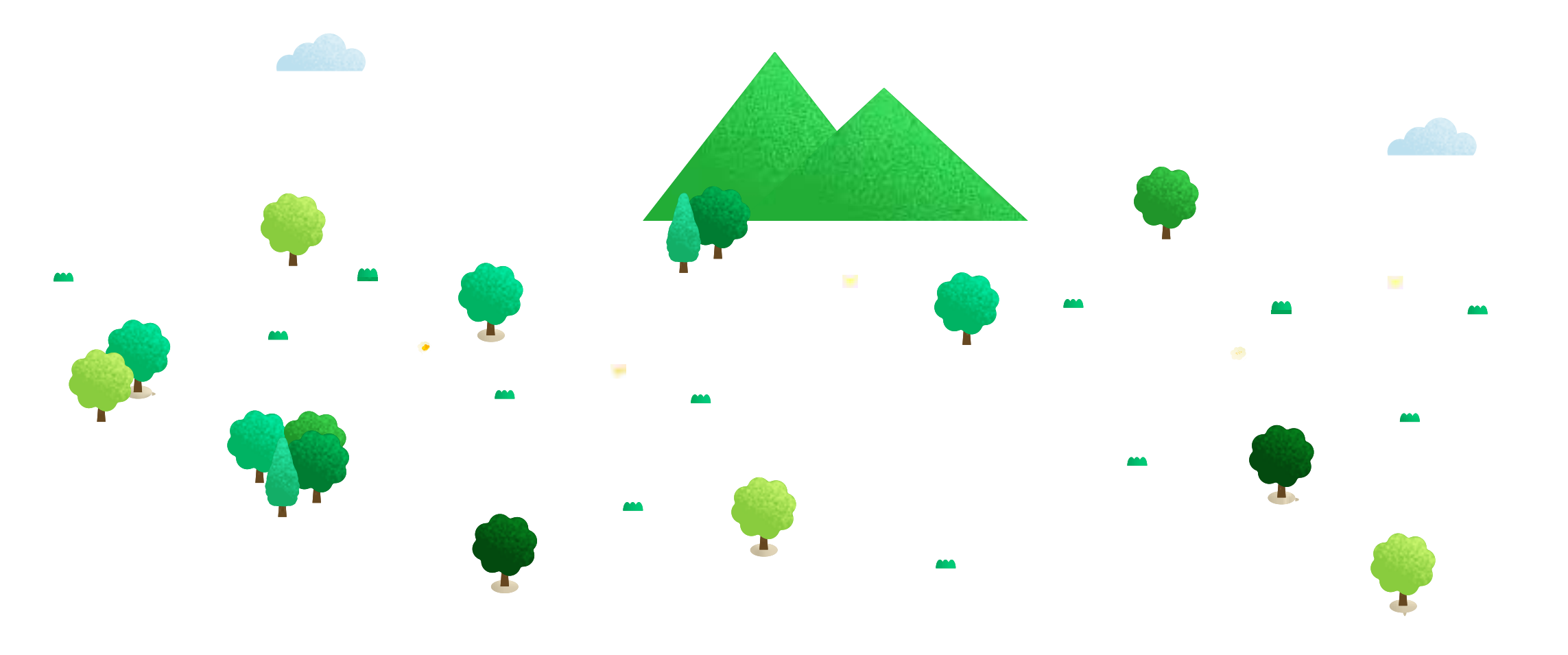
Method: Referenced "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, evaluating potential financial impacts to SinoPac Holdings from increased equipment replacement costs, green electricity procurement costs, renewable energy certificate costs, and external consulting costs for carbon reduction.

Results: Low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints.

Reference date: December 31, 2024

Unit: NT\$ million

Risk Factor: Net Zero Emissions in Own Operations							
Business Scope	Transition Risk Scenario	Potential Financial Impacts					
		2025	2026	2027	2028	2029	2030
Own operations	Achieve net zero emissions in own operations by 2030	92	114	136	159	207	241



3.3 Significant Areas of Uncertainty Considered in the Assessment of Climate Resilience

When assessing climate resilience, SinoPac Holdings considers significant areas of uncertainties including policy changes, technological advances, changes in market demands, environmental changes, and economic factors. These considerations enable flexible adjustments when we are faced with climate risks and opportunities so we can adapt to different scenarios, maintain resilience, and achieve our mitigation and adaptation climate change targets.



Significant areas of uncertainties are explained below:

Policy changes

- ✓ Policies associated with carbon pricing mechanisms and carbon tax policies (such as the "Climate Change Response Act" established by the Ministry of Environment and the three subordinate legislations of carbon fee charging), or tightening of policies and regulations associated with energy conservation and energy consumption (such as for major electricity users) may reduce profits for borrowers and investees, impact debt recovery, or affect income. Governments in different countries may also establish new supervisory policies and regulations in response to climate change impacts.

Changes in market demands

- ✓ Market demand for low-carbon products and services may change over time, so SinoPac Holdings needs to predict and adapt to changes in market demands to ensure that products and services can meet client needs. Carbon taxes and energy transition risks may increase corporate costs and expenditures in future, constituting potential capital needs. Therefore, we estimated additional corporate costs with transition risk scenario analysis to identify climate opportunities, thereby expanding future business opportunities in capital provision.

Environmental changes

- ✓ Climate change may lead to more extreme weather events such as typhoons, heavy rainfall, droughts, landslide disasters, and rising sea levels. These environmental changes may cause significant impacts on corporate operations and value chains due to operational site or equipment damages, declines in loan collateral values, or damages to operational headquarters, sites, or factories of our investees or borrowers.

Economic factors

- ✓ Uncertainties in economic factors may affect investments and capital flows, market transaction prices (such as carbon prices in carbon trading markets), financial position and risk profile. SinoPac Holdings considers financial and operational impacts under different economic circumstances, such as impacts on our capital adequacy ratios.

3.4 Nature Scenario Analysis

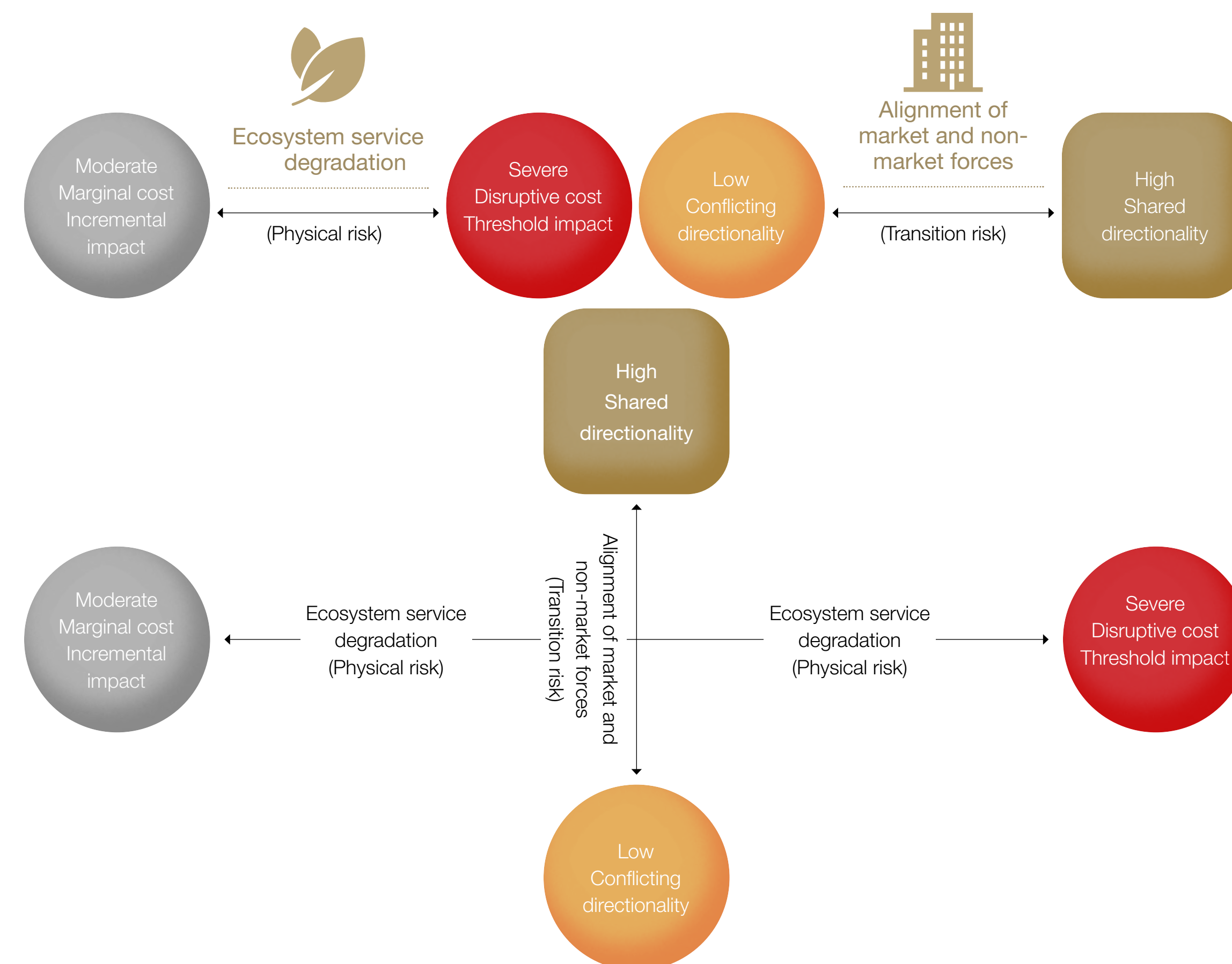
Faced with the uncertainty of the natural environment, SinoPac Holdings adopted the latest edition of the ENCORE tools (June 2024) to establish the "Top 20 Industry Dependency and Impact Matrix" for investment and lending portfolios, and identify the top five industries that have a high degree of dependency on and impact on nature were "food products (including agriculture)", "metals & mining", "oil, gas & consumable fuels", "marine transportation" and "commercial services & supplies". "SinoPac analyzed the Sankey diagram of 25 listed companies and identified water resources as the key nature capital for industries with high dependencies and impacts. Therefore, we analyzed the potential risks of the five industries and water resources as the main targets of the scenario analysis.



3.4.1 Nature Risks: Water Resource Exploratory Scenarios

1. Scenario analysis setup

SinoPac Holdings adhered to TNFD recommendations and the TNFD Guidance on scenario analysis to conduct exploratory scenario analyses and set multiple potential scenarios. We selected "Ecosystem service degradation (Physical risk)" and "Alignment of market and non-market forces (Transition risk)" as key uncertainties, and adhered to the Global Biodiversity Framework "halting and reversing the loss of nature by 2030" target to set scenario analysis timelines. Four scenarios were mapped based on these key factors and timelines for comprehensive assessment of potential risks.



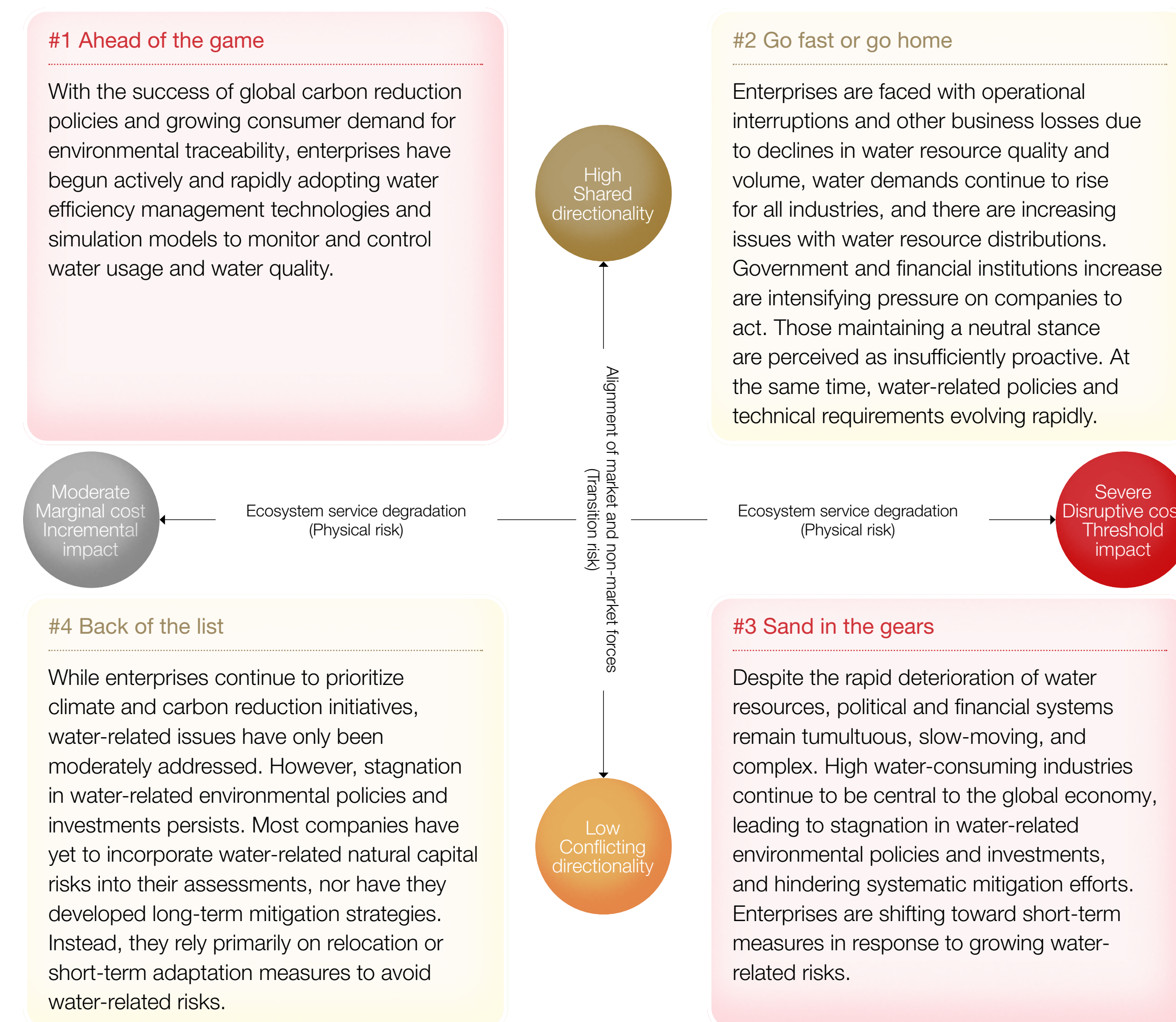
2. Water Resource Risks Faced by Industries: The Case of the Metals and Mining Industry

Among the industries with high dependency and high impact, we selected the metals & mining industries for analysis as it accounted for the largest amount of investment and lending. We referenced the TNFD *Additional sector guidance-Metals and mining* and our dependency and impact evaluation results using ENCORE tools to identify potential water resource risks and conduct scenario analyses.

Dependencies	The metals and mining industry relies on water resources provided by ecosystems. Sufficient amounts of water are required during production processes for casting, cooling, and dust emissions control, and clean water resources are needed to treat wastewater generated during production processes.
Impacts	Wastewater generated by the metals and mining industry may contain high concentrations of heavy metals, inorganic compounds, and organic compounds, which may cause severe pollution if discharged into natural environments without appropriate treatment.
Physical risks (related to water resources)	- Organizational and other activities (such as emissions from own factories or other factories in drainage basins) or climate change may cause water supply/water quality declines. - Shortages of raw materials and freshwater resources may increase costs or cause operational interruptions.
Transition risks (related to water resources)	- Water resource access, discharge, and impacts on natural resources may fail to meet stakeholder expectations (such as water protection or ecological restoration expectations), and may cause reputational risks. - New regulations, nature initiatives, or compensation plans may result in related sanctions, changes to operational locations, or need for permit applications, leading to operational suspensions or extensions, increasing compliance costs.

3. Metals and mining industry—Water Resource Exploratory Scenarios

Considering the resource dependencies and impacts of the metals and mining industry—as well as the potential physical and transition risks—SinoPac Holdings selected water resources as the primary natural capital for its exploratory scenario analysis. Four possible scenarios were defined, as illustrated in the figure below.



The backgrounds for the four possible scenarios were used to identify potential risks for SinoPac Holdings from investees and borrowers under different scenarios for future management and to formulate response measures.

#1 Ahead of the game

1. Changes in consumer preferences may result in a decline in demand for the products and services of the Company investment, lending, or underwriting clients, and a loss of operating profits, exposing SinoPac to customer credit default risks and market risks.
2. The society in general values the ability of businesses to address climate and nature. Poor management of water resources by investment, lending, or underwriting clients or failure to meet stakeholder expectations could create reputational risks due to SinoPac's failure to fulfill its duty of engagement.



#2 Go fast or go home

1. Rapid changes in policies and technologies could increase the expenditures of investment, lending, or underwriting clients for compliance or the development or replacement of existing products/services, exposing SinoPac to customer credit default risks and market risks.
2. Failure to offer financial products and services in a timely manner may cause the Company to lose market share and customers and decrease revenue.
3. Clients' failure to adapt to regulatory requirements may result in litigation or fines, which increase costs and expose SinoPac to credit default risks of clients and reputational risks.



#4 Back of the list

1. The society prioritizes climate over natural issues, resulting in the neglect of water-related risks and response measures. An emergency or major incident may result in serious losses of investment, lending, or underwriting clients, or disruption of operations, which may expose SinoPac to customer credit default risks, market risks, and operational risks.



#3 Sand in the gears

1. Rapid deterioration of water resources affects availability and may result in expenditures in business continuity, relocation, and increased adaptation measures for investment, lending, or underwriting clients and SinoPac's own operations, exposing SinoPac to customer credit default risks, market risks, and operational risks.
2. Failure of political and financial institutions in effectively directing funds and exacerbation of water resource risks could create reputational risks due to SinoPac's failure to fulfill its duty of engagement.



3.4.2 Assessment of water resources dependency scenario

We analyzed the economic activities of 25 publicly traded companies in the top five industries with a high dependence on and impact on nature ("food products (including agriculture)", "metals & mining", "oil, gas & consumable fuels", "marine transportation" and "commercial services & supplies"). Their dependency on ecosystem services is mainly derived from water resources. For instance, food products (including agriculture) relies on water for production, water quality regulation services; casting, cooling, and dust emission control in metal and mining processes require water. We therefore used the "drought risk factor" to assess the "water resources dependency scenario" of our investees and borrowers in these five industries.

SinoPac Holdings analyzed investment and lending risks, and evaluated the potential impacts on capital adequacy ratios from expected losses, setting five degrees of potential impact as follows:

Potential Impact Level	Low	Moderately Low	Moderate	Moderately High	High
Capital adequacy ratio reduction (A)	0%<A<1%	1%<A<2%	2%<A<3.5%	3.5%<A<5%	A>5%
Equivalent amount(TWD)	Under NT\$2.1 billion	NT\$2.1-4.2 (inclusive) billion	NT\$4.2-7.4 (inclusive) billion	NT\$7.4-10.5 (inclusive) billion	NT\$10.5 billion

Methodology: We assessed the expected loss^{Note 1} related to water resource dependency for the plant locations of the top five industries with high dependence on and impact on nature at each point in time for each of the SSP scenarios.

Results: The expected loss for each scenario at each point in time was NT\$40.4 million, and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.

Reference date: December 31, 2024

Unit: NT\$ million

Scenario	2030			2050		
	Investment and lending amount with high dependency on water resources	Proportion of overall investment and lending amounts at SinoPac Holdings	Expected loss	Investment and lending amount with high dependency on water resources	Proportion of overall investment and lending amounts at SinoPac Holdings	Expected loss
SSP1-2.6	4,688	0.18%	40.4	4,688	0.18%	40.4
SSP2-4.5	4,688	0.18%	40.4	4,688	0.18%	40.4
SSP5-8.5	4,688	0.18%	40.4	4,688	0.18%	40.4

Note 1 Expected losses = Probability of default × Loss given default × Investment and lending amount (for higher internal credit rating risk).

3.4.3 Assessment of water resources impact scenario

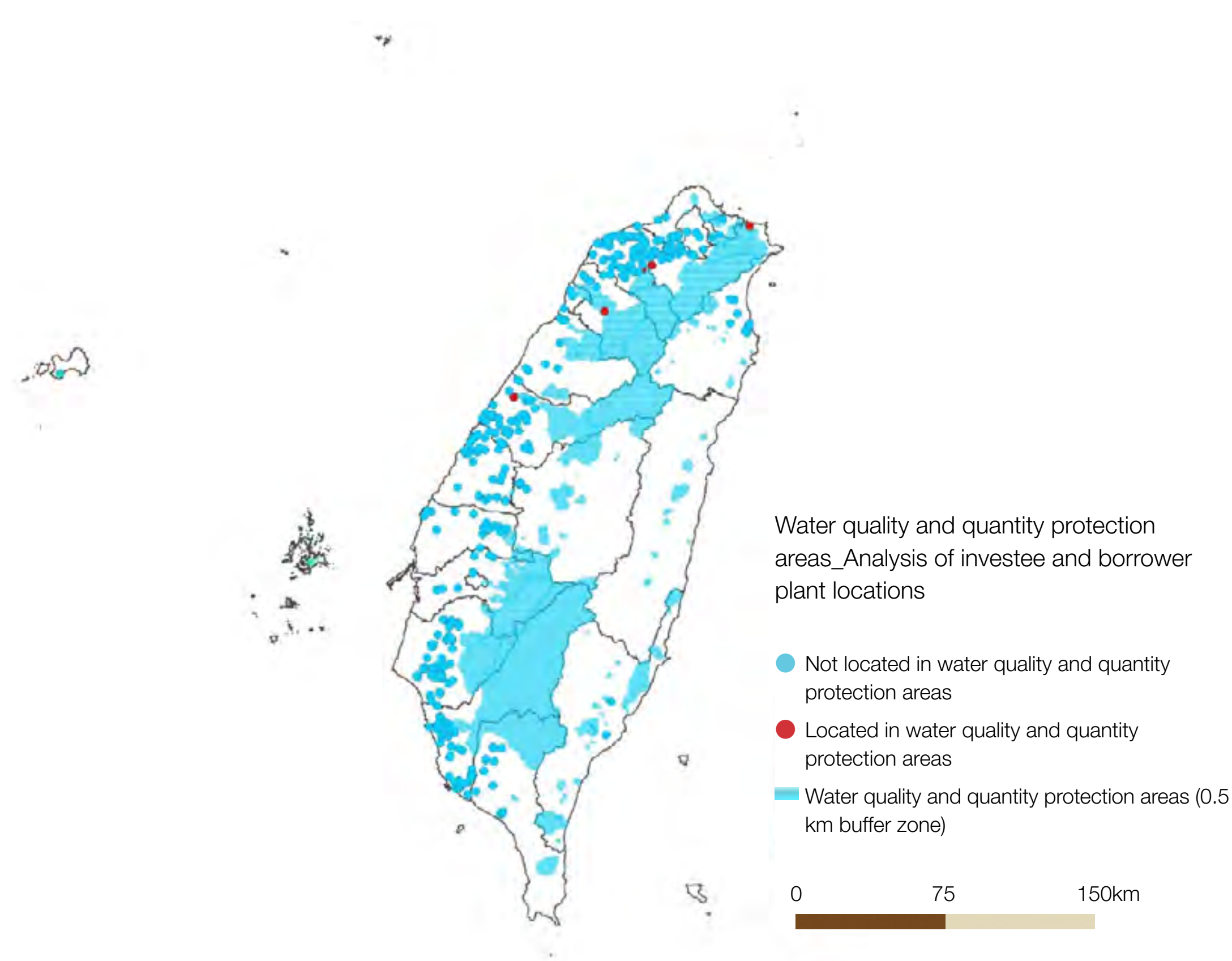
We analyzed the economic activities of 25 publicly traded companies in the top five industries with a high dependence on and impact on nature("food products (including agriculture)", "metals & mining", "oil, gas & consumable fuels", "marine transportation" and "commercial services & supplies"). The most significant impact factor on nature is the "emissions of toxic pollutants to water and soil". Enterprises may affect water availability, water quality, freshwater ecosystems, and hydrological characteristics by withdrawing water or discharging water. Therefore, we assessed the water resource impact of the aforementioned investees and borrowers in these five industries based on whether the client's factories are located in the 0.5km buffer zone of a water quality and quantity protection areas.

Methodology: We assessed the risk exposure for the plant locations of top five industries with high dependence on and impact on nature within the 0.5km buffer zone of a water quality and quantity protection areas of the Water Resources Agency , Ministry of Economic Affairs.

Results: 5 plant locations of the top five industries with high dependence on and impact on nature were within the 0.5km buffer zone of a water quality and quantity protection areas. The investment and lending of SinoPac Holdings amounted to NT\$5,835 million, which was approximately 0.225% of SinoPac Holdings' total investment and lending.

Reference date: December 31, 2024Unit: NT\$ million

Industry	Number of clients in water quality and quantity protection areas	Exposure amount in water quality and quantity protection areas	Proportion of overall investment and lending amounts at SinoPac Holdings
Oil, Gas & Consumable Fuels	2	5,106	0.197%
Food Products (including agriculture)	1	661	0.025%
Metals & Mining	2	68	0.003%
Commercial Services & Supplies	-	-	-
Marine Transportation	-	-	-
Total	5	5,835	0.225%



3.5 Scenario Analyses for Climate Opportunities

Climate change risk management and net zero emissions continue to be global trends. Climate change brings many challenges, including the increasing frequency of extreme weather events, rising sea levels, and ecosystem degradation. In response to with the climate crisis, countries worldwide have successively implemented carbon reduction measures. Internationally, the EU Carbon Border Adjustment Mechanism (CBAM) transitional phase took effect in October 2023. In Taiwan, the Climate Change Response Act was passed by the Legislative Yuan in January 2023 after three readings, the Taiwan Carbon Solution Exchange was established in August, launching its first international carbon credit project in December, with the first batch of carbon credits amounting to 88,520 tCO₂e. Additionally, Taiwan has also established the three carbon fee sub-laws and will begin officially levying carbon fees of NT\$300/ton from heavy carbon emitters in 2026, meaning that net zero challenges are imminent. The financial industry is a key driver of sustainable development. The Financial Supervisory Commission "Green and Transition Finance Action Plan" in 2024 to integrate financial resources and support corporate net zero transition.



SinoPac Holdings actively promotes net zero actions and assists collaborating vendors in establishing carbon reduction strategies. Our multifaceted developments include the following items:

Net zero service conferences

In response to increased supply chain carbon management demands, SinoPac Holdings worked in cross-industry collaboration with external institutes to providing internal training and supporting employees in obtaining professional certifications, host sustainability exhibitions, participate in supplier conferences, and provide sustainable finance services, helping clients to achieve net zero emissions, lower carbon reduction frictions, and facilitate corporate carbon reduction transitions.

Emerging Renewable Energy Financing

Taiwan is making every effort to promote renewable energy and aims to achieve net zero transition goals in 2050. Apart from solar energy, SinoPac Holdings has also developed projects and loan services related to energy storage equipment, small hydropower, geothermal energy, and other emerging renewable energies to provide corporations with comprehensive renewable energy options and energy plans.

Green Energy Electricity Trading Trust Platform

To align with international net zero trends and support corporate energy transitions, we utilized our own advantages in solar energy site financing to establish an industry-first Green Energy Electricity Trading Trust Platform that actively matches the needs of buyers, sellers, and power producers, using payment trust mechanisms to ensure trading security, invigorate green electricity trading markets, and create positive environmental impact.

Green Financial Advisory Services

In response to renewable energy installations and mergers, SinoPac Holdings actively develops and matches the needs of buyers and sellers of green energy assets in the market.

Sustainability-linked loans

Sustainability has become an important keyword for global economic transitions. By providing sustainability-linked loans, SinoPac Holdings encourages corporate place greater emphasis on ESG issues and guides clients in fulfilling corporate sustainability responsibilities to realize the benefits of sustainable development jointly achieved by enterprises and the financial industry.

Transition opportunity scenario analysis

SinoPac Holdings conducts simulations to estimate the additional costs that investment and financing clients may incur when transitioning in response to climate change risks. These costs are considered potential funding needs for enterprises and business opportunities for the company.

Evaluation method:

1. Carbon taxes and energy transition risks may increase corporate costs and expenditures in the future, constituting potential capital needs. Therefore, we estimated additional corporate costs using transition risk scenario analysis methods to calculate climate opportunities, thereby expanding our business opportunities to provide capital in future.
2. Based on transition risk scenario analyses, we estimated the additional costs from carbon payments for our investment and financing clients in the nine high-carbon-emission industries and high-carbon-emission enterprises listed by the Ministry of Environment. These results were used to estimate market transformation opportunities.

Analysis results: SinoPac Holdings estimates that overall market transition opportunities in 2025 may reach NT\$100 million.

Analysis parameters:

1. Financing spread: Based on the average annual spreads of five financial peers (CTBC Bank, Taishin International Bank, E.SUN Bank, Cathay United Bank, Taipei Fubon Commercial Bank).
2. Investment yield: Based on the average yield calculated using JPMorgan US High Grade Index 5-year and 10-year corporate bond yields (foreign currency) and TPEX 5-year and 10-year Corporate Bond Reference Yields (including interest) for investment grade corporate bonds (TWD).
3. Underwriting fee rate: Based on estimated fee rate from product unit.

Base date: 2024/12/31Unit: Carbon emissions(million tCO₂e); Amounts(NT\$ billion)

	Carbon emissions	<2 °C Additional costs						<2 °C Estimated lending opportunities						<2 °C Estimated investment opportunities						<2 °C Estimated underwriting opportunities					
Results	2023	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
NGFS	2,485	1,360	5,566	8,585	14,193	23,003	34,483	20	82	126	208	338	506	50	204	314	520	842	1,263	1	6	9	14	23	34
IEA	2,485	311	1,363	2,324	4,129	6,466	9,653	5	20	34	61	95	142	11	50	85	151	237	353	0.3	1	2	4	6	10

	Carbon emissions	1.5 °C Additional costs						1.5 °C Estimated lending opportunities						1.5 °C Estimated investment opportunities						1.5 °C Estimated underwriting opportunities					
Results	2023	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050	2025	2030	2035	2040	2045	2050
NGFS	2,485	2,574	10,524	19,440	33,730	54,845	69,818	38	155	285	495	805	1,025	94	385	712	1,235	2,008	2,556	3	11	19	34	55	70
IEA	2,485	681	3,061	6,507	11,376	18,293	23,245	10	45	96	167	269	341	25	112	238	417	670	851	0.7	3	7	11	18	23

Risk Management

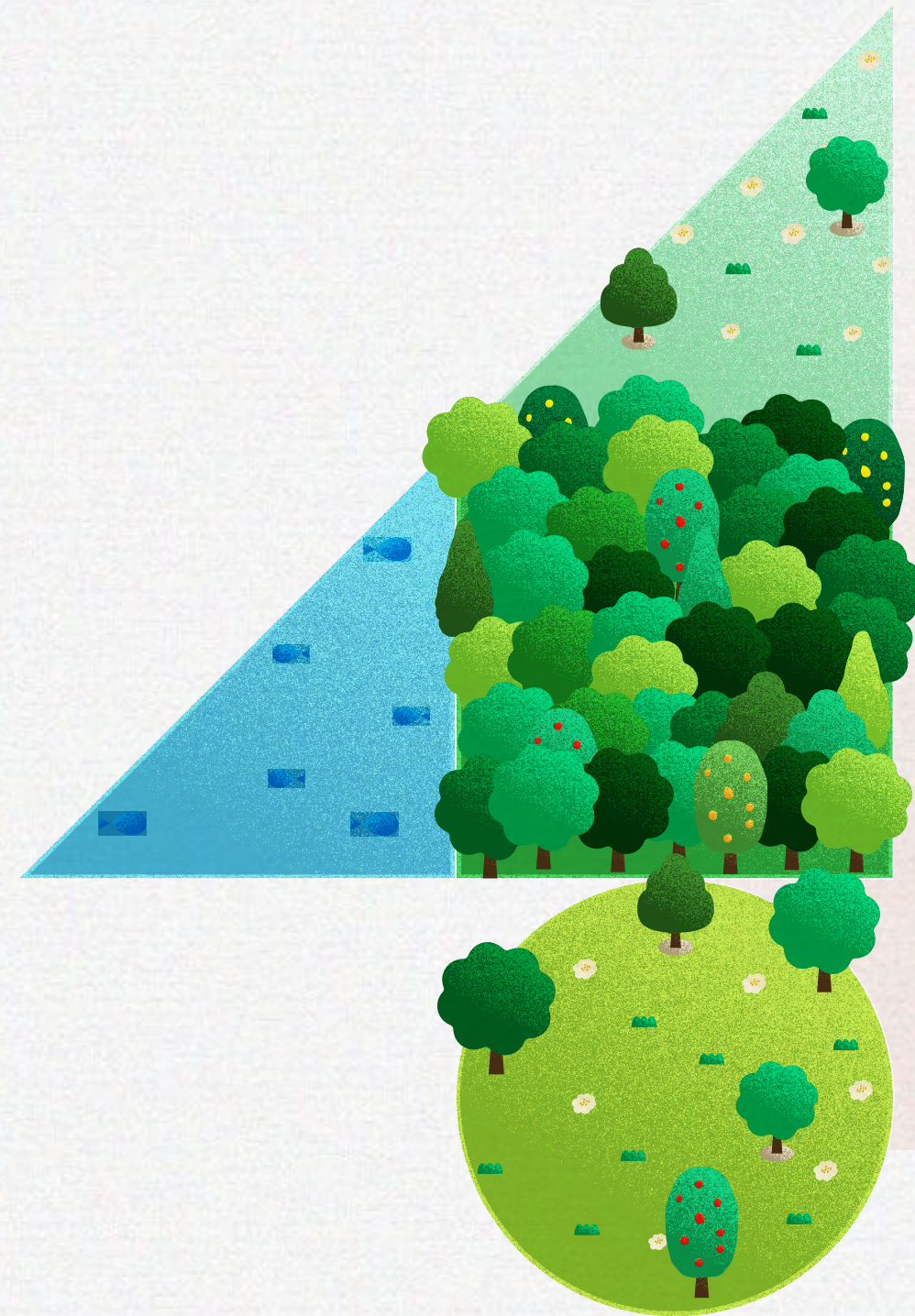
4.1 Risk Policy Framework

4.2 Management of Investment and Lending Risks

4.2.1 Responsible Investment

4.2.2 Responsible Lending

4.3 Management of Operational Risks

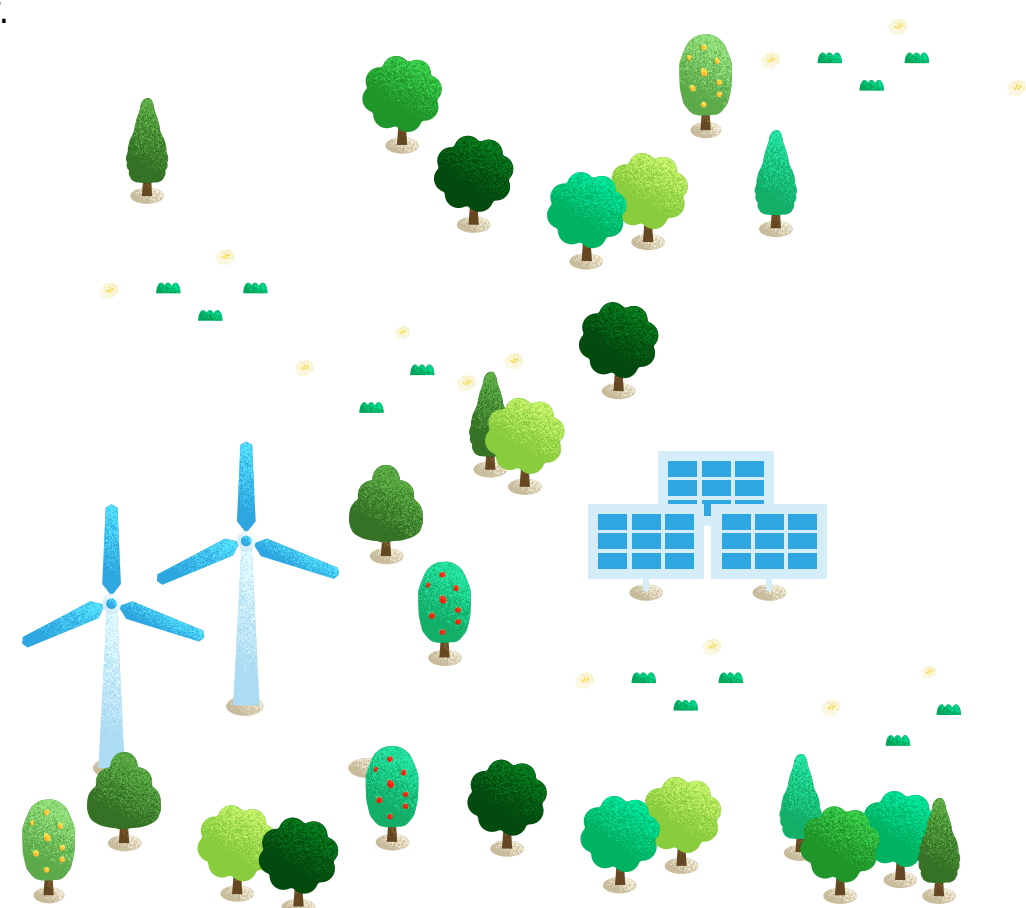


M A N A G E

4.1 Risk Policy Framework

SinoPac Holdings has followed the four core elements of the TCFD framework and referenced the "Guidelines for Domestic Banks' Climate Risk Financial Disclosure" issued by the Financial Supervisory Commission, R.O.C. (Taiwan), and has incorporated "governance," "strategy," "risk management," and "metrics and targets" into the Company's "Guidelines for the Management of Climate-related Risks and Opportunities" to improve climate risk and opportunity management mechanisms. The subsidiaries have established the "Standards for the Management of Climate-related Risks and Opportunities" and integrated climate risks into business operations. They have also established the "Responsible Investment Management Guidelines" and "Responsible Lending Management Guidelines" for the management and control of investment and lending businesses. SinoPac Holdings has also established the "Natural Disaster Emergency Response Guidelines" and "Supplier Sustainable Development Guidelines" to ensure prudent management of its credit, market, and operational risks.

Starting in 2021, our Risk Management Division began disclosing climate change risks (including all metrics for physical risks and transition risks) in quarterly risk management reports which are submitted to the Risk Management Committee and the Board each quarter.



SinoPac Holdings uses three lines of defense in internal controls to specify duties and mechanisms for management of climate change risks on each line of defense.

First line of defense

Evaluate climate risks when conducting related businesses activities and incorporating climate-related risks into business decision-making

- Evaluate climate risks when conducting related businesses activities, particularly for industries that are heavily impacted by climate risks.
- Identify the correlation between climate risks and other risks such as credit, market, operational, and liquidity risks. For all climate-related risks arising from operational and business activities, adopt appropriate procedures for identification, assessment, and management. In addition, propose mitigation and adaptation measures to ensure that such risks are adequately controlled from the outset.
- Adopt differentiated risk management measures based on identified or assessed climate risk levels and risk rankings. Businesses or transactions exposed with high climate risks should be approved by authorized personnel and related records should be retained for future reference.
- According to the Responsible Investment Management Guidelines and Responsible Lending Management Guidelines, business units should consider and assess the potential impacts and materiality of climate risks on clients, the client's willingness and ability to address their own climate risks, whether they have proposed alternative approaches to mitigate risk exposures or other corresponding measures.

Second line of defense

Effectively monitor and control climate risks management implementations under the first line of defense and ensure that related operations comply with regulatory requirements.

- Risk Management Division effectively monitors execution of climate risks by the first line of defense, and Legal & Compliance Division should ensure that the operations of all units comply with relevant laws and regulations.
- Legal & Compliance Division notifies and initiates procedures to track and review the latest legal amendments when new laws are announced to confirm that all operations and management regulations are updated in a timely manner in accordance with climate risk regulations announced by competent authorities, thereby ensuring compliance across all units
- Risk Management Division conducts scenario analysis for physical risks and transition risks to assess business impacts from climate risks and determine resilience toward climate risks under different climate scenarios. Risk Management Division also selects relevant and reasonable scenarios to explain how climate risks are transmitted and the impacts on our own financial risks. In consideration of the uncertainties and long-term prospects of climate change, selected scenarios should include forward-looking information to avoid underestimating future potential risks by relying solely on historical data.
- Risk Management Division takes scenario analysis results into account when conducting regular reviews of climate risk management regulations and practices, and also retains related documentation for at least five years, including selected scenarios, reasonable assumptions, assessment results, possible actions considered, and actual actions taken in response to risks.
- Overall climate change risk conditions are disclosed in quarterly risk management reports and submitted to the Risk Management Committee and the Board of Directors.

Third line of defense

Evaluate the effectiveness of climate risk monitoring and control conducted by the first and second lines of defense, and provide recommendations for improvements as necessary

- Evaluate the effectiveness of climate risk monitoring and control conducted by the first and second lines of defense and provide recommendations for improvements as necessary.

SinoPac Holdings uses the three lines of defense in internal controls to specify the duties and management mechanisms for climate change risks management aacross each line of defense. The Company uses risk and opportunity identification processes to determine the impacts ofclimate-related risks and opportunities on our businesses, strategies, and finances over different periods (please refer to [2 Strategy](#)). The Company conducts scenario analyses to evaluate potential financial impacts on all sections of our value chain (suppliers, own operations, investment and lending businesses) under various scenarios and timeframes, and responsible units formulate corresponding business, strategic, and financial mitigation and adaptation measures to enhance climate resilience (please refer to [3 Scenario Analysis for Physical and Transition Risks](#)). Apart from evaluating climate-related issues, we also incorporated nature-related issues into risk and opportunity identification processes and scenario analyses this year for more comprehensive evaluation of future risks.

Faced with challenges from climate-related risks and opportunities, SinoPac Holdings has adopted a pragmatic approach that begins with lowering our own carbon emissions through setting of Science-Based Targets (SBTs), gradually increasing use of green energy, expanding lending for alternative energies, and issuing green bonds, while also gradually adjusting our investment and lending business strategies (for example, focusing on and tracking lending for industries with high carbon emissions, supporting clean energies and innovative technologies, and assisting clients in reducing carbon emissions and low-carbon transitions) to expand the scope of climate action, discover climate-related opportunities, and promote low-carbon transitions in the overall value chain. Metrics and targets for climate governance, strategy, and risk management (including physical risks and transition risks) have been established for short, medium, and long-term objectives. Our Sustainable Development Committee and Risk Management Committee conduct quarterly reviews, track progress of all metrics and targets, and adopt rolling adjustments depending on actual developments and trends.

4.2 Management of Investment and Lending Risks

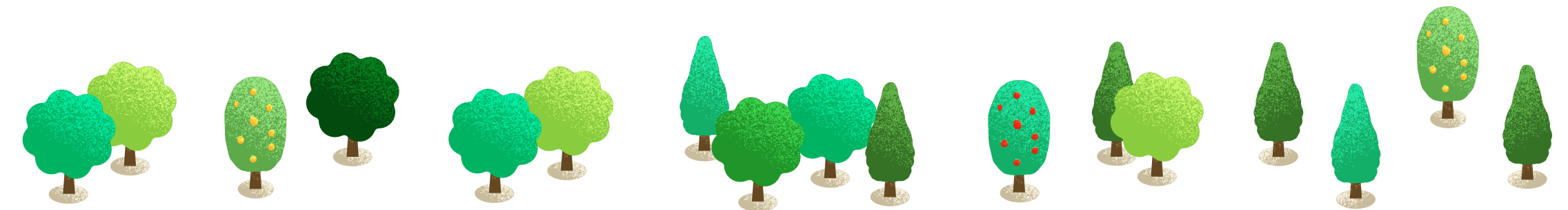
SinoPac Holdings formulated a group-level sustainable finance statement in 2022 and has incorporated environmental, social, and corporate governance (ESG) factors into its corporate banking, retail banking, asset management, wealth management, investment banking, and brokerage businesses. The Board of Directors approved the "Sustainable Finance Policy" in July 2023 as the highest guiding principles for sustainable finance businesses, and business units established related management guidelines accordingly. (Please refer to the ["SinoPac Holdings Sustainable Finance Policy."](#))

Industry and Activity Guidelines

Prohibit investment /lending to controversial industries	Controversial industries include pornography and controversial arms.
Careful evaluation of sensitive industries and sensitive economic activities	- Sensitive industries: Industries with high carbon emissions (coal-fired power generation industry, oil & gas industry, cement and concrete manufacturing industry, and iron, steel, other metal manufacturing industries) or industries with high climate risks (metal and mining, power generation, chemical materials manufacturing industry, agriculture, forestry, fishery, and animal husbandry). - Sensitive economic activities: Include gambling, industries with food safety concerns, hazardous radioactive materials, genetic engineering not used for medical purposes or detrimental to human development, and the manufacturing of non-adhesive asbestos fibers and polychlorinated biphenyls.
Business restrictions in compliance with the Decarbonization Policy	SinoPac Holdings has since July 2022 ceased financing for new thermal coal and unconventional oil & gas projects and will not renew the existing projects. The Company expanded the scope of the decarbonization policy in July 2023 to include investment and lending of thermal coal mining and power generation. Starting from July 2024, the Company no longer underwrites fixed-income commodities for companies related to mining and power generation involving thermal coal or unconventional oil & gas companies outside Taiwan.
Guidelines for high carbon emissions industries	- Incorporate ESG performance and information on carbon emissions of high carbon emissions industries into the investment and lending assessment process. - Proactively engage with related companies, and carefully evaluate whether to continue lending activities if the client fails to establish any transition plans after communication.
Biodiversity assessment	- Project financing: The Company follows the Equator Principles Version 4.0 (EP4) and the eight IFC Performance Standards on Environmental and Social Sustainability, and Performance Standard 6 (PS6) for assessing negative impacts and mitigation measures if ecologically important habitats are involved. - Sustainability-linked loans: The Company included "significant or notable acts of corporate compliance with the United Nations' Sustainable Development Goals (SDGs) for marine ecosystems and terrestrial ecosystems" as an indicator in the "environmental protection checklist" to help companies understand the importance of this performance indicator and implement it. - Equity investment: The Company included "risk events related to biodiversity (e.g., species conservation, habitat maintenance) " in the ESG risk assessment of equity investment.
Taiwan Sustainable Taxonomy	- Lending: Incorporated the Taiwan Sustainable Taxonomy into the "Responsible Lending Management Guidelines" to proactively support financing for sustainable economic activities. - Equity investment: Included any entity that involve or fail to meet the reference guidelines of the FSC for the Taiwan Sustainable Taxonomy and fail to provide a specific plan or schedule for transition into the ESG risk assessment of equity investment.

Engagement and Management Guidelines

Voting policy	- Support in principle: Proposal proposed to achieve positive goals of environmental, social, governance or sustainable operations. - Oppose in principle: Resolutions that violate major climate-related issues. - Oppose in principle or abstain from voting: The issuing company's problematic operations damage shareholders' rights and interests or imposed fines by the competent authority due to violations of ESG.
Policy for third-party managed assets	- The "Stewardship Policy" specifies that if an external professional service provider is commissioned to carry out a portion of stewardship activities, SinoPac Holdings' subsidiaries will ensure the service provider follows its instructions through communication, an agreement, or supervision, to protect shareholders' rights and interests. The service provider will be disclosed in accordance with regulations and does not relieve SinoPac Holdings' subsidiaries from its responsibilities to shareholders. - Domestic securities investment trusts that SinoPac Securities works with are required to sign a statement of compliance with the "Stewardship Principles for Institutional Investors." Offshore fund asset management institutions are required to comply with the Principles for Responsible Investment.
Engagement with other companies and shareholder activism	- Lending: Reference the Taiwan Sustainable Taxonomy for credit businesses and encourage businesses to fill out the Corporate Self-Assessment Questionnaire of ESG Information of Joint Credit Information Center (JCIC) in accordance with the Taiwan Sustainable Taxonomy to support the sustainable development and carbon reduction transition of businesses. SinoPac Holdings engages clients in industries with high climate risks (including industries with high carbon emissions) and advises them to provide data on GHG emission intensity and low carbon transition strategies, and invest in green loans. - Investment: Engage with investee companies on ESG issues such as climate change, biodiversity, governance or social issues by attending shareholders' meetings or institutional investors' conferences or exercising voting rights. Send the Sustainability Questionnaire on "Environment, Social and Corporate Governance (ESG)" Issues of SinoPac Holdings and subsidiaries to investee companies to focus on their actual sustainability actions, such as the ESG issues that the company has included in its operational/ business decision-making process, whether it has assessed its level of sustainability in accordance with the Taiwan Sustainable Taxonomy or classifications such as EU Taxonomy, its net zero and greenhouse gas disclosure status, and other important issues.



4.2.1 Responsible Investment

SinoPac Holdings actively complied with the six principles under the United Nations "Principles for Responsible Investment (PRI)" in 2019 and established the "Responsible Investment Management Guidelines" for the group's investment, asset management, and wealth management business. The Guidelines are applicable to the management of asset classes and consulting services, including listed equity, fixed income, private equity, infrastructure, property, and derivatives. SinoPac Holdings incorporates ESG issues and related risks into the decision-making process of related operations and established verification mechanisms for the prohibition on investment in controversial industries and careful evaluation of investments in sensitive industries/economic activities. In 2024, SinoPac Holdings specified its voting principles in the "Responsible Investment Management Guidelines" and related guidelines and regulations of subsidiaries to strengthen shareholder activism and implement responsible investment.

Bank SinoPac, SinoPac Securities, and SinoPac SITC have signed the "Stewardship Principles for Institutional Investors," and established "Stewardship Policy." They enhance the value of their investments by monitoring the operating conditions of the investee companies and carrying out stewardship actions.



Development of Responsible Investment by SinoPac Holdings

2018
|
2019

Stewardship and responsible investment

- ✓ Signed the "Stewardship Principles for Institutional Investors."
- ✓ Established the "Responsible Investment Management Guidelines" according to the six principles of the UN Principles for Responsible Investment (PRI).

2020
|
2022

Introduction of climate change issues

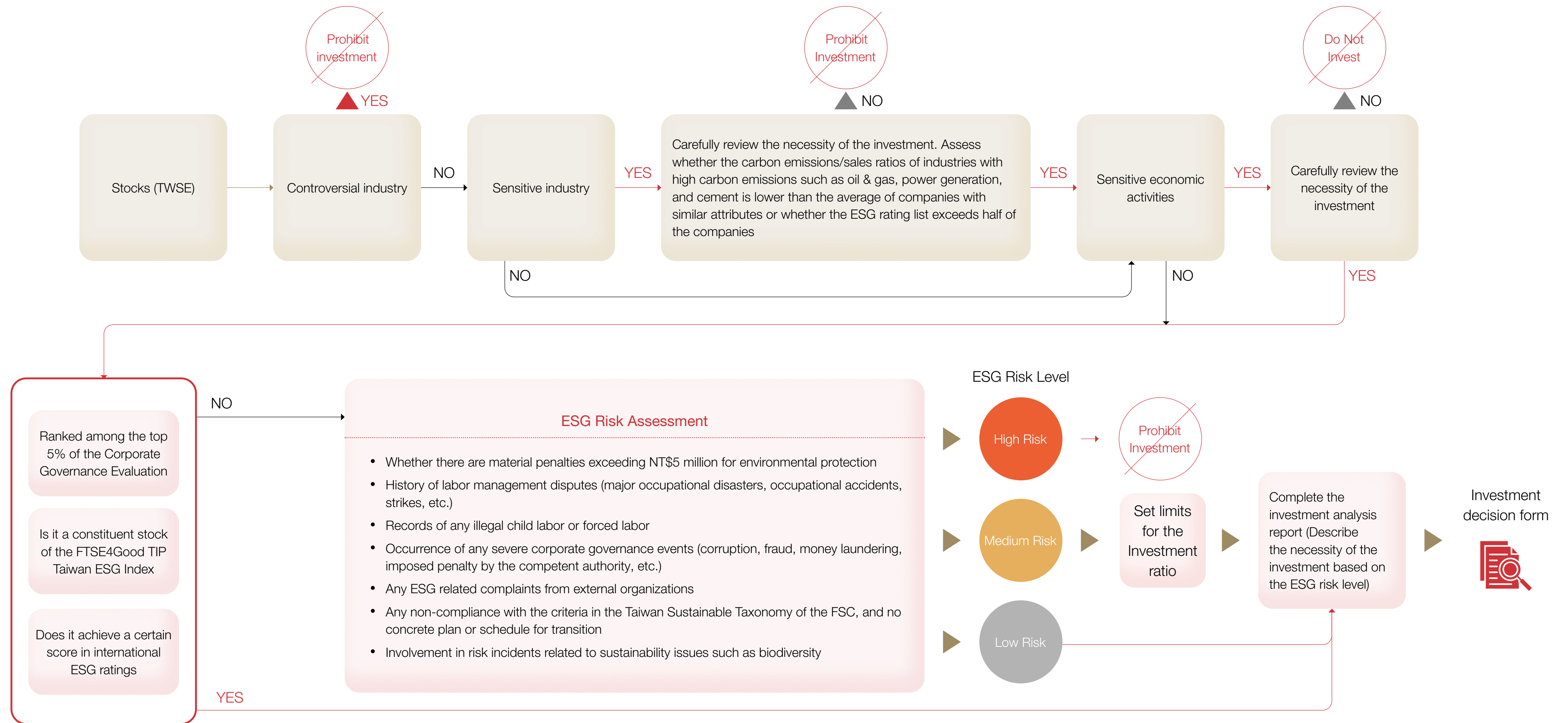
- ✓ Incorporated ESG factors into the investment evaluation process, and incorporated climate change-related issues into the voting policy based on the "Stewardship Policy."
- ✓ Established industry guidelines for trial operations in industries with high carbon emissions.

2023
|
2024

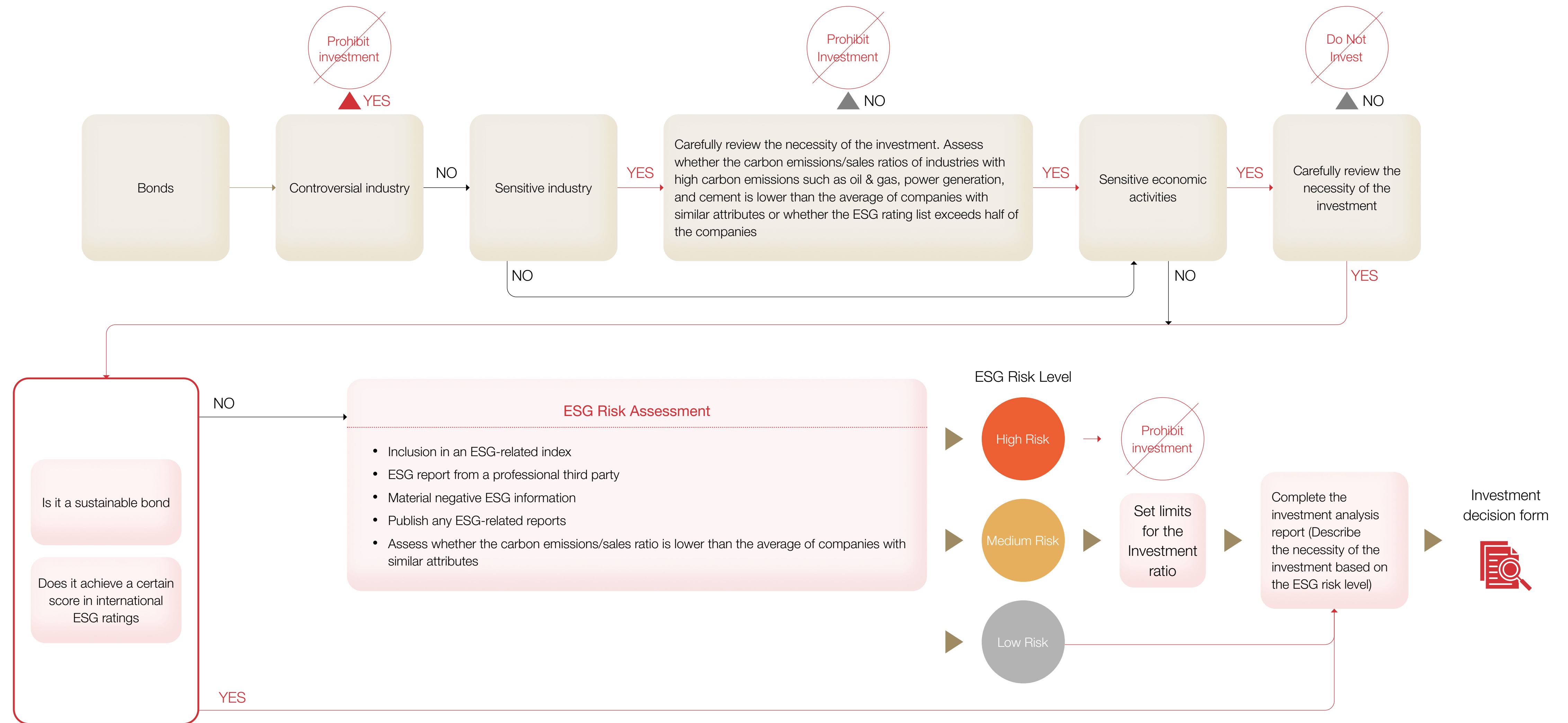
Accelerated decarbonization and enhanced ESG investment

- ✓ Cease (or ban) investments in thermal coal/unconventional oil & gas related projects.
- ✓ Added industries with high climate risks as sensitive industries.
- ✓ Incorporated biodiversity issues into the investment process and compliance with the Taiwan Sustainable Taxonomy of the FSC as an evaluation item.
- ✓ Specified the ESG voting principles in the related guidelines/regulations for responsible investment management.

SinoPac Holdings Responsible Investment Process (SinoPac SITC as an example) - Stocks



SinoPac Holdings Responsible Investment Process (SinoPac SITC as an example) - Bonds



Incorporating ESG Factors into the Wealth Management Product Review Process

SinoPac Holdings Wealth Management Product Review Process (fund as an example)



- ✓ All the 35 and 31 domestic securities investment trust companies that offer funds of Bank SinoPac and SinoPac Securities, respectively, have signed the statement of compliance with the "Stewardship Principles for Institutional Investors" in 2024. Furthermore, all of the offshore fund asset management institutions that Bank SinoPac (33) and SinoPac Securities (6) are working with are following the Principles for Responsible Investment (PRI).
- ✓ In response to the "Review and Supervision Principles for Disclosure Matters of Taiwan Investment Trust Company Publishing Environmental, Social and Governance (ESG) Theme Fund" announced by the FSC in 2021, SinoPac SITC specified in the "SinoPac SITC ESG Investment and Risk Management and Information Disclosure Policy" that it supports the public offering of ESG or sustainability topics funds. All of its ESG topics funds have obtained approval from the Securities and Futures Bureau for ESG information disclosure.

Post-investment Stewardship Process

For post-investment management, SinoPac Holdings complies with the voting policy under the "Stewardship Policy" and opposes any resolutions that violates major climate and social related issues or related resolutions when corporate governance incidents have occurred in principle. The Company regularly engages investees to determine potential ESG-related issues that they may face and examines their ESG-related performance.

Subsidiaries of SinoPac Holdings monitor the operations of investees by attending shareholders' meetings, exercising voting rights, and engaging senior executives. The companies disclose the Stewardship Report each year and use e-mails, telephone interviews, distribution of questionnaires, or in-person visits to pay attention to related ESG opportunities and risks of investees such as the just transition, specific measures and commitments for energy conservation and carbon emissions reduction, and sustainable development plans and disclosures for ESG. If an investee company is penalized for violating ESG-related regulations and fails to implement effective improvements, SinoPac Holdings shall gradually reduce or dispose of investment in the company.

Aspect of assessment	Post-investment stewardship	
	Voting	Regular review
Financial	• Oppose in principle on the problematic operations of the investee company's management (such as managing disputes) that may potentially damage the company or shareholders' rights and interests.	• Analyze the investee company's current business results, including financial structure, solvency, operational ability, and profitability, and track major news events.
Non-financial	• Oppose in principle: Proposals that violate significant climate-relevant issues (such as investments that substantially pollute the environment, the expansion of highly polluting production lines, and issues causing irreversible and permanent impacts on the overall natural environment and ecosystem). • Abstain from voting or oppose: If the investee company was imposed any fines by the competent authority due to violations of ESG. • For proposals of directors' election in which the corporate governances' disputes occurred, they will be abstained from voting.	• Examine the ESG rating of existing positions each year. Where an investee fails to meet any evaluation standard or does not have any rating, fill out the "ESG risk assessment checklist." If the investee is assessed as high-risk, the Company is required to dispose of all shares held within a specific period; if it is assessed as medium-risk, the Company shall set a limit on the percentage of investment; if it is assessed as low-risk, carefully review the necessity of the investment. • Track ESG evaluation results, records of fines imposed for ESG violations, track important ESG issues, and urge greater importance to be attached to ESG issues.

Bank SinoPac Stewardship Policy	SinoPac Securities Stewardship Policy	SinoPac SITC Stewardship Policy
Bank SinoPac 2024 Stewardship Report	SinoPac Securities 2024 Stewardship Report	SinoPac SITC 2024 Stewardship Report

Engagement Status

Engagement with investees

SinoPac Holdings and subsidiaries have continued to send questionnaires on climate change issues to investee companies since 2020. In 2023, the topics of concern were expanded to biodiversity, social and governance aspects. In 2024, The Company formulated the "Sustainability Questionnaire on Environment, Social and Corporate Governance (ESG) of SinoPac Holdings and Subsidiaries" to focus on the actual sustainability actions of investees and refine the content of communication, including domestic and international sustainability trends, net zero and greenhouse gas disclosure, social responsibility, corporate governance, and other important issues. The Company added new financial products/services that clients expect to access at this stage, and continue to collect the opinions of investee companies and demand for financial services.

Method	Bank SinoPac	SinoPac Securities ^{Note 2}	SinoPac SITC	Total (number of times)
Onsite visits / Phone calls / Email and other forms of communication ^{Note 1}	13	5	427	445
Attendance in shareholders' meetings	112	1,284	154	1,550
Participation in institutional investors' conferences	56	66	205	327
Sending questionnaires on sustainability issues	45	34	101	180

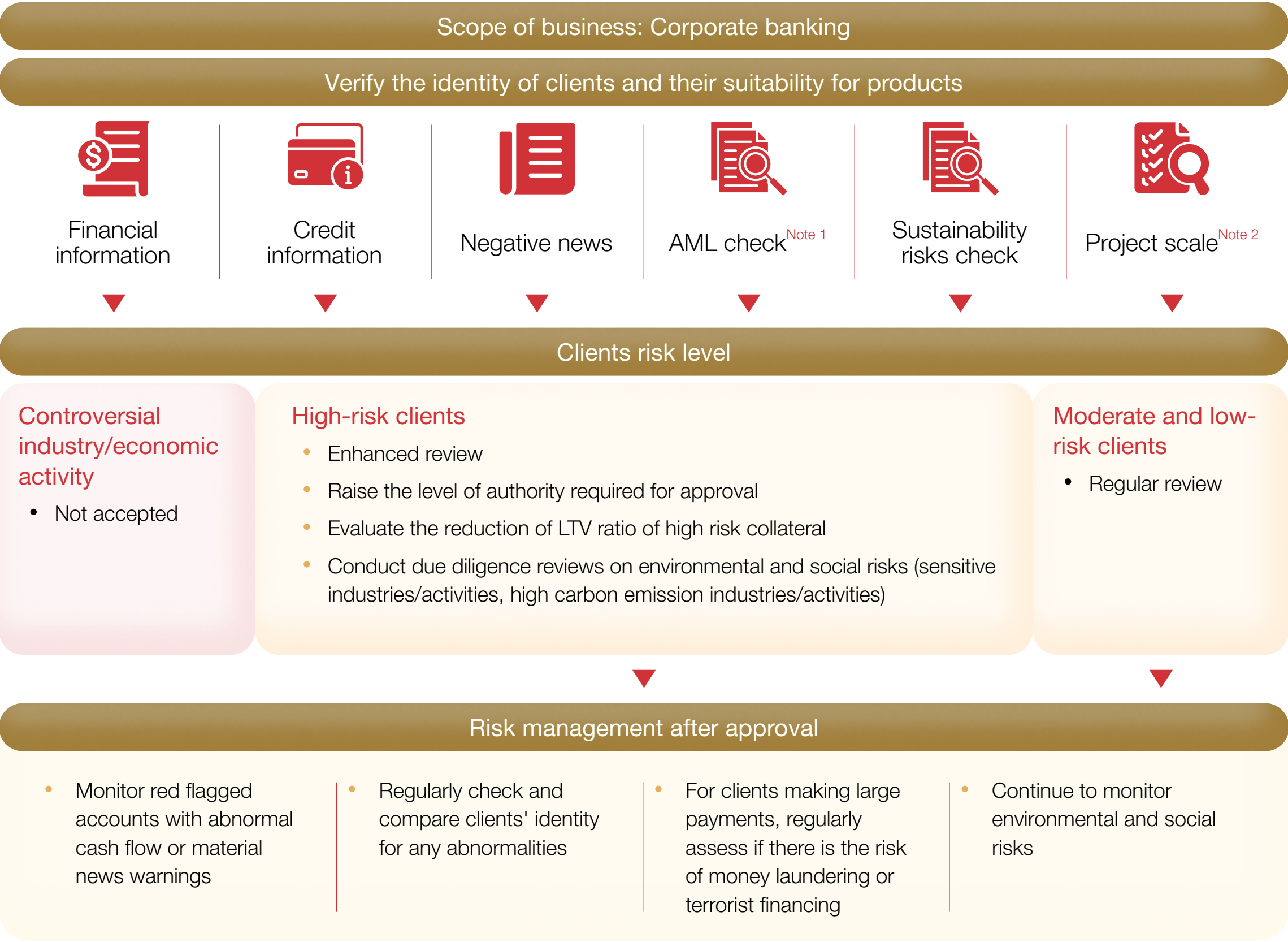
Note 1 Bank SinoPac and SinoPac Securities have targeted their investees of long-term proprietary investments as the main targets of engagement on ESG issues. Bank SinoPac mainly directed questions regarding carbon emissions at companies with high carbon emissions. It engaged exporters on the management of green supply chains and voluntarily planned development discussions with SMEs before the requirements in government regulations are implemented. SinoPac Securities implemented onsite visits to exchange ideas on financial and non-financial (e.g., ESG) issues. The asset management business of SinoPac SITC engaged investees to enhance communication and discuss their ESG policies and implementation status.

Note 2 SinoPac Securities conducted onsite visits (e.g., Charoen Pokphand Enterprise Taiwan) and attended shareholders' meetings of investee companies(e. g., LITE-ON Technology, Primax Electronics, and Taiwan Hon Chuan) to communicate on ESG issues, including the setting of net zero targets and implementation status, use of renewable energy, and plans for recycling materials. SinoPac Securities also attended the institutional investors' conferences of Primax Electronics, Pegatron, and Taiwan Secom to inquire about net zero targets, plans for adopting renewable energy, SBT decarbonization certification, and review of air conditioning equipment with high energy consumption. It also attended joint institutional investors' conferences organized by SinoPac Inv. Service for companies (e.g., Hon Hai) to communicate on biodiversity, human rights, and supply chain management.

4.2.2 Responsible Lending

KYC and CDD Processes for Corporate Lending

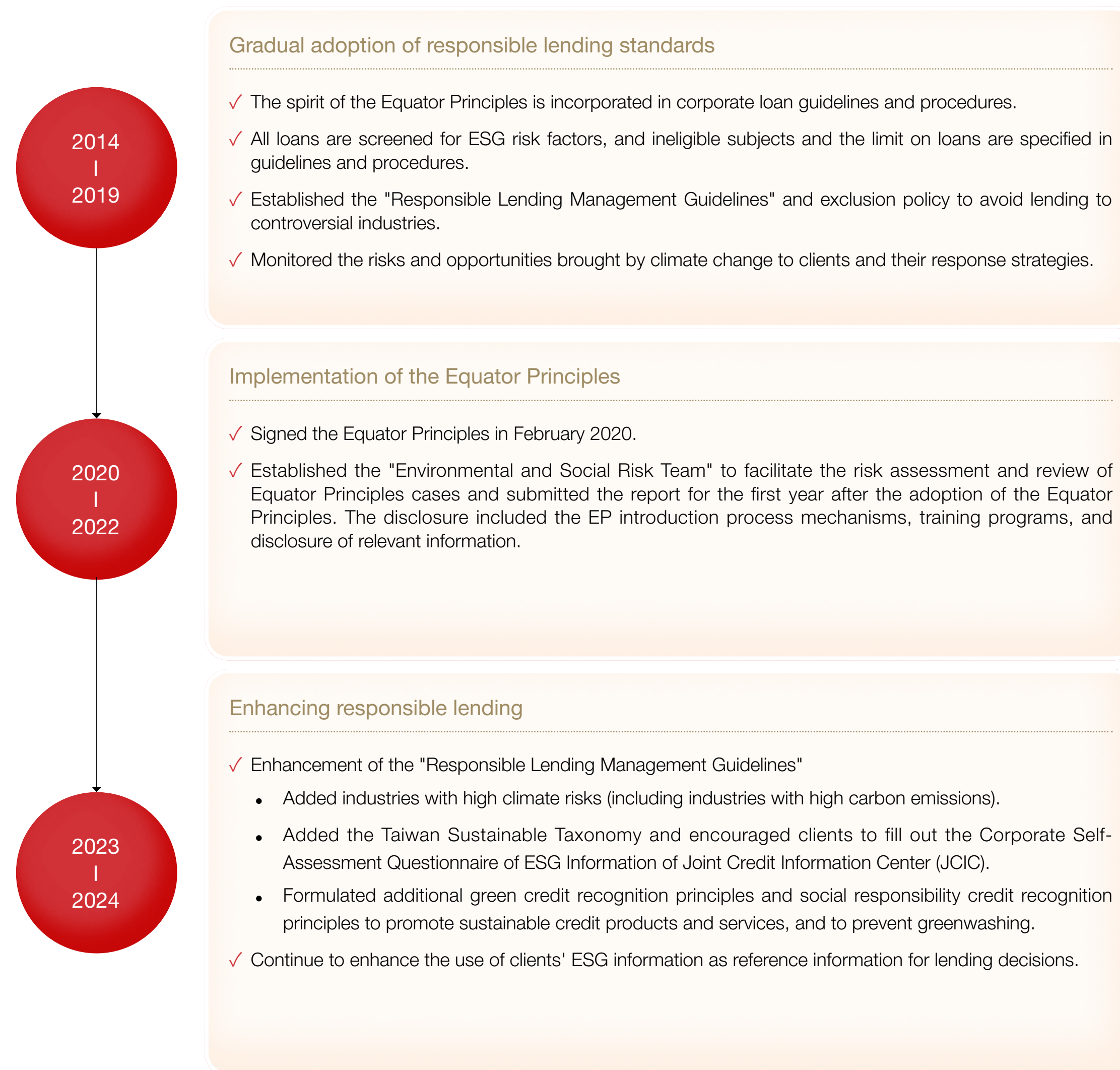
SinoPac Holdings incorporated ESG factors into its Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, and implements classified management of corporate banking clients, carrying out reviews and management operations by risk level. Furthermore, the Company has enhanced ESG risk reviews for large project financing and continues to monitor environmental and social risks after approval.



Note 1 Please see the [SinoPac Holdings 2024 Sustainability Report](#) 2.2.2.3 Customer Due Diligence for details.

Note 2 If the project financing amount reaches US\$10 million or above, its risk level must be determined according to the EPs.

Development of Responsible Lending by SinoPac Holdings



Bank SinoPac established the "Responsible Lending Management Guidelines" in 2019 to include ESG factors in the credit extension procedures, providing sustainable products such as green loans, social responsibility loans, and sustainability-linked loans for positive financing.

Bank SinoPac implements KYC and CDD mechanisms for all corporate loans and conducts ESG risk assessments and reviews ESG factors of the clients. First-line corporate banking personnel explain Bank SinoPac's ESG philosophy to clients and urge them to agree to and abide by notices for environmental protection, social responsibility, and climate change in the "Lending and Transaction Application Form." For cases submitted to the Board Credit Committee and Credit and Investment Committee (i.e., the application reaches a certain amount and above), the Company disclosed the clients' ESG risk information and improvement action plans, providing the basis for the approval or rejection of cases. SinoPac Holdings has established the exclusion list of industries with high ESG risks (e.g., pornography, controversial arms,) and enhanced ESG risk analysis for sensitive industries / economic activities (e.g., gambling, those with issues in food safety, toxic radioactive substance, non-medical and hazardous genetic engineering, non-adhesive asbestos fiber and polychlorinated biphenyls (PCBs) manufacturing). ESG factors were included in the "Risk Information Disclosure Inspection Items for Credit Investigations" of the credit review system. They include the following factors:

Environmental Risks

- ✓ Air, soil, and water pollution, waste treatment, biodiversity and ecosystem protection, energy management, compliance with environmental regulations, etc.

Social Risks

- ✓ Occupational safety and health, human rights issues, supplier management, community relations, etc.

Governance Risks

- ✓ Corporate governance, ethical corporate management, compliance, risk management, etc.

Climate Change Risks

- ✓ Physical risks arising from impairment of assets and business interruption due to short-term climate anomalies and extreme climate events or long-term climate change. Transition risks arising from changes in policies, laws, technologies, and markets in response to low-carbon economic trends.

In the process of reviewing ESG factors, if ESG risks are checked in the "Risk Information Disclosure Inspection Items for Credit Investigations" section of the credit investigation report, Bank SinoPac will look into the situation, assist clients in making improvements, and formulate mitigation and compensation measures in response. If the client's situation is severe or unable to make improvements over a long period of time, then it must carefully evaluate whether to continue doing business with the client.

SinoPac Holdings Corporate Banking Lending ESG Review in 2024

In 2024, Bank SinoPac rejected a total of 6 cases because the clients were involved in sensitive industries/economic activities. In addition, there were no clients in this category that received conditional approval after engagement.

Involves sensitive industries/economic activities (including thermal coal, unconventional oil & gas, and tobacco)			
Conditionally approved after engagement		Rejected	
Number of cases	Balance as of December 31, 2024	Number of cases	Amount
0	0	6	NT\$3.962 billion

Engagement Status

Engagement with Financing Targets

Business units are required to explain Bank SinoPac's ESG philosophy to clients, and urge them to agree to and abide by notices for environmental protection, social responsibility, and climate change requirements in the "Credit Loan and Financial Transaction Limit Application Form."

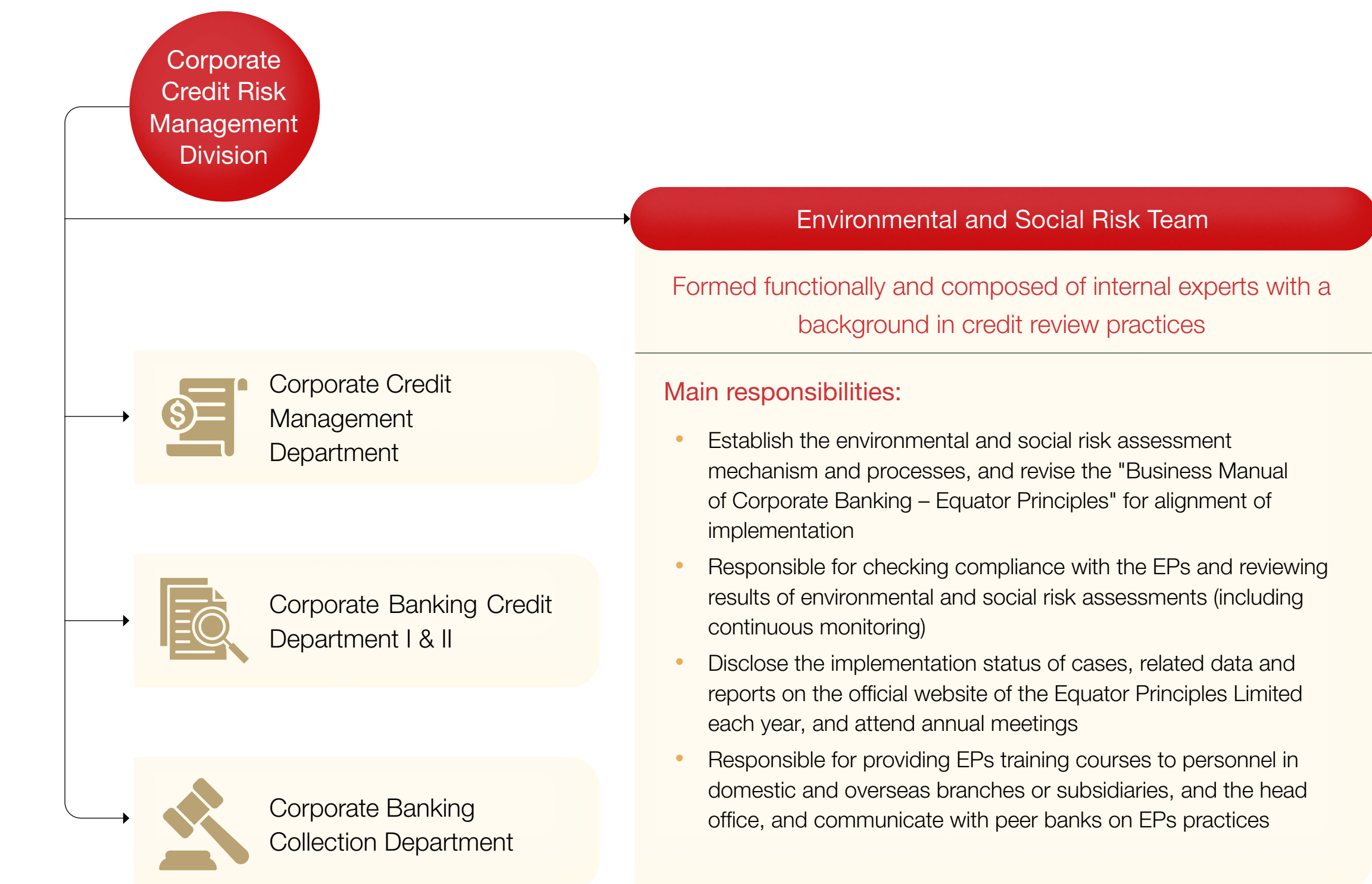
Project Finance

Bank SinoPac also complies with EP4 and the eight Performance Standards of International Finance Corporation (IFC), and includes climate change and biodiversity risks as necessary items for risk assessment. The Environmental and Social Risk team members have professional backgrounds in credit management. They have practical experience in the implementation of the Equator Principles case review process and have completed the EP4 course training. For high-risk cases, the team seeks assistance from a third-party external consultant according to the EPs. Bank SinoPac has also incorporated Equator Principles cases into the self-inspection items starting from December 2022 and a third party from head office will inspect the process of Equator Principles cases regularly. Bank SinoPac reviewed a total of 22 financing projects in line with the EPs in 2024, in which 17 cases have reached financial close and the remaining are still ongoing.

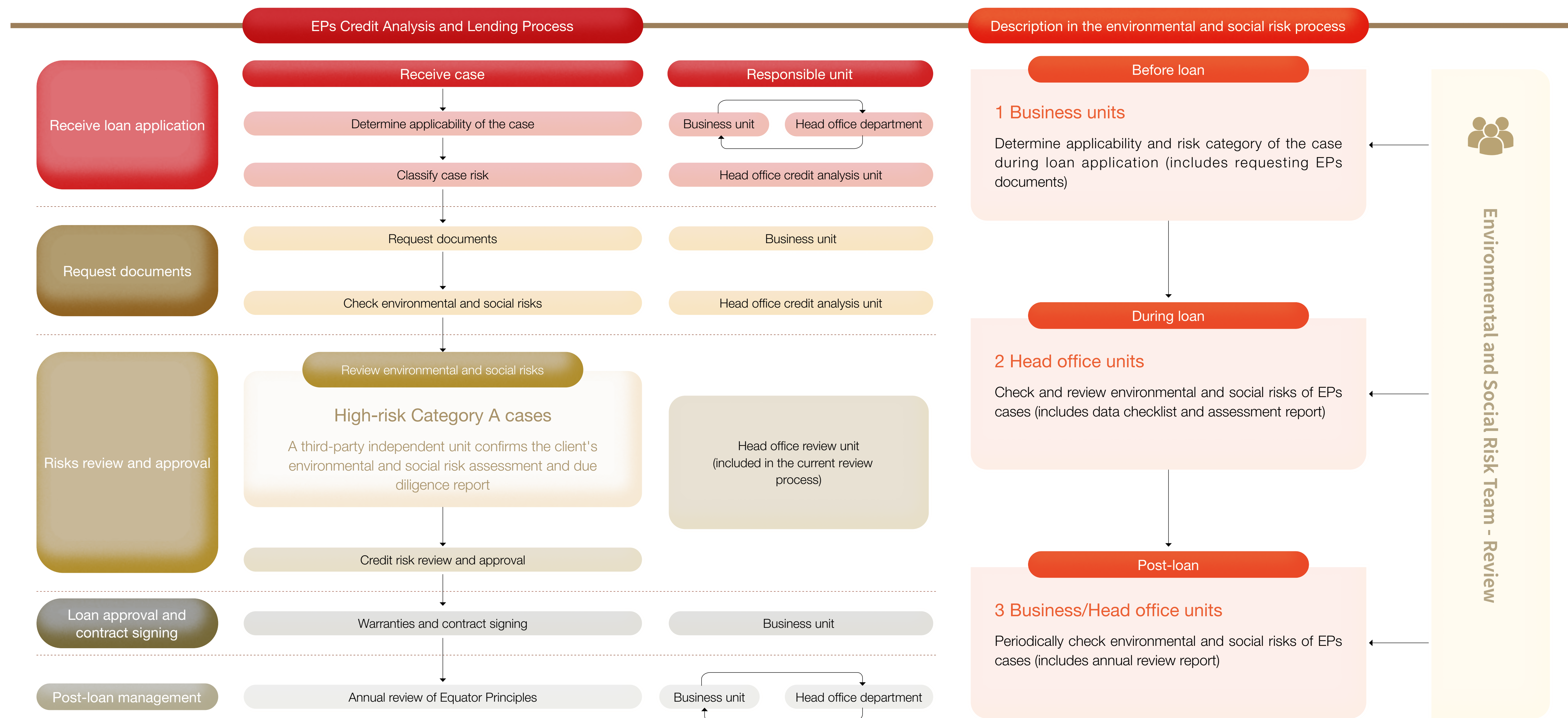
Results of Project Finance Review

Overall number of project finances	Percentage of projects reviewed according to the EPs (%)	Number of projects that reached financial close	Number of projects rejected
22	100	17	0

Organization and Duties of Bank SinoPac's Environmental and Social Risk Team



EPs Credit Analysis and Lending Process



Retail Banking Lending-Incorporating ESG Factors into Product Review Processes

SinoPac Holdings incorporated ESG factors in its retail banking businesses (including mortgage, motor vehicle loans, credit loans, and credit cards). When a new retail banking loan application is received, besides carrying out KYC and CDD mechanisms, the Company actively investigates the customers' ESG-related information and uses the ESG risk they may face for risk grading, appraisal, and adjustment of loan terms.

Furthermore, if related parties (company, person-in-charge, or individuals) of the loan applicant are involved in ESG-related disputes and were fined by the competent authority, or were involved in disputes, such as environmental pollution or illegal fund-raising, SinoPac Holdings will contact the customer to provide a reasonable explanation or improvement measures and adjust the terms of the loan depending on the case. If the fine was imposed due to a severe hazard or pollution and concrete improvement measures were not proposed, then the loan application will be rejected.

Considering sustainability risks in the credit investigation and review process of the retail banking business

- In the mortgage review process, if the property is located in a restricted area or area prone to flood, debris flow, or soil liquefaction (with high physical climate risk), the application should be rejected during the appraisal review process if the collateral is not the target case. If the case should be accepted due to special considerations, the loan-to-value should be lowered and enhance the level of case approval.
- Major earthquakes and natural disasters are taken into consideration when dividing the area where the property is located into grades A, B, and C, which are then used for valuation.
- In the process of reviewing corporate motor vehicle loan applications, the Company checks clients' records and information on fines imposition due to severe pollution cases. If the client is involved in such cases, SinoPac Holdings requires the client to provide a reasonable explanation and improvement measures and will adjust the terms of the loan depending on the case.

Exclusion/rejection conditions in the credit investigation and review process of the retail banking business

- All loan applications of sanctioned parties, terrorists, or terrorist groups confirmed or investigated by foreign governments or international AML organizations, and individuals, corporate entities, and groups sanctioned under the Counter-Terrorism Financing Act, shall be rejected.
- During the credit investigation process, if the customer was found to have previously gained illegal profit from the sale of unlisted stocks, the application shall be rejected after verification.
- In the review process for corporate credit cards applications, if the client was found to be involved in illegal funds raising through online gambling, the application shall be rejected after verification.
- In the process of reviewing corporate motor vehicle loan applications, the Company checks clients' records and information on fines imposition due to severe pollution cases. If the company is involved in such cases and does not propose effective improvement measures, the case shall be rejected.

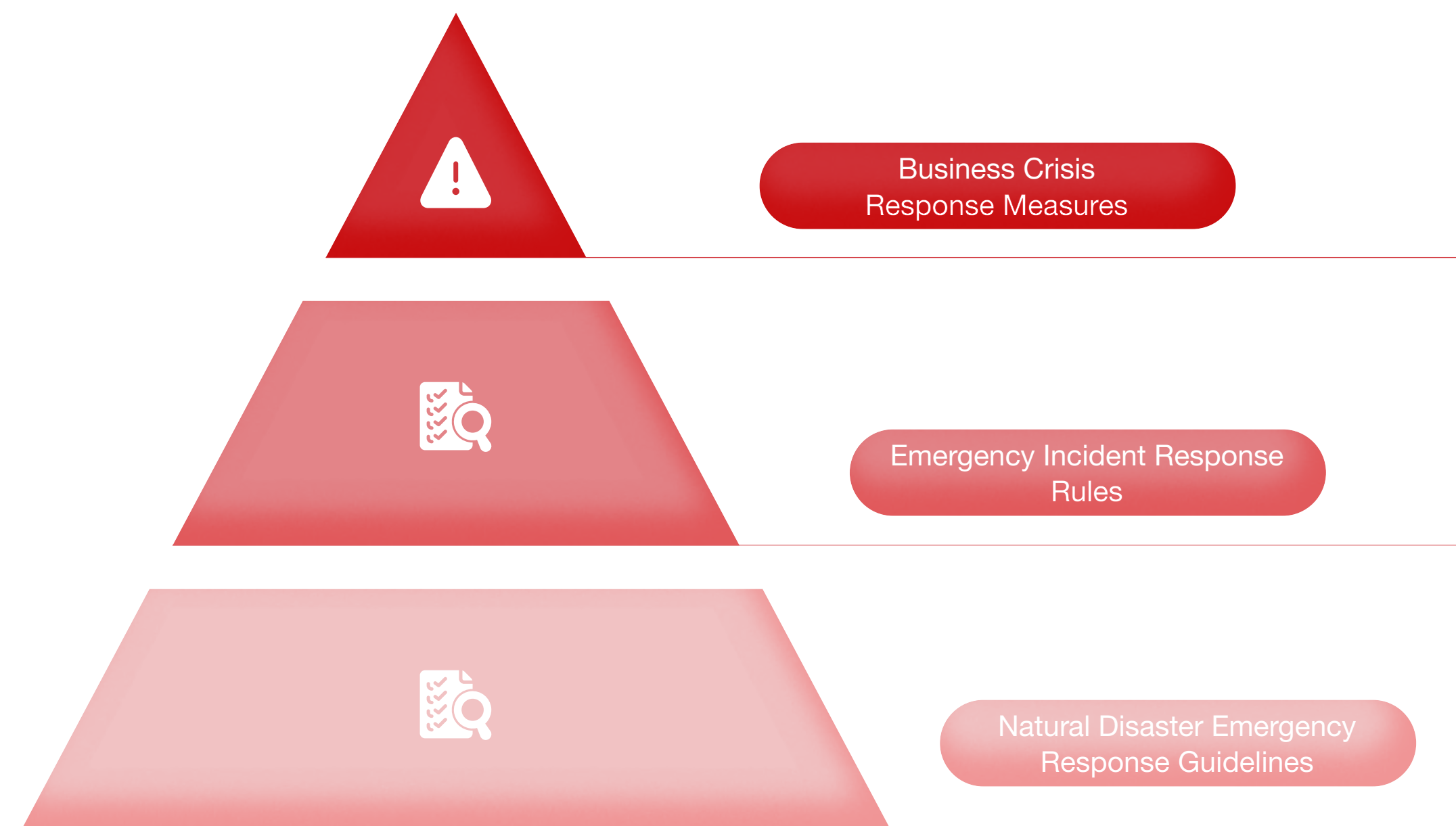
4.3 Management of Operational Risks

Apart from the physical and transition risks faced by investment and financing businesses, SinoPac Holdings also reviews potential physical risks in own operations and adopts related mitigation and response actions to reduce possible losses from physical risks.

Management of physical risks in own operations for SinoPac Holdings and all subsidiaries

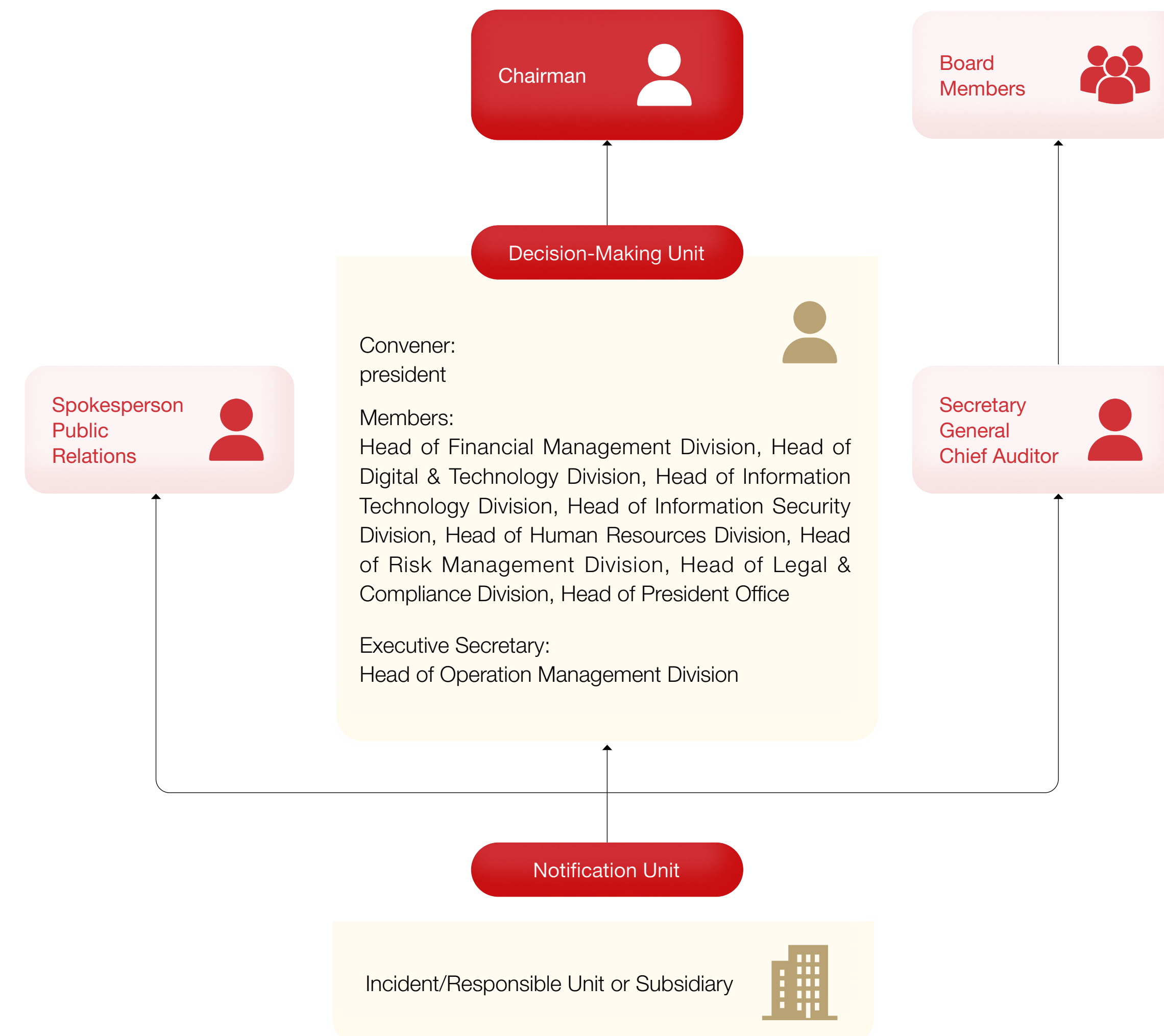
Responsible Unit	Indicator	Implementations
Operations Management Division	Self-owned operating sites and real estate	1. We obtained "commercial fire insurance" and "comprehensive electronics insurance" (including typhoon and flood insurance) to transfer losses. 2. We identified offices in high-risk areas. In addition to strengthening dredging pipes, we also inventoried waterproofing and electrical facilities (including floodgates, uninterruptible power equipment, emergency generators, and machine room locations) to assess disaster prevention resilience. We have currently completed inventory of waterproofing and electrical facilities, and will continue to work with our Risk Management Division to refine identification methods for high-risk offices and track transmitted risks. A total of 36 self-owned properties have been identified as highly vulnerable to heavy rainfall and flooding. As of December 2024, floodgates have been installed at 28 branch offices.
	Locations of upstream supplier operations	1. Maintained 100% signing rate of Supplier Sustainability Commitment among domestic suppliers. 2. Strengthened ESG communications in our supply chain: In 2024, we held supplier ESG education and training associated with management of human rights risks which were attended by 37 suppliers encompassing six categories (construction services, computer information services, office supplies, property management and security, printed materials, and advertising and marketing). 3. Continued to strengthen sustainable supply chain managementby improving management measures, reviewing and updating supplier-related policies, and conducting on-site audits for 7 suppliers with high ESG risks. SinoPac Holdings surveyed operating locations of all suppliers at different timepoints under various RCP scenarios and found that only 1 supplier had high climate risks as it was located below sea level under RCP8.5 at the end of the century. Our procurement amount with said supplier is around NT\$260,000, and we determined it to be highly substitutable and therefore low risk.

SinoPac Business Continuity Plan (BCP)

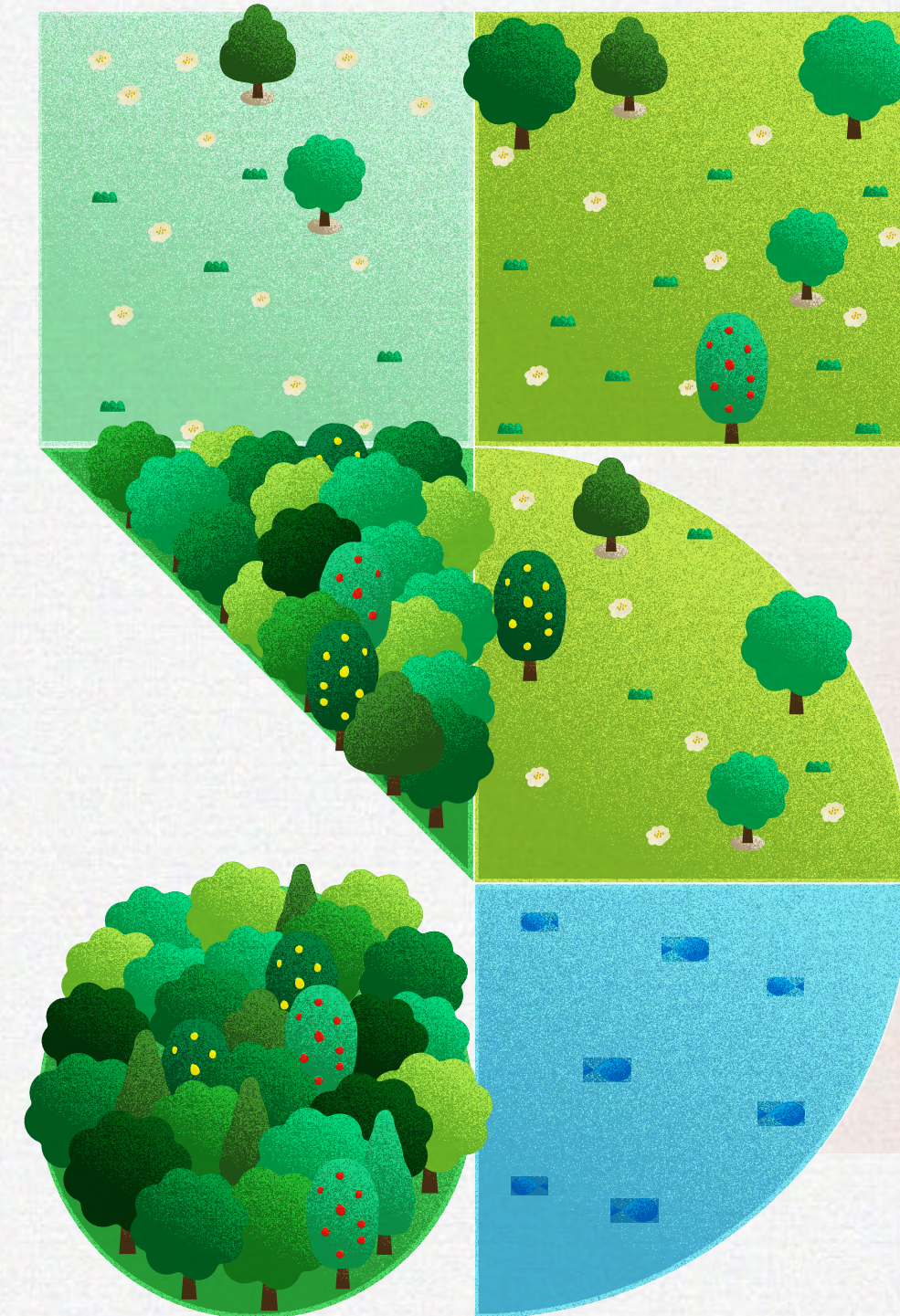


Potential risks posed by climate change to corporate operations include operational interruptions or personnel injury from physical risks and hazards. In order to mitigate possible safety concerns and property losses arising from such physical risks, SinoPac Holdings established a Business Continuity Plan (BCP) in accordance with the eight articles under the "Key Attributes for Handling Operational Crises at Financial Institutes" issued by the Executive Yuan Financial Supervisory Commission R.O.C. (Taiwan). We have set up response measures for operational crises and voluntarily established the "Emergency Incident Response Rules" and "Natural Disaster Emergency Response Guidelines"; which cover typhoons, floods, and other natural disasters. We have also established corresponding emergency response measures for various natural disasters as well as notification procedures for natural disasters and emergency incidents. We predict that sudden capital requirements, large financial losses, and major emergencies may result from systemic risks and crises, which may trigger corporate operational crises. We have distributed responsibilities and established emergency notification procedures as well as response and handling guidelines to deploy various personnel, materials, and resources at critical moments; integrate different mechanisms and adopt active and effective response and rescue actions to prevent expansion of damages; eliminate disaster crises; and help to resume normal operations.

Emergency Reporting Procedures



Metrics and Targets



5.1 Targets Achieved in 2024

5.2 Metrics and Targets

5.3 Performance and Remuneration Systems

5.4 Greenhouse Gas Emissions

5.5 Exposure to Industries with High Climate Risks

5.6 Financed/Facilitated Emissions

5.6.1 Financed emissions of investment and lending portfolios with own capital

5.6.2 Financed emissions of asset management businesses of SinoPac SITC

5.6.3 Facilitated Emissions of Capital Markets

5.7 Internal Carbon Pricing

5.8 Water Usage and Waste Management

T A R G E T

SinoPac Holdings fully recognizes its responsibilities to both local and global environments. The teams under the Sustainable Development Committee actively promote sustainable strategies and related targets, regularly review progress, and implement net zero transformation plans. We also make rolling adjustments according to external environmental trends, and hope to implement climate change mitigation and adaptation processes as well as maintain normal and stable operations by setting climate-related metrics and targets. We also strengthened linkage between incentives mechanisms and climate performance to actively encourage senior management to fulfill their climate commitments.

5.1 Targets Achieved in 2024

Associated targets		Target for 2024	Achievement Status
Climate Governance	Establishment of remuneration linkage mechanisms	Applicable targets for remuneration linked to carbon reduction targets include SinoPac Holdings and first-tier subsidiary presidents, and senior executives of SinoPac Holdings, Bank SinoPac, and SinoPac Securities.	✓ Achieved
	Climate-related education and training for Board members	Require Board members to undergo at least 3 hours of annual climate education and training each year.	✓ Achieved
Climate Opportunities	Bank SinoPac's balance of loans for green energy financing	NT\$128 billion	✓ Achieved
	Bank SinoPac's cumulative installed capacity for wheeling on the Green Energy Electricity Trading Trust Platform	40MW	✓ Achieved
	Bank SinoPac promote green energy financing and services	1. Continuous development of financing for emerging renewable energy power generation facilities. 2. Develop services necessary for the wheeling of renewable energy electricity for borrowers of Bank SinoPac with electricity retailers. 3. Organize internal training programs. 4. Communicate the business model and green financing services to external entities.	✓ Achieved
	SinoPac Venture Capital's investments in green industries	New investment amount reaches 15% of the total new investment amount of the year.	✓ Achieved
	SinoPac Leasing's amount of loans to green energy equipment and its supply chain	NT\$1.5 billion	✓ Achieved
	Bank SinoPac renewable energy financing services	1. Adhere to the government's energy transition policies and continue to develop financing services for solar photovoltaic energy, including solar power plants for rooftop installations, ground installations, covered court installations, and fishery and electricity symbiosis projects. 2. Continue to track on-site energy storage policy developments and adjust project financing guidelines on a rolling basis. 3. Formulate guidelines and expand business into small hydropower stations and emerging renewable energy sectors.	✓ Achieved
Capital Allocation	Issue Green, Social, and Sustainability (GSS) bonds	Bank SinoPac issuance of NT\$1 billion in GSS bonds.	✓ Achieved

Associated targets		Target for 2024	Achievement Status
Green Procurement		1. Increase the utilization rate of green building materials for renovation to more than 90%.	✓ Achieved (27 items, 93%)
		2. Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment or other related awards (e.g., Buying Power).	✓ Achieved
		3. Increase the utilization rate of green building materials for renovation to more than 70%.	✓ Achieved (94.91%)
Green Operations	SBTs	Reduce Scope 1 + Scope 2 emissions by 16.8%	✓ Achieved (19.9% reduction)
	Power-saving, water-saving, and carbon reduction targets (using 2021 as base year)	1. Decrease Scope 3 fuel and energy related activities by 15%. 2. Reduce electricity and water consumption by 3%.	✓ Achieved (29% reduction) Not achieved ^{Note 1, Note 2}
	Number of Scope 3 inventory items verified by a third party	Complete external verification of 9 Scope 3 inventory items and 1 selected new inventory item.	✓ Achieved
	CDP	Complete fifth CDP response	✓ Achieved
Energy Usage		Achieve 17.5% renewable energy use in own operations.	✓ Achieved (19%)
Internal Carbon Pricing		Review/adjust internal carbon pricing mechanisms.	✓ Achieved
Greenhouse Gas Emissions	Greenhouse gas inventories and verification scope for domestic and overseas operating sites	Incorporate greenhouse gas inventory at domestic and overseas operating sites and achieve verification coverage rate of 100%.	✓ Achieved
	Investment and lending portfolio carbon inventory	Continue to conduct PCAF Scope 3 investment and lending portfolio carbon inventories as well as inventory, monitor, and disclose SBTs (SDA and SBT methodologies): 1. Continue to conduct PCAF Scope 3 investment and lending portfolio carbon inventories. 2. Continue to inventory and monitor SBT carbon emissions/goals (SDA and SBT methodologies) every six months. 3. Disclose relevant information in annual sustainability reports or TCFD reports	✓ Achieved
Climate Risk Management	Track and monitor decarbonization progress	1. Continue to inventory and monitor definitions for stranded assets (decarbonization) every six months. 2. Inventory fossil fuel investment and financing portfolios every year.	✓ Achieved
	Incorporate and continue to strengthen climate risk management	Continue to refine and publicly disclose TCFD governance/strategy/risk management/metrics and targets aspects in reports.	✓ Achieved
	Ratio of waterproof floodgate set up in own premises in high-risk sites	75%	✓ Achieved (77.8%)

Note 1 Due to expansions of operational sites, our employee numbers increased by 14.44% compared to the base year; electricity consumption was reduced by 0.58% compared to the base year and average electricity consumption per capita was reduced by 13.13%.

Note 2 Water consumption volumes were also affected by operational site expansions and employee increases. Water consumption volumes were reduced by 1.12% compared to the base year and average water consumption per capita was reduced by 13.60%.

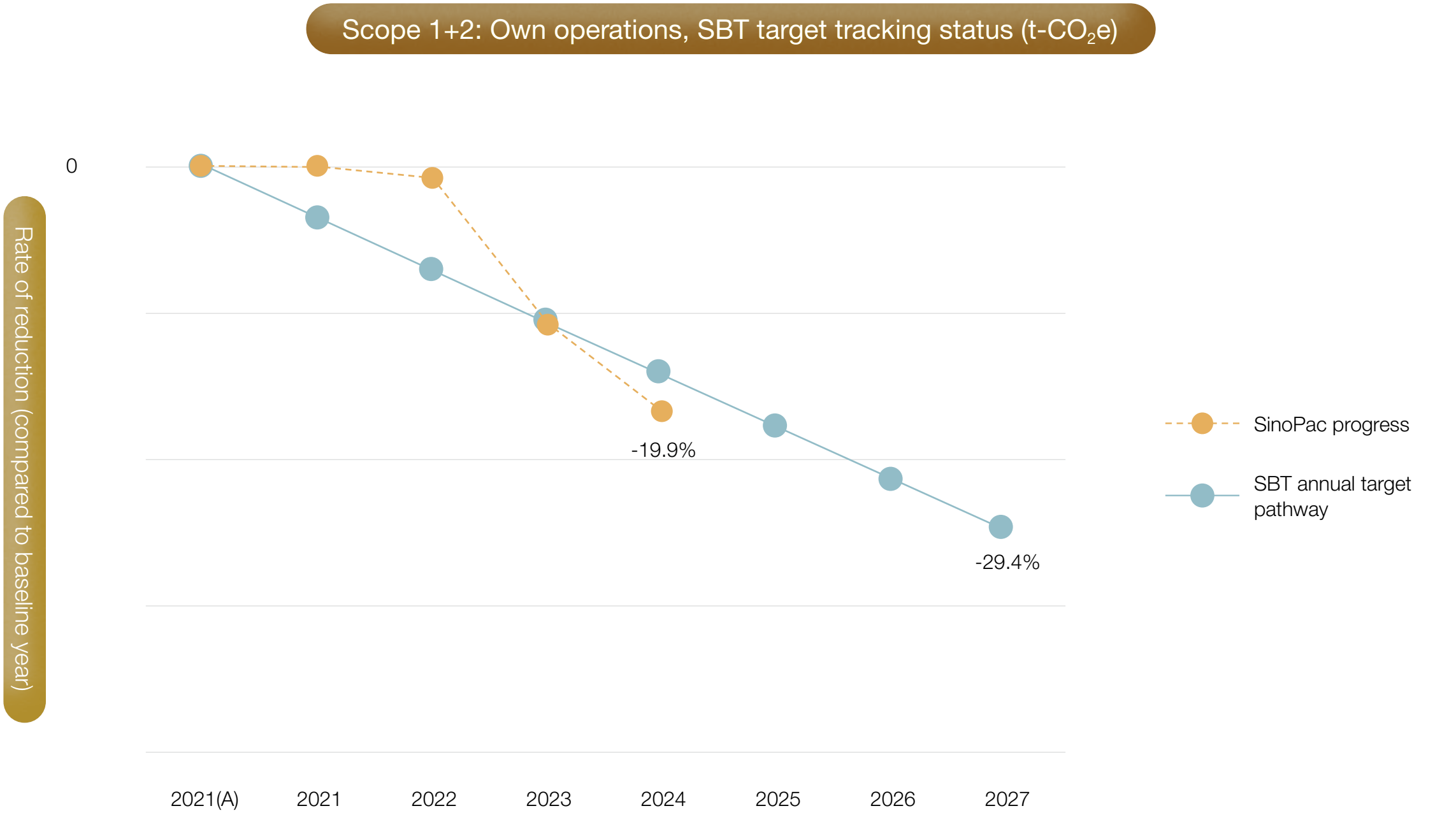
Associated targets		Target for 2024	Achievement Status
Raise Climate Awareness (Employees)	Promote the "I DO commitment" and encourage all employees to participate in sustainability commitments	100% employee signing rate for SinoPac Holdings and first-tier subsidiaries	✓ Achieved (signing rate reached 100%)
	Implement sustainability literacy survey	Continue to implement sustainability literacy surveys.	✓ Achieved
	Organize sustainability themed micro courses	Launch at least 2 sustainability micro-courses and establish awareness of climate/net zero/nature-related risks/trends.	✓ Achieved
	Launch ESG/net zero/natural risks and other themed courses, and incorporate said courses into training for new employees and managers	1. Incorporate courses into new employee orientation training and achieve training coverage rate of 50%. 2. Incorporate courses into training for SinoPac Holdings, Bank SinoPac, and SinoPac Securities managers.	✓ Achieved (ESG courses have been incorporated in new employee orientation training and achieved coverage rate of 50%)
			✓ Achieved
	Cultivation of sustainability talents	Promote certification and training programs for corporate sustainability managers	✓ Achieved
	Establish incentives/performance indicators related to carbon reduction targets	Integrate energy-saving initiatives, streamline processes, and continue to implement carbon reduction incentives to enhance employee awareness and participation in energy conservation.	✓ Achieved
Raise Climate Awareness (Customers)	Engagement on carbon reduction with investees	8 sessions organized by each of Bank SinoPac and SinoPac Securities.	✓ Achieved
	Organize or participate in corporate client briefings/promotional events to promote net zero related topics and track the number of events held and the number of suppliers engaged	Organize or participate in 2 to 4 events, reaching 100 to 150 suppliers.	✓ Achieved
	Number of ESG seminar/forum sessions	4	✓ Achieved
	Number of ESG evaluation training courses for Institutional investors	16	✓ Achieved
	Set green lending standards	Continuing to promote green lending through funding, products/services, and stakeholder engagement to support business transformation.	✓ Achieved
	Carbon Calculator function	35% of active debit cardholders and 72% of SPORT Card use "Carbon Calculator function"	✓ Achieved
	Issue and promote products with low-carbon production processes	Issue and promote "Green Card"	✓ Achieved
	Raise ESG literacies of retail customers	Enhance sustainable/green products, engagement activities, and consulting services for retail customers.	✓ Achieved
	Number of participants in climate awareness related seminars for wealth management customers	315	✓ Achieved
Raise Climate Awareness (Suppliers)	Supplier Sustainability Commitment	Percentage of domestic suppliers signing the Supplier Sustainability Commitment remain 100%.	✓ Achieved
	Engage with suppliers that have high ESG risks (high emissions or human rights issues)	Complete on-site audits for 7 suppliers with high ESG risks.	✓ Achieved

Achievements on Science-Based Targets (SBTs) in 2024

SinoPac Holdings actively implements pledging to achieve net zero emissions of its own operations by 2030 and the entirety of its financed portfolios by 2050. The Company has set its Science-Based Targets (SBTs) using 2021 as the base year and continuously monitors progress toward these targets to ensure effective emissions reduction tracking. The targets approved by SBTi and the progress made towards achieving them by the end of 2024 are as follows:

SinoPac's Own Operations

Targets language	Reduce absolute scope 1 and 2 GHG emissions 29.4% by 2027 from a 2021 base year.
Progress	The absolute amount of Scope 1 and 2 absolute GHG emissions reduced by 19.9% in 2024 as compared to the base year, which met targets for 2024. Please refer to 5.4 Greenhouse Gas Emissions in this Report and 5.1 Green Operations in our 2024 Sustainability Report for detailed carbon reduction actions related to SinoPac Holding's own operations.

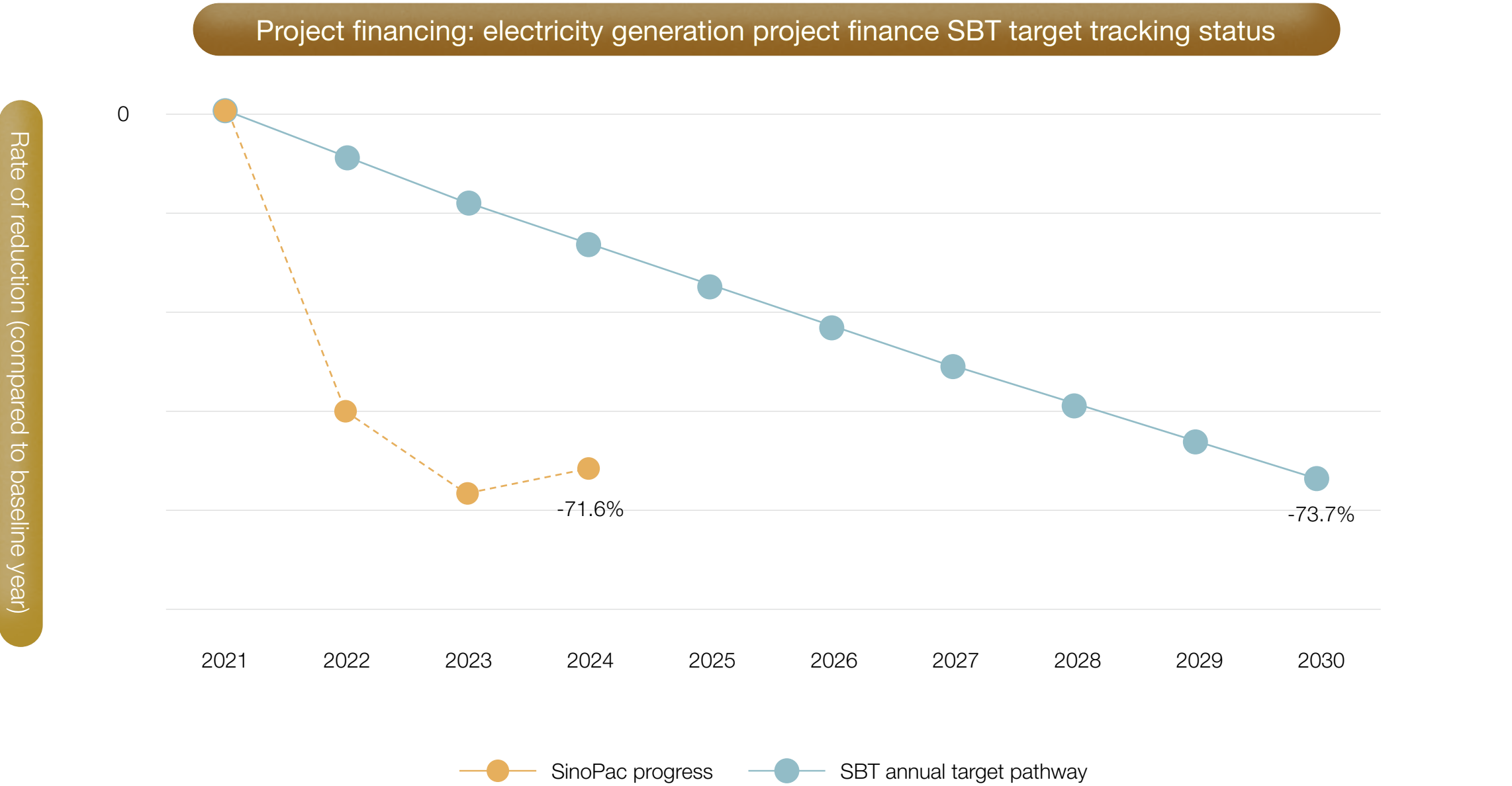


Note 2021 (A): After July 2022, SBTi requires that regardless of the baseline year setting after 2020, the reduction ratio is calculated with 2020 as the starting year. Therefore, the actual baseline year and values used here is from 2021, but SBTi still regards them as 2020 data.

Investment and Financing Portfolio

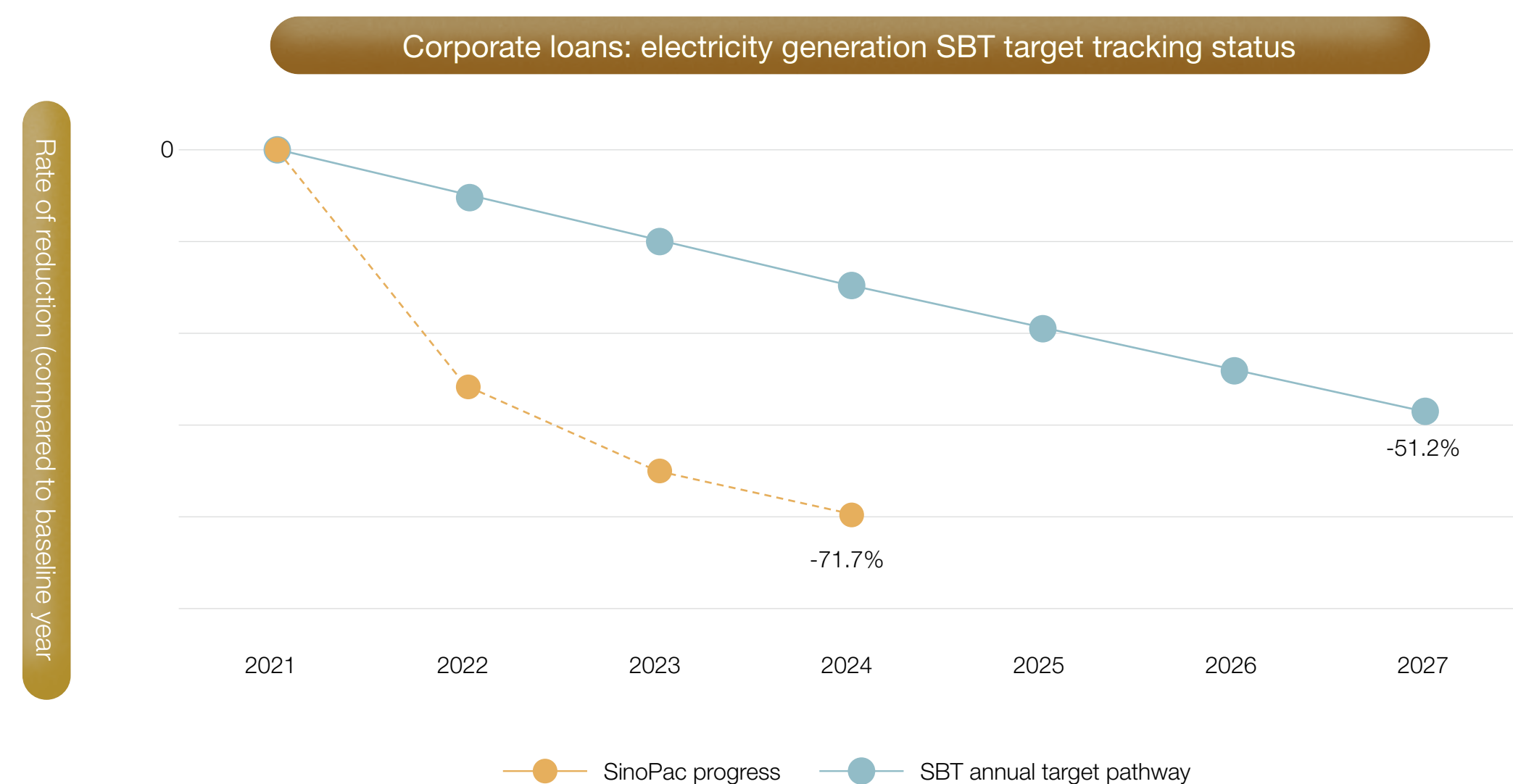
- Project financing: electricity generation project finance

Targets language	Reduce electricity generation project finance portfolio GHG emissions 73.7% per kWh by 2030 from a 2021 base year.
Progress	The amount of GHG emission intensity of electricity generation project finance reduced by 71.6% in 2024 as compared to the base year, which met targets for 2024. Please refer to 3.2.1 Green Finance in our 2024 Sustainability Report for detailed implementation and actions regarding renewable energy.



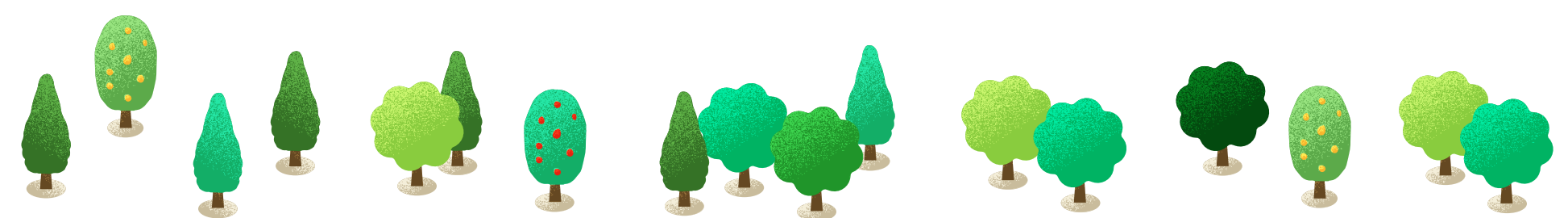
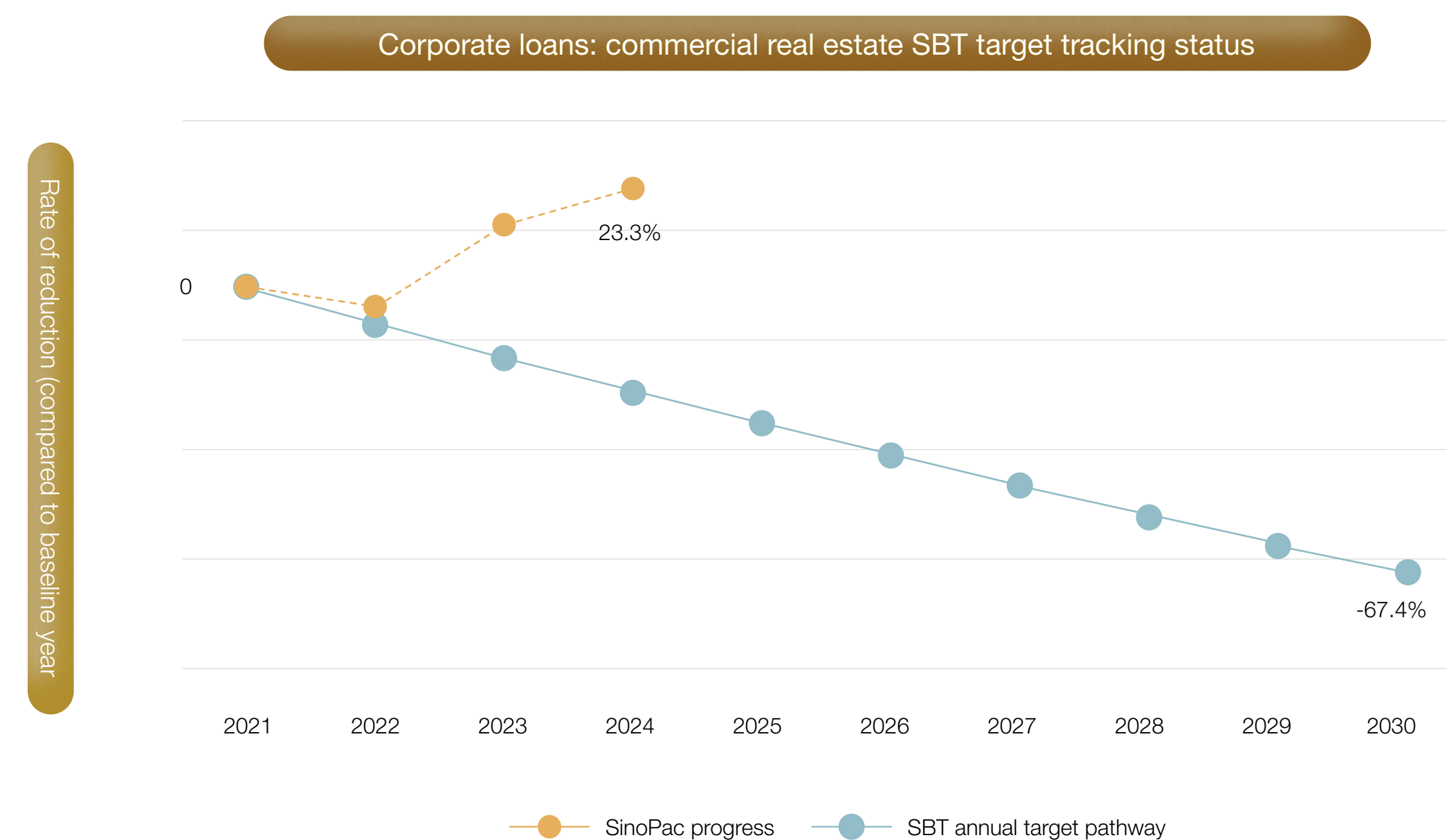
2. Corporate loans: electricity generation

Targets language	Reduce GHG emissions from the electricity generation sector within corporate lending portfolio 51.2% per MWh by 2027 from a 2021 base year.
Progress	The amount of GHG emission intensity of electricity generation sector within its corporate lending portfolio reduced by 71.7% in 2024 as compared to the base year, which met targets for 2024. Please refer to 3.2.1 Green Finance in our 2024 Sustainability Report for detailed implementation and actions regarding renewable energy.



3. Corporate loans: Commercial real estate

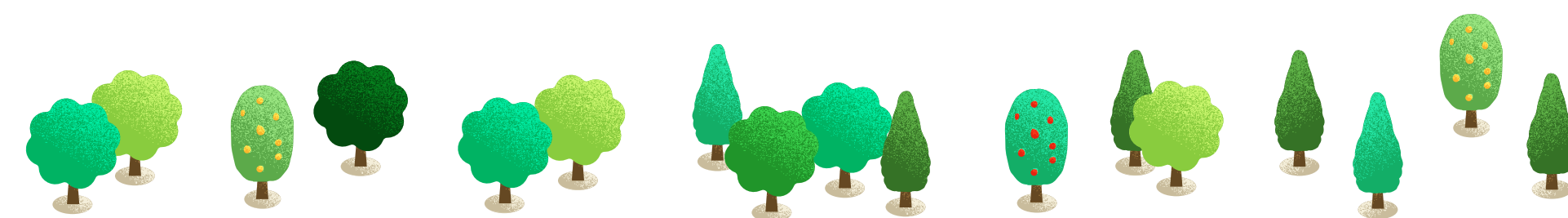
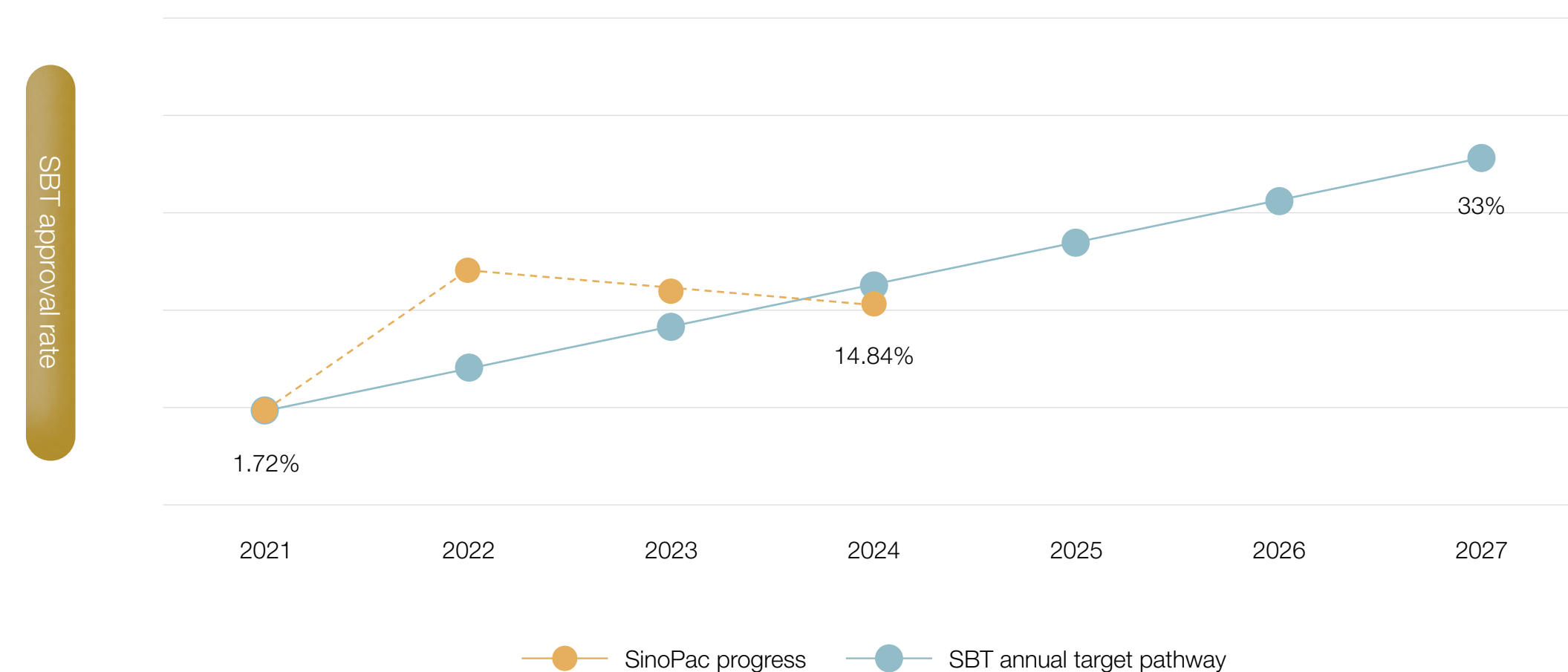
Targets language	Reduce GHG emissions from the commercial real estate sector within corporate loan portfolio 67.4% per square meter by 2030 from a 2021 base year.
Progress	The amount of GHG emission intensity of per square meter for commercial real estate sector in corporate loan portfolio increased by 23.3% in 2024 as compared to the base year and the 2024 target was not met. SinoPac Holdings will enhance the collection of data on actual carbon emissions of commercial real estate to provide recommendations and guidances for related business units.



4. Corporate loan: other long-term debt

Targets language	Reach 33% of other long-term corporate loan portfolio by invested value setting SBTi validated targets by 2027 from a 2021 base year. This target covers following sectors: fossil fuel, electronics, steel, paper, cement, textile, production of chemical materials, traditional manufacturing - automobile manufacturing, transportation, banks, real estate development, and warehouse.
Progress	In the outstanding balances of long-term corporate loan portfolio in 2024, clients in covered industries that passed SBTi validation accounted for 14.84% of SinoPac Holdings' long-term corporate loan portfolio in those covered industries, which did not meet the 2024 target. However, when including clients that have committed to SBTs but have not yet been validated, the proportion reaches 17.53%, aligning with the SBT target pathway."

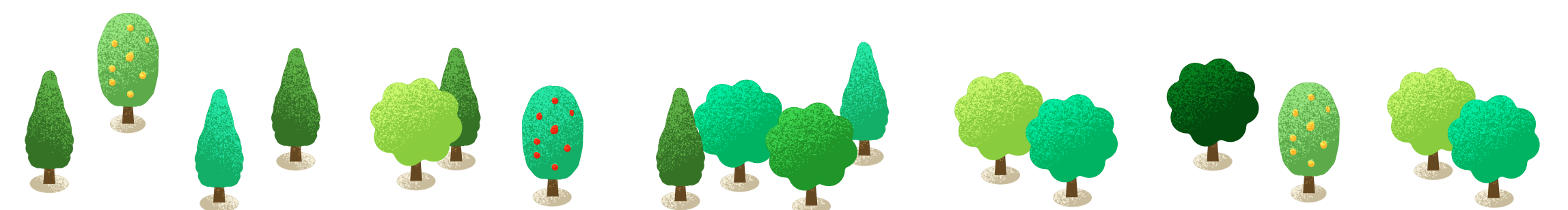
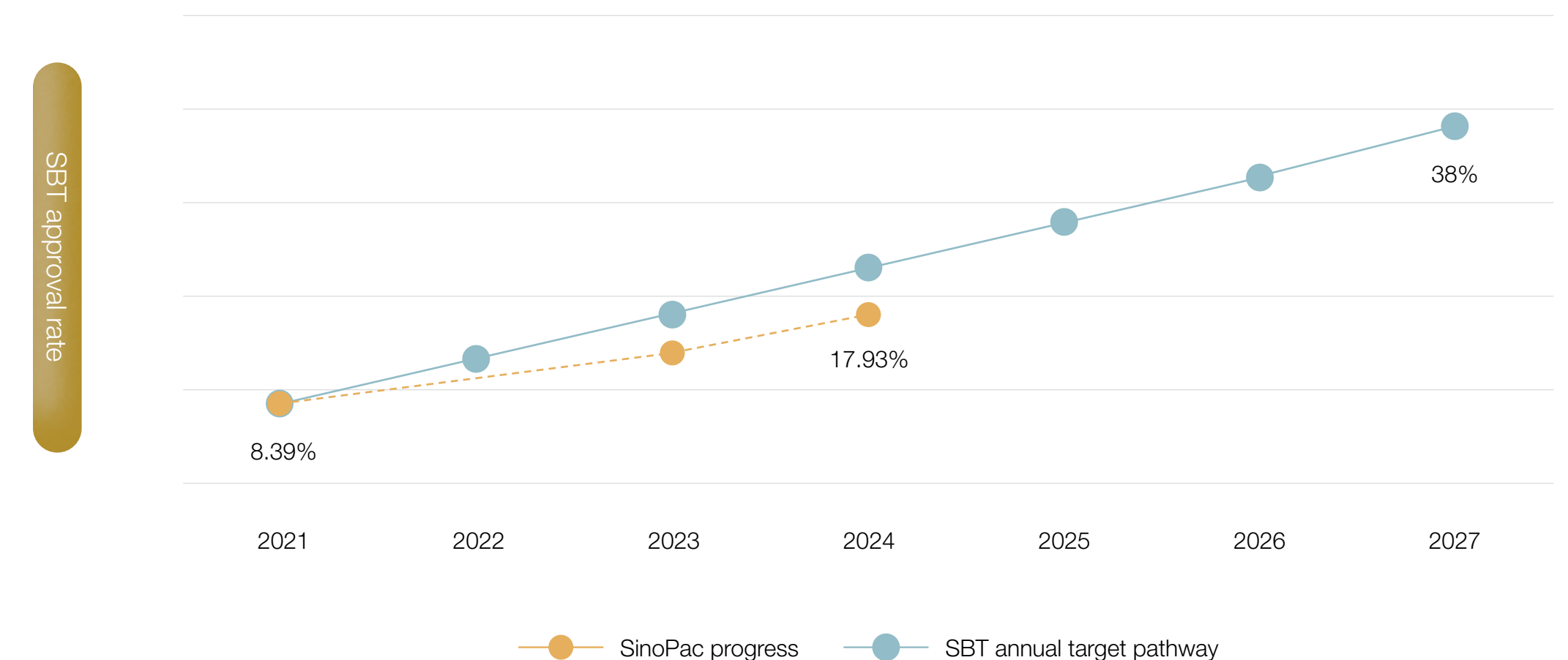
Corporate loan: other long-term debt SBT target tracking status



5. Corporate instruments (common / preferred stock, corporate bonds, ETFs, REITs, and real estate mutual funds)

Targets language	Reach 38% of listed equity and corporate bond portfolio by invested value setting SBTi validated targets by 2027 from a 2021 base year.
Progress	In 2024, 17.93% of the total balance of listed equity and corporate bond passed SBTi validation, and the 2024 target was not met. However, when including investment positions with SBT commitments that have not yet been validated, the portion accounted for 34.14%, aligning with the SBT target pathway.

Listed equity and corporate bond portfolio SBT target tracking status

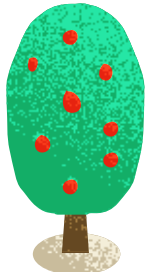
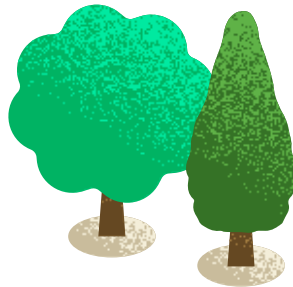
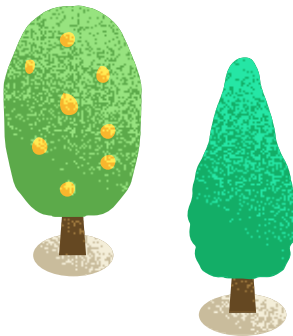


5.2 Metrics and Targets

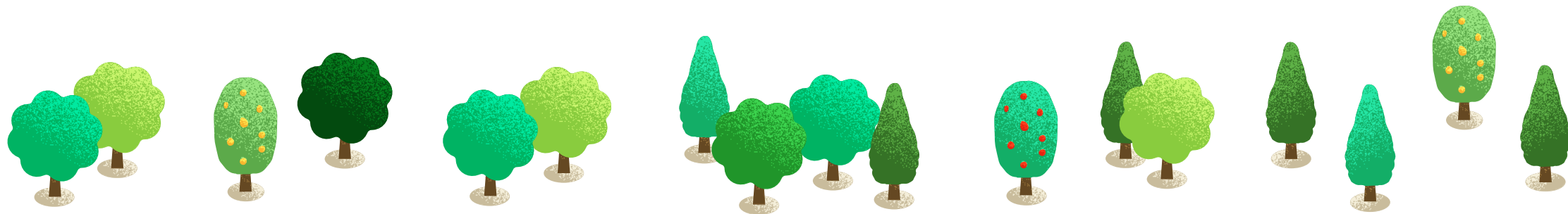
Faced with challenges from climate-related risks and opportunities, SinoPac Holdings adopted a pragmatic approach . This began with lowering our own carbon emissions through setting SBTs, gradually increasing use of green energy, expanding financing for alternative energies, and issuing green bonds. In parallel, SinoPac gradually adjusted its investment and financing strategies (for example, by focusing on and tracking financing for industries with high carbon emissions, supporting clean energies and innovative technologies, and assisting clients in reducing carbon emissions and facilitating low-carbon transformations) to expand coverage, discover climate-related opportunities, and promote low-carbon transformations throughout our entire value chain. These efforts aims to help us achieve "operational net zero emissions by 2030 and full-portfolio net zero emissions by 2050." SinoPac Holdings has reviewed achievements for 2024 (please refer to [5.1 Targets Achieved in 2024](#)) and formulated short, medium, and long-term climate-related targets.

		Short-Term Goals (2025)	Mid-Term Goals (2026-2027)	Long-Term Goals (2027-2029)
Climate Governance	Establishment of remuneration linkage mechanisms	Establish links between sustainability targets and performance of executives at SinoPac Holdings and first-tier subsidiaries.	Establish links between sustainability targets and performance of division-level executives at SinoPac Holdings and domestic subsidiaries.	Establish links between sustainability targets and performance of all SinoPac Holdings division-level executives.
	Climate-related education and training for Board members	Require Board members to undergo at least 3 hours of annual climate education and training each year.	Require Board members to undergo at least 3 hours of annual climate education and training each year.	Require Board members to undergo at least 6 hours of annual climate education and training each year.
Climate Opportunities	Bank SinoPac's balance of loans for green energy financing	NT\$162 billion	Increase of NT\$15 billion/year	
	Bank SinoPac's cumulative installed capacity for wheeling on the Green Energy Electricity Trading Trust Platform	400 MW	600 MW	800 MW
	SinoPac Venture Capital's investments in green industries	New investment amount not less than 15% of the total new investment amount of the year.	New investment amount not less than 15% to 20% of the total new investment amount of the year.	
	SinoPac Leasing's amount of loans to green energy equipment and its supply chain (including overseas)	NT\$1.6 billion	NT\$1.7 billion/year	NT\$1.8 billion/year
	SinoPac Securities Venture Capital's investments in green industries	2 projects (investment amount of not less than NT\$30 million)	2 projects each year (investment amount of not less than NT\$35 million)	2 projects each year (investment amount of not less than NT\$40 million)
	Underwriting amount for green energy stock as the lead or co-underwriting with SinoPac Securities	NT\$1 billion / year		
	Bank SinoPac renewable energy financing services	1. Continue to develop financing services for solar photovoltaic energy, including solar power plants for rooftop installations, ground installations, covered court installations, and fishery and electricity symbiosis projects. 2. Adhere to the government's promotion policies for emerging renewable energies, expand financing for small hydropower, geothermal power, and other emerging renewable energies, and formulate financing guidelines. 3. Continue to track on-site energy storage policy developments and market developments in behind-the-meter energy storage, and accumulate experience in relevant projects. 4. Promote renewable energy trading.	1. Strengthen industry, government, and academic communication channels, and collect market information on agricultural/fishery and electricity symbiosis, emerging renewable energies, on-site energy storage, behind-the-meter energy storage, and other new renewable energy financing models to improve financing processes. 2. Organize industrial education and training related to current renewable energy businesses as well as hydrogen power, marine energy, and other potential renewable energy industries, and invite external experts to give lectures that enhance employee professionalism related to business planning and risk management. 3. Continue to promote renewable energy trading trust businesses.	1. Maintain expertise in solar photovoltaic financing; continue to promote financing for small hydropower, geothermal power, biomass power, and other emerging renewable energies; and extend financing to hydrogen power, marine energy, and other power generation equipment to build diversified developments in renewable energy. 2. Build professional knowledge in carbon reduction issues, discuss carbon reduction business opportunities with branch offices, guide vendors in conducting carbon reduction inventories, and formulate project schedules. 3. Prioritize communications with high-emission industries to jointly develop carbon reduction plans and fulfill capital needs. 4. Continue to promote renewable energy trading trust businesses.

		Short-Term Goals (2025)	Mid-Term Goals (2026-2027)	Long-Term Goals (2027-2029)
Green Procurement		- Increased the scope of green procurement and reached 95 % of the purchasing items aligned with the government's green procurement and financial policies. - Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment or other related awards (e.g., Buying Power). - Increase the utilization rate of green building materials for renovation to more than 70 %.	- Increased the scope of green procurement and reached 100 % of the purchasing items aligned with the government's green procurement and financial policies. - Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment or other related awards (e.g., Buying Power). - Increase the utilization rate of green building materials for renovation to more than 75 %.	- Maintain the scope of green procurement and reach 100% of the purchasing items aligned with the government's green procurement and financial policies. - Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment or other related awards (e.g., Buying Power). - Increase the utilization rate of green building materials for renovation to more than 80 %.
Green Operations	SBT	Achieve our target of reducing Scope 1 + Scope 2 emissions by 21%	Achieve our target of reducing Scope 1 + Scope 2 emissions by 25.2%	Achieve our target of reducing Scope 1 + Scope 2 emissions by 29.4%
	Power-saving, water-saving, and carbon reduction targets (using 2021 as base year)	1. Decrease Scope 3 fuel and energy related activities by 20%. 2. Reduce electricity and water consumption by 3.5%.	1. Decrease Scope 3 fuel and energy related activities by 40%. 2. Reduce electricity and water consumption by 4%.	1. Decrease Scope 3 fuel and energy related activities by 60%. 2. Reduce electricity and water consumption by 5%.
	Number of Scope 3 inventory items verified by a third party	Complete verification of 10 Scope 3 inventory items, and complete integrity and materiality evaluations for Scope 3 items.	Ensure consistency between inventory boundaries and the boundaries of consolidated financial reports based on Scope 3 integrity and materiality evaluation results.	Maintain consistency between inventory boundaries and the boundaries of consolidated financial reports.
Energy Usage		Achieve 25% renewable energy use in own operations.	Achieve 45% renewable energy use in own operations.	Achieve 75% renewable energy use in own operations.
Internal Carbon Pricing	Review/adjust internal carbon pricing mechanisms.	Continue to promote internal carbon pricing mechanisms in own operations.	Continue to implement internal carbon pricing mechanisms.	Continue to implement internal carbon pricing mechanisms.
Greenhouse Gas Emissions	Incorporate greenhouse gas inventories and verification scope into domestic and overseas operating sites	Continue to maintain 100% greenhouse gas inventory and verification coverage rate at domestic and overseas operating sites.		



		Short-Term Goals (2025)	Mid-Term Goals (2026-2027)	Long-Term Goals (2027-2029)
Climate Risk Management	Introduce and continue to strengthen management of climate/nature risks	- Build a climate change database and automated system: Integrate AR6 domestic climate physical risk database, build automated physical risk scenario analyses, and incorporate SBTs and PCAF Scope 3 investment and lending portfolio carbon inventory database. - Continue to improve TNFD "identify nature-related risks and opportunities" framework and incorporate TNFD exploratory scenarios.	- Build a climate change database and automated system: Integrate domestic climate physical risk database; build automated physical risk scenario analyses; incorporate decarbonization, SBTs, and PCAF Scope 3 investment and lending portfolio carbon inventory database; and build PCAF automated calculation system. - Continue to improve TNFD "nature impacts and dependencies/risks and opportunities" framework, incorporate quantitative TNFD scenario analyses, and discuss incorporation of TNFD investment and lending risk management mechanisms. - Continue to implement regular inventory, monitoring, and disclosures in accordance with the latest decarbonization, SBT, and PCAF guidelines, and also continue to improve inventory data quality.	- Continue to build a climate change database and automated system: Continue to build a climate (transition risk), decarbonization, PCAF, and SBT dashboard to manage and monitor climate risk resilience indicators and targets. - Continue to improve TNFD "nature impacts and dependencies/risks and opportunities" framework, incorporate quantitative TNFD scenario analyses, and incorporate TNFD investment and lending risk management mechanisms. - Continue to implement regular inventory, monitoring, and disclosures in accordance with the latest decarbonization, SBT, and PCAF guidelines, and also continue to improve inventory data quality.
	Ratio of waterproof floodgate set up in own premises in high-risk sites	100%	100%	Continue to refine methods for identifying high-risk offices, track risk transmission processes, and complete installation of waterproof floodgates for offices in high-risk areas
Raise Climate Awareness (1) Employees	Promote the "I DO commitment" activity	100% employee signing rate for all SinoPac Holdings employees (scope consistent with consolidated financial statements).		
	Obtain sustainable finance certificates	Obtain a cumulative total of 500 sustainable finance certificates.	Obtain a cumulative total of 900 sustainable finance certificates.	Obtain a cumulative total of 1,300 sustainable finance certificates.
	ESG courses and courses themed around climate/net zero targets	Include ESG/net zero/climate change courses in new employee orientation training and manager training for SinoPac Holdings and domestic subsidiaries.	Include ESG/net zero/climate change courses in new employee orientation training and manager training for SinoPac Holdings and domestic subsidiaries.	Include ESG/net zero/climate change courses in new employee orientation training and manager training for all SinoPac Holdings and employees (scope consistent with consolidated financial statements).
	Establish carbon reduction incentive mechanisms	Integrate energy-saving initiatives, streamline processes, and continue to implement carbon reduction incentives to enhance employee awareness and participation in energy conservation.	Integrate energy-saving initiatives, streamline processes, and expand implementation of carbon reduction incentives to enhance employee awareness and participation in energy conservation.	



		Short-Term Goals (2025)	Mid-Term Goals (2026-2027)	Long-Term Goals (2027-2029)
Raise Climate Awareness (2) Customers	Engagement on carbon reduction with investees	12 sessions organized by Bank SinoPac. 10 sessions organized by SinoPac Securities.	Continue the engagement efforts with 14 sessions conducted by Bank SinoPac (including 4 joint engagement sessions), and 11 sessions conducted by SinoPac Securities.	Continue the engagement efforts with 16 sessions conducted by Bank SinoPac (including 6 joint engagement sessions), and 12 sessions conducted by SinoPac Securities.
	Bank SinoPac organized seminars/events on net zero transition trends or sustainability for borrowers and potential clients	2-4 seminars/events with the objective of reaching 200-300 suppliers.		
	Bank SinoPac promotes its sustainable financial services to raise customer climate awareness and market visibility	Collaborate with third-party cross-industry partners (e.g., decarbonization consultants, energy management companies, renewable electricity retailers, etc.) to promote sustainable financial service solutions (4 to 6 press releases).	Expand and enhance net zero businesses by organizing net zero transition seminars or supplier conferences; continue to promote sustainable financial service solutions and related matchmaking services to corporate clients, and encourage them to develop carbon reduction plans.	
	Number of people reached through the sustainable financial products section on Bank SinoPac's official website	Reach at least 5 million people through EDM and the LINE App.	Communicate with customers through the sustainable financial products section on Bank SinoPac's official website and other channels, reaching at least 5 million people annually.	
	Number of sustainability/climate seminars/forums	At least 4 each year		
	Number of ESG evaluation training courses for Institutional investors arranged by SinoPac Securities	At least 20 each year		
	Bank SinoPac promotes green loans	Promote green loans by leveraging funding, services, and engagement to support business transformation.	Expand green loans, pilot run transition finance initiatives, and support corporate transitions through funding, services, and engagement to maximize financial influence.	Continuously improve green/transition finance and other credit services in response to domestic and international trends and regulations.
	Bank SinoPac promotes the "Carbon Calculator function"	1. Expand the application of the Carbon Calculator function to the Green Card. 2. 80,000 debit card users; 65,000 SPORT Card users, 5,000 Green Card users.	1. Expanded the application of Carbon Calculator function to Mastercard and designated credit cards. 2. Accumulate 210,000 users of designated credit cards and debit cards.	Accumulate 230,000 users of designated credit cards and debit cards.
	Bank SinoPac issues credit cards (including replacements) with "Environmental Label Certified"	80,000 cards	100,000 cards each year	150,000 cards each year
	Bank SinoPac raises retail customers' ESG literacies	Enhance the promotion of sustainable/green products (e.g., the Carbon Calculator function, green deposits, and green building loans) and marketing campaigns for retail customers.	Promote the sustainability/green finance literacy of retail customers.	Increase the sustainability/green finance literacy of retail customers.
	Number of participants in climate awareness related seminars for wealth management customers organized by Bank SinoPac	331	5% annual growth	
	Engagement services provided by SinoPac Securities Investment Service to listed companies	20 sessions	Strengthens the quality and quantity of its engagement services, and continues to provide clients and listed companies with engagement services.	

5.3 Performance and Remuneration Systems

In addition to financial performance, incorporating climate performance into corporate operations is also an important way to enhance corporate values. SinoPac Holdings has incorporated the goals of implementing and strengthening climate-related risks as one of performance indicators which is link to variable bonuses of executive managers, and the indicators also included in long-term remuneration systems. These measures not only motivate managers to actively respond to climate change, but also enhance their awareness and responsiveness to climate risks.

SinoPac Holdings understands the importance of climate performance and believes that this is not a short-term target or phase, but a long-term mission. To achieve our sustainable development goals, we have implemented practical sustainability strategies, set specific short, medium, and long-term targets, and conduct quarterly reviews to track the implementation status of various indicators and targets. We ensure constant progress toward our sustainable development targets through continuous iteration.

Climate Performance Targets

To promote climate change mitigation and adaptation, climate-related performance indicators are included in the Key Performance Indicators (KPIs) of executives with corresponding responsibilities, the indicators are linked to variable rewards for the current year. These indicators are tracked and managed after obtaining approval from the chief decision maker of SinoPac Holdings. Climate-related indicators that are not included in the performance objectives of senior management are included in the regular tracking and reporting management of relevant working groups.

Topic	Responsible Senior Executive	Management Indicators	Weight
Achievement of net zero promotion targets	SinoPac Holdings President	Continuous expansion of green energy financing scale and achievement rate of green energy financing balance	10%
Climate change mitigation and adaption	SinoPac Holdings Chief Risk Officer	Achievement rate of continued climate and nature risk management implementations and enhancements	10%
	SinoPac Holdings Chief Human Resources Officer	Achievement rate of improvements to internal climate risks and awareness of net zero targets	3%
	SinoPac Holdings Chief Operations Officer	Greenhouse gas inventory and verification scope, and usage rates of renewable energy	10%

5.4 Greenhouse Gas Emissions

Since 2018, using the operational control approach, SinoPac Holdings has compiled greenhouse gas inventory data to determine the total greenhouse gas emissions of the Company and its subsidiaries. SinoPac Holdings has also set short, medium, and long-term reduction targets for Scope 1 and Scope 2 emissions in accordance with the financial industry indicators of the Science Based Targets Initiative (SBTi). The Company aims to achieve its net zero emissions goal by 2030 through energy conservation and carbon reduction measures, the use of renewable energy, and renewable energy certificates. The main sources of Scope 1 emissions for SinoPac Holdings include greenhouse gases produced by refrigerants in air conditioners, water dispensers, dehumidifiers, and refrigerators, as well as emissions from gasoline and diesel used in self-owned vehicles (official vehicles), generator diesel fuels, gaseous fire extinguisher, and septic tanks. The main source of Scope 2 emissions is purchased electricity.

Additionally, regarding Scope 1 and Scope 2 GHG emissions, although SinoPac Holdings expanded its workforce by 14.44% in 2024 (with 2021 as the base year), increased its operating locations, and has added new air-conditioning equipment subject to carbon emissions, total emissions still decreased by 3,822 metric tons compared to the base year—a reduction of 19.7%. This reduction is close to the original target and surpasses the annual 16.8% reduction goal set by the SBT. Per capita emissions intensity also dropped by 29.80 % compared to the base year, marking the best performance in recent years and demonstrating the significant effectiveness of overall energy management measures.

SinoPac Holdings' Short, Medium, and Long-term Targets for GHG Emissions Reduction (Scope 1+Scope 2)

Reductions compared to the base year (2021)	Reduction method	Short-term (2025)	Medium-term (2027) Beyond SBTi requirements	Long-term(2030) Net-zero emissions in own operations
	Energy saving and carbon emission reduction by itself	3.5%	5%	10%
	Use of renewable energy and renewable energy certificates	25%	45%	90%
	Total	28.5%	50%	100%

Scope 1 GHG Emissions (Category 1) from 2021 to 2024

GHG Emissions	2021	2022	2023	2024
Scope 1 Emissions (metric tons of CO ₂ e /year)	1,284.34	1,353.37	1,508.20	1,439.14
Scope 1 Emission Intensity (metric tons of CO ₂ e /person)	0.136	0.139	0.146	0.133
Data Coverage ^{Note 1}	100%	100%	100%	100%
External Verification Coverage ^{Note 2}	100%	100%	100%	100%
Verification (ISO 14064-1:2018) Scope Description	All domestic operating sites of SinoPac Holdings and all its subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 1,061.85 metric tons of CO ₂ e, with a coverage rate of 100%. Additionally, 222.49 metric tons of CO ₂ e (unverified) from overseas sites in 2021 were added to the estimation.			

Note 1 Data coverage was based on the emission source of Scope 1 GHG emissions in the year.

Note 2 External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings, excluding contract employees.

Note 3 From 2021 to 2023, Scope 1 GHG emissions increased due to the following main factors: 1. Expansion of personnel and operating locations. 2. The inclusion of refrigerant filling volumes from newly installed environmentally friendly models in carbon emission calculations. 3. Increased demand for the use of official vehicles to visit customers following the lifting of epidemic lockdowns.

GHG Emissions from Business Travel from 2021 to 2024 (Self-owned vehicles)^{Note 1}

	2021 ^{Note 5}	2022	2023	2024
Emissions (metric tons of CO ₂ e /year) ^{Note 2}	348.89	382.34	375.02	363.33
Data Coverage ^{Note 3}	100%	100%	100%	100%
External Verification Coverage ^{Note 4}	100%	100%	100%	100%

Note 1 SinoPac Holdings' fleets are self-owned official vehicles.

Note 2 GHG Emission = the amount of Diesel procurement x the emission factor Global warming potential (GWP).

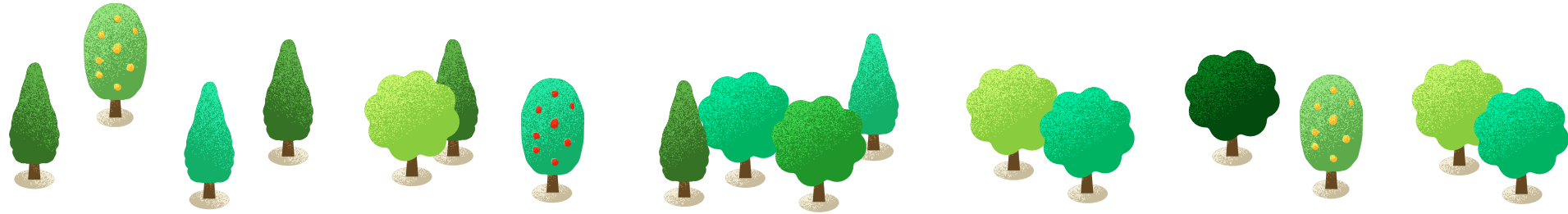
Note 3 The domestic sites consumption of gasoline and diesel for official vehicles was based on the data of the gasoline and diesel purchased by SinoPac Holdings and its subsidiaries, which is provided by CPC Corporation's fuel card electronic platform, adding the actual refueling volume of official vehicles of overseas subsidiaries (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), and the coverage rate was 100%.

Note 4 External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings, excluding dispatched employees.

Note 5 The externally verified emissions in 2021 were 137.74 metric tons of CO₂e. Additionally, 211.15 metric tons of CO₂e (unverified) from overseas sites were added to the estimation.

Categories of Scope 1 (Category 1) GHG in 2024

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total GHG Emissions
Category 1 Emissions (metric tons of CO ₂ e/year)	371.73	102.54	1.69	963.18	0	0	0	1,439.14
Percentage of Total Emissions	25.83%	7.12%	0.12%	66.93%	0%	0%	0%	100%



Scope 2 GHG Emissions (Category 2) from 2021 to 2024

GHG Emissions	2021	2022	2023	2024
Total Scope 2 GHG Emission ^{Note 1} (metric tons of CO ₂ e /year)	18,155.42	17,975.32	17,116.37	17,471.83
Market-based Emission	18,155.42	17,855.67	15,401.45	14,178.59
Location-based Emission	18,155.42	17,975.32	17,116.37	17,471.83
Scope 2 GHG Emission Intensity (metric tons of CO ₂ e/ person)	1.93	1.84	1.49	1.31
Data Coverage ^{Note 2}	100%	100%	100%	100%
External Verification Coverage ^{Note 3}	100%	100%	100%	100%
Verification (ISO 14064-1:2018) Scope Description	All domestic operating sites of SinoPac Holdings and all its subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope. The externally certified emission value was 16,757.39 metric tons of CO ₂ e. Additionally, 1,398.03 metric tons of CO ₂ e (unverified) from overseas sites in 2021 were added to the estimation. All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with a coverage rate of 100%. All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with a coverage rate of 100%. All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report), with a coverage rate of 100%.			



Note 1 Scope 2 GHG emissions were converted based on the latest coefficients released by the Energy Administration in the year (0.502, 0.509, 0.495, and 0.494 KgCO₂e/kWh from 2021 to 2024 respectively) (Verification period factor).

Note 2 As the electricity consumption of SinoPac Holdings and its major subsidiaries was included, the data coverage was 100%

Note 3 External verification coverage = Number of employees in the buildings where external verification was adopted/the total number of domestic and overseas sites employees of SinoPac Holdings; excluding dispatched employees.

SinoPac Holdings has covered 10 items in scope 3 inventory with external verification in 2024.

Scope 3 / Self Operation site or branches (Category 3~6) GHG Emissions in 2024

ISO 14064-1: 2018 Classification	Compliant with GHG Protocol Scope 3 Classification	Distinguish	Unit	Quantity	Greenhouse Gas Emissions (metric tons -CO ₂ e)
Category 3: Indirect GHG emissions from transportation	4. Upstream transportation and distribution ^{Note 1}	Emissions from upstream transportation and goods distribution (photocopy paper)	tkm	3,111.21	1.83
		Emissions from upstream transportation and goods distribution (credit card)	tkm	116.85	0.07
		Emissions from upstream transportation and cargo distribution (PC/NB/LCD)	tkm	1,016.19	0.60
		Emissions from upstream transportation and distribution of goods (credit card to customer)	g	11,687,456.7	2,395.93
	6. Business Travel	Emissions from commercial travel – aircraft ^{Note 2}	km	5,369,726	365.75
		Emissions from commercial travel – high-speed rail ^{Note 3}	pkm	1,183,424.38	37.87
	7. Employee commuting ^{Note 4}	Emissions from employee commuting (motorcycles, cars, taxis, hybrids, electricity and diesel)	kL	866.09	2,514.82
		Emissions from employee commuting (electric scooters, electric vehicle electricity)	MWh	873.01	
		Emissions from employee commuting (MRT, Taiwan Railways, High Speed Rail)	pkm	22,644,010.46	
	9. Downstream transportation and distribution ^{Note 5}	Emissions from downstream transportation and distribution of goods		N/A	
Category 4: Indirect GHG emissions from products used by an organization	1. Purchased products and services	Emissions from purchased goods (tap water)	cubic meters	171,417.07	27.99
		Emissions from purchased goods (credit card)	cards	841,000	219.66
		Emissions from purchased goods (A4 photocopy paper)	(500 sheets / pack)	87,447	297.32
		Emissions from purchased goods (A3 photocopy paper)	(500 sheets / pack)	2,351	16.46
	2. Capital goods	Emissions from capital goods or production (purchase PC)	sets	1,592	763.83
		Emissions from capital goods or production (purchase NB)	sets	202	
		Emissions from capital goods or production (purchase of LCD)	sets	1,036	

ISO 14064-1: 2018 Classification	Compliant with GHG Protocol Scope 3 Classification	Distinguish	Unit	Quantity	Greenhouse Gas Emissions (metric tons -CO ₂ e)
Category 4: Indirect GHG emissions from products used by an organization	3. Fuel and energy related activities (excluding Category 1 and Category 2)	Emissions from purchased fuel or energy activities (electricity)	MWh	35,080.40	2,751.42
		Emissions from purchased fuel or energy activities (gasoline, diesel / Liquefied petroleum gas (LPG))	kL	139.13	99.72
		Emissions from purchased fuel or energy activities (Natural gas)	cubic meters	0.16	0.08
	5. Waste generated during operation ^{Note 6}	Emissions from handling solid and liquid waste	mt	363.84	130.98
	8. Upstream Leased Assets	Emissions from the use of upstream leased assets (electricity consumption of IDC computer room)	MWh	3,564.26	2,218.42
	10. Processing of sold products ^{Note 5}	Emissions or removals from product processing		N/A	
Category 5: Indirect GHG emissions associated with the use of products from organization	11. Use of Sold Products	Use stage of the product (credit card)	cards	841,000	377.64
	12. End-of-Life Treatment of Sold Products	Emissions from the end-of-life phase of products (credit cards)	cards	841,000	60.96
	13. Downstream leased assets ^{Note 7}	Emissions from downstream leased assets		N/S	
Category 6: Indirect GHG emissions from other sources	14. Franchise (franchising) ^{Note 5}			N/A	
Total ^{Note 8}					12,281.33

Note 1 For the transportation emissions from product procurement, emissions are calculated based on the distance from the manufacturer to the actual delivery locations of SinoPac Holdings and the weight of goods.

Note 2 GHG emissions from overseas business travel per flight were calculated based on the Carbon Emissions Calculator developed by the International Civil Aviation Organization (ICAO). The coverage included SinoPac Holdings, Bank SinoPac, SinoPac Securities, SinoPac SITC and SinoPac Leasing. SinoPac Venture Capital have no overseas business travel in 2024.

Note 3 GHG emissions from domestic business travel by High-Speed Rail per trip = Travel data retrieved from the corporate member system of Taiwan High Speed Rail Corporation x Carbon footprint of passenger transport between stations provided by Taiwan High-Speed Rail Corporation.

Note 4 Domestic employee commuting is surveyed using questionnaires. Energy consumption is calculated based on the types of transportation used by the employees. For example, the energy consumption of gasoline vehicles is estimated using the average energy consumption values published on the Auto Energy Website of the Energy Administration, Ministry of Economic Affairs. The corresponding energy emission factors are then applied to calculate emissions. A total of 2,146 valid questionnaires were collected for this survey, and the number of employees as of December 31 was used as the basis for extrapolating the emission figures.

Note 5 The inventory is conducted in accordance with ISO 14064-1. For 2024, the quantification scope and method for categories 3 to 6 (Scope 3) are aligned with the GHG Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" to ensure inventory completeness and materiality assessment. 'N/A' indicates that the item is not applicable because the business activity does not exist within the company.

Note 6 2019, SinoPac Holdings began to weigh the total amount of waste generated from the office locations of the Holdings and its subsidiaries. The primary focus is to calculate the greenhouse gas (GHG) emissions resulting from the incineration of general industrial waste. The calculation method involves using the amount of general industrial waste generated at each location. The emission factors for incineration currently disclosed and verified in Taiwan are published on the Carbon Footprint Calculation Platform by the Ministry of Environment. Therefore, the emission factor established by the Gangshan Refuse Incineration Plant for municipal waste treatment, as announced in the most recent update (2020), is used to calculate the emissions.

Note 7 N/S' indicates that the item is not included in the inventory scope for the current year or that its emissions are not significant.

Note 8 Scope 3 GHG emissions are calculated based on the nature of the activity, using verified emissions and coefficient data provided by the product or service providers. If there is no emission data or emission factor, it adopted an emission factor from Ministry of Environment on the Carbon Footprint Calculation Platform, related international industrial standards, or carbon footprint calculation platforms.

Energy Management

Total electricity consumption in 2024 was 0.58% lower than the 2021 baseline year; per capita electricity consumption was 13.13% lower; and per capita fuel consumption was 7.6% higher than the baseline year due to new locations and business visits, resulting in an overall 12.55% reduction in internal energy intensity. SinoPac Holdings, Bank SinoPac, and SinoPac Securities have signed power purchase agreements (PPA) for 1.3 million kWh, 5.32 million kWh, and 2.16 million kWh of renewable electricity per year in 2024, which together represent approximately 25% of SinoPac Holdings' electricity consumption in 2024. Renewable energy consumption in this year totaled 6.67 million kWh, accounting for 19% of the Group's total electricity consumption for the year, which was higher than the annual target of 17.5%. In addition, the statistics for the period from September 2022 to 2024 showed that SinoPac Holdings has accumulated the use of approximately 10.37 million kWh of renewable electricity, and reduced carbon emissions by 5,138 tons CO₂e.

In 2023, the first rooftop solar panel system with an installed capacity of 13.5 kilowatts (KW) was built in the office building (Beigao). It generated 17,000 kWh of electricity in 2024, equivalent to 8.4 tons in CO₂e reduction. In the same year, it completed plans for the integration of the solar storage system in its second site at Jinan Road Branch, which includes 9kW of solar panels, 20kWh of energy storage equipment, and EMS management system, and is expected to be completed in 2025. The main benefits of the system include energy storage, grid supply , and dispatching of electricity to enable smart electricity use and enhance energy efficiency. With the launch of the aforementioned renewable energy supply and self-generated renewable energy usage, the annual carbon reduction of SinoPac Holdings, Bank SinoPac, and SinoPac Securities is expected to reach 4,350 tons, which is equivalent to the carbon adsorption of 11 Da'an Forest Parks in one year.

Total Energy Use and Energy Intensity from 2021 to 2024

Item	Unit		2021	2022	2023	2024
Direct Energy Consumption (Gasoline + Diesel) Note 1	Liter (L)		112,937	147,528	143,019	139,102
Indirect Energy Consumption (Electricity)	Megawatt hour (MWh)		35,303	34,688	30,746	28,427
Total Energy Consumption (Non-renewable Energy)	Gigajoule (GJ)		130,794	129,721	115,370	106,888
	Megawatt hour (MWh)		36,361	36,062	32,073	29,715
Total Energy Consumption (Renewable Energy)	Gigajoule (GJ)		-	846	12,487	24,015
	Purchase	Megawatt hour (MWh)	-	235	3,464	6,654
	Self-generate		-	-	4	17
Energy Intensity	GJ/person		13.87	13.35	12.36	12.13
	MWh/person		3.86	3.71	3.44	3.37
Data Coverage Note 2			100%	100%	100%	100%
External Verification Coverage			100%	100%	100%	100%

Item	Unit	2021	2022	2023	2024
Scope Description		All domestic operating sites of SinoPac Holdings and all its subsidiaries (Bank SinoPac, SinoPac Securities, SinoPac SITC, SinoPac Leasing, and SinoPac Venture Capital) are included in the statistical scope, enhanced and adopted ISO 14064-1:2018 GHG Inventory, The GHG inventory concluded at 33,972 MWh.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries SinoPac Holdings Consolidated Financial Report) and adopted ISO 14064-1:2018 GHG Inventory with a coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries SinoPac Holdings Consolidated Financial Report) and adopted ISO 14064-1:2018 GHG Inventory with a coverage rate of 100%.	All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries are included in the statistical scope (aligned with the boundaries SinoPac Holdings Consolidated Financial Report) and adopted ISO 14064-1:2018 GHG Inventory with a coverage rate of 100%.
		Additionally, 2,389 MWh (unverified) from overseas sites in 2021 were added to the estimation, with a coverage rate of 100%.			

Note 1 According to the Ministry of Environment's Greenhouse Gas Emission Factor Table (Version 6.0.4), the heat values of automotive gasoline and diesel fuel are 7,800 Kcal/L and 8,400 Kcal/L respectively.

Note 2 The number of employees refers to the number of full-time domestic and overseas employees, excluding dispatched employees.

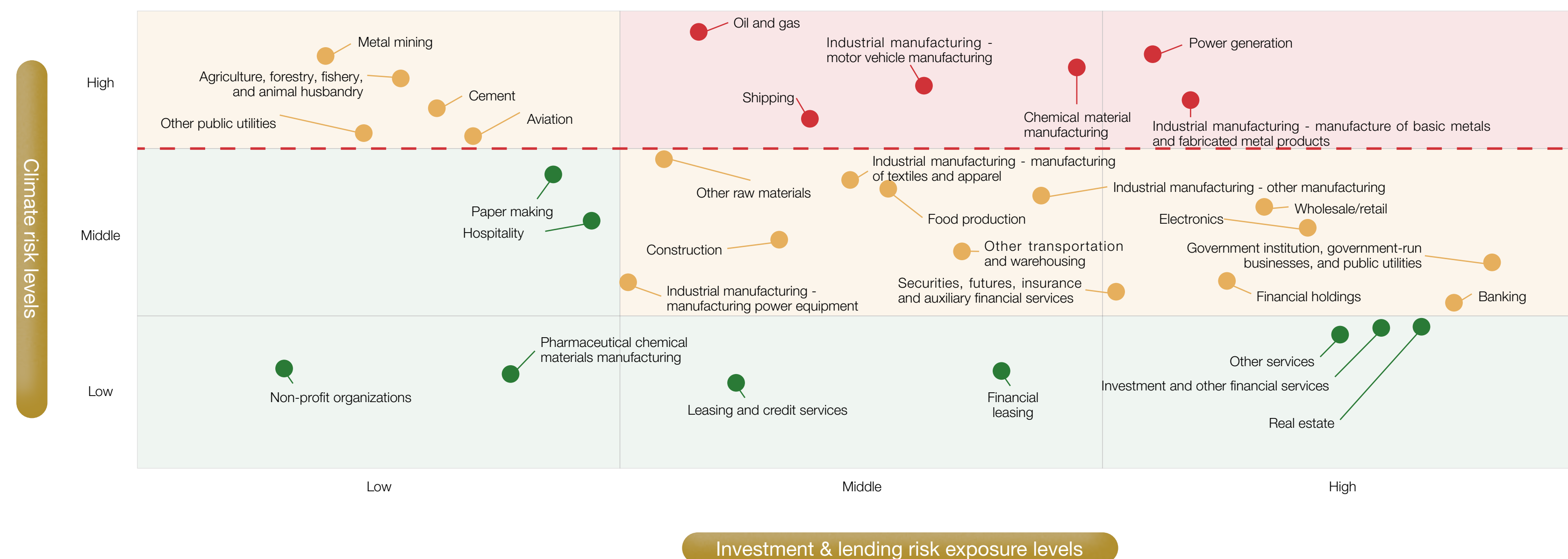
Note 3 1 MWh = 3.6 GJ

5.5 Exposure to Industries with High Climate Risks

SinoPac Holdings inventoried subsidiary investment and lending businesses of subsidiaries to assess the balance of risk exposures for high-risk industries^{Note}. The Company compiled "Environmental Sector Heat Map" released by Moody's and SASB, and referenced TCFD and government regulations to evaluate the impacts of transition and physical risks on each industry, classify climate risk levels for each industry, and combined investment and lending exposures to each industry (excluding securities financing/ green loans/ green bonds/ sustainability bonds/ social bonds/ renewable power generation) to establish an industrial climate risk heatmap (as shown in the figure below).

The industrial climate risk heatmap included 11 industries with high climate risks, 9 of which were high-carbon-emission industries (Oil & gas, Power generation, Metal mining, Chemical material manufacturing, Industrial manufacturing - motor vehicle manufacturing, Industrial manufacturing - manufacturing of basic metals and fabricated metal products, Cement, Shipping, and Aviation), and 2 of which were industries with high physical risks (Agriculture, forestry, fishing, and animal husbandry; and Other public utilities). Additionally, the Company also analyzed exposures to corporations with high carbon emissions listed by the Ministry of Environment. The industrial climate risk heatmap and risk exposures disclose as follows.

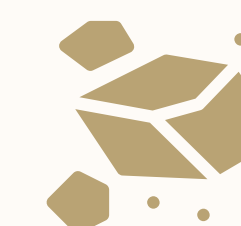
Industrial Climate Risk Heatmap



^{Note} The scope of assessment for our industrial climate risk heatmap encompassed domestic and foreign investment and lending positions of SinoPac Holdings and all subsidiaries.

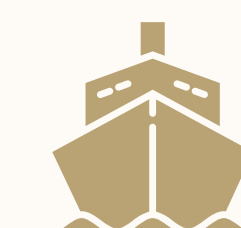
Limits for high-risk industries

The Company formulated limits for high-risk industries in consideration of overall business developments for all subsidiaries, risk capacity, future industrial developments, and business cycles. Limits for high-risk industries included industries with high carbon emissions (such as non-ferrous metals, shipping, oil & gas exploration and wholesale, and coal chemicals).



Non-ferrous metals

Limit
20%



Shipping
Limit
30%

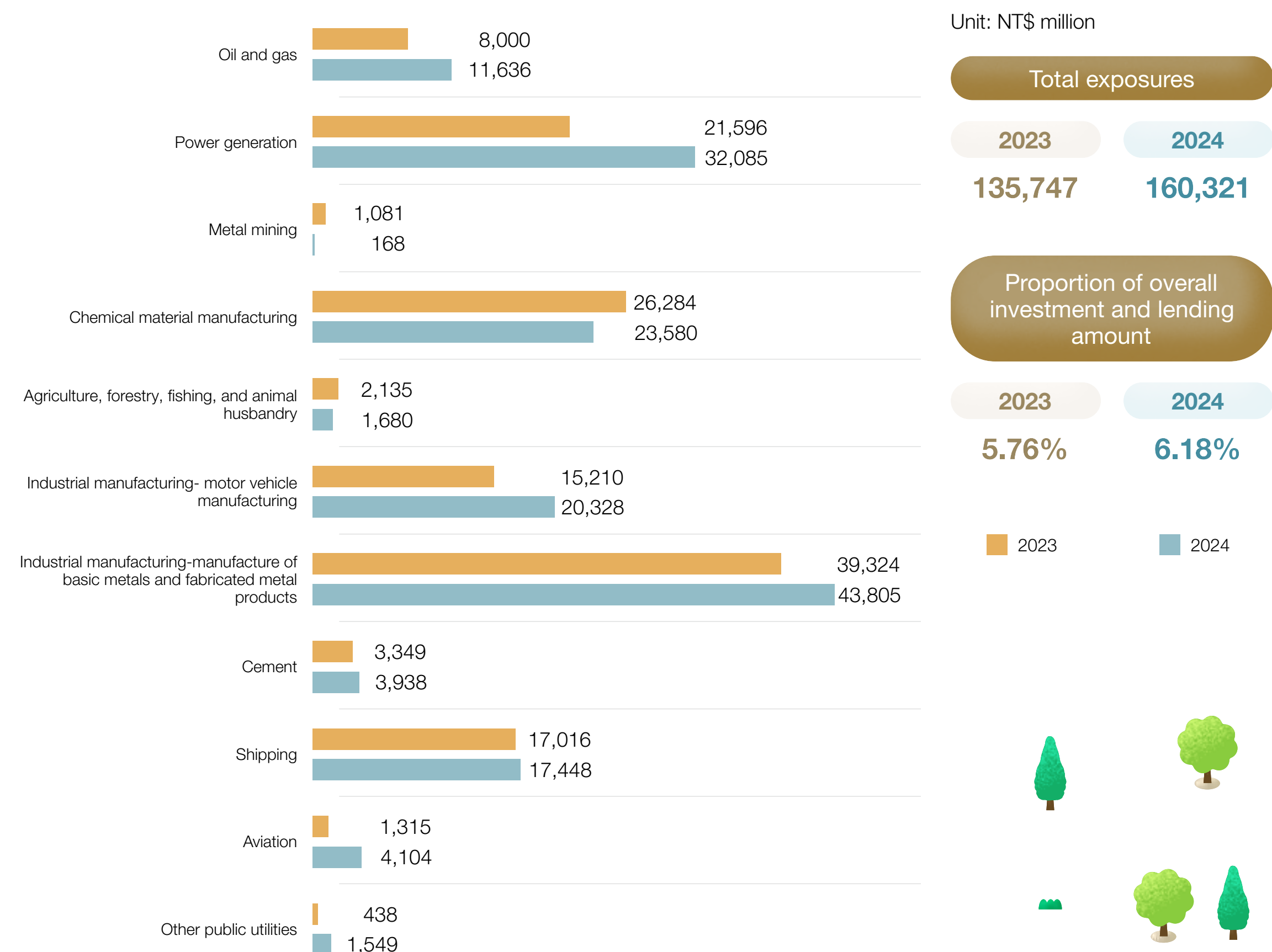


Oil & gas exploration/wholesale
marketing and coal chemical
Limit
4%

Heatmap industries with high climate risks

According to SinoPac Holdings's industrial climate risk heatmap, overall investment and lending amounts in the 11 industries with high climate risks at year-end 2024 was NT\$160,321 million, around 6.18% of overall investment and lending amounts at SinoPac Holdings (excluding securities financing/green loans/green bonds/sustainability bonds/ social bonds/ renewable power generation). Overall exposures to industries with high climate risks in 2024 increased compared with 2023, and the total proportion of investment and lending amounts at SinoPac Holdings also increased slightly. The most important differences stemmed from increases in exposures to the oil and gas industry, the power generation industry, the industrial manufacturing - motor vehicle manufacturing industry, the industrial manufacturing - manufacturing of basic metals and fabricated metal products industry, and the aviation industry.

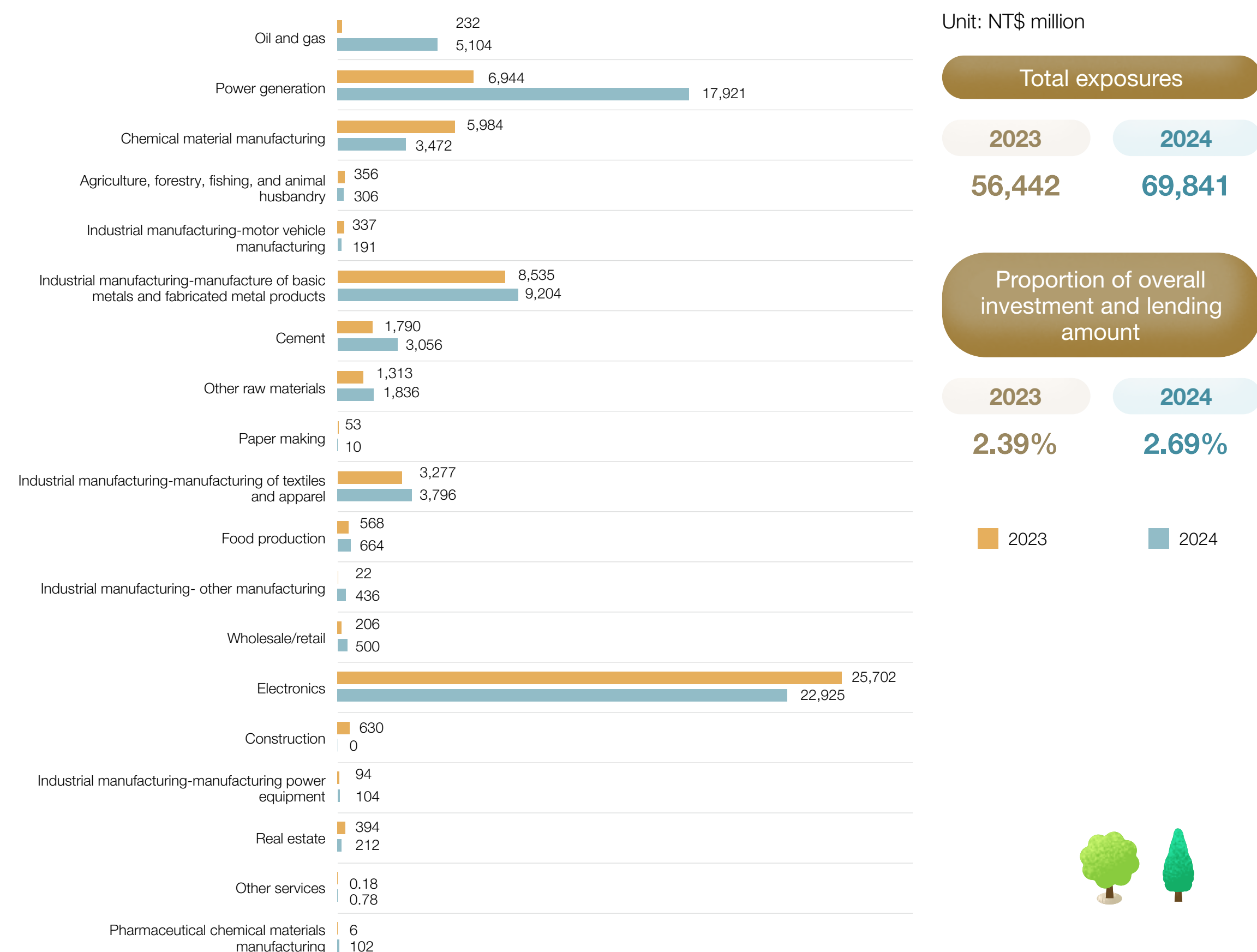
Exposure Amounts of Investment and Lending in Heatmap Industries with High Climate Risks



High-emission enterprises listed by the Ministry of Environment:

Overall investment and lending amount in the high carbon emission corporations listed by the Ministry of Environment at year-end 2024 was NT\$69,841 million, around 2.69% of overall investment and lending amount of the Company. Overall exposure to high-carbon-emissions enterprises listed by the Ministry of Environment in 2024 increased compared to 2023 and the total proportion of investment and lending at the Company also increased slightly, mainly as the corporation inventory information data for 2023 released by the Ministry of Environment in November 2024, the number of regulated heavy carbon emitters increased from 292 to 301 companies. In addition to the slight increase in the number of regulated entities, increased exposures from the oil and gas industry and the power generation industry were due to increased loans for Chinese Petroleum Corporation and Taiwan Power Company.

Exposure Amounts of Investment and Lending in High-emission enterprises listed by the Ministry of Environment



5.6 Financed/Facilitated Emissions

SinoPac Holdings adopted the "Financed Emissions: The Global GHG Accounting and Reporting Standard Part A" methodology published by the Partnership for Carbon Accounting Financials (PCAF) on December 30, 2022, the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" published by the Bankers Association of the R.O.C. in October 2023, and the "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B" published by PCAF on December 1, 2023. The Company conducted a carbon inventory of the investment and lending portfolios with own capital and asset management businesses of SinoPac Securities Investment Trust (SinoPac SITC) on December 31, 2024, and facilitated amount for capital markets in 2024, and completed the [ISO 14064 greenhouse gas validation and verification](#)^{Note}. The scope of the inventory included assets such as mortgages, business loans, corporate bonds, sovereign debt, project finance, commercial real estate, listed/unlisted equity, and motor vehicle loans.



Mortgages



Business loans



Corporate bonds



Sovereign debt



Project finance



Commercial real estate



Listed /Unlisted equity



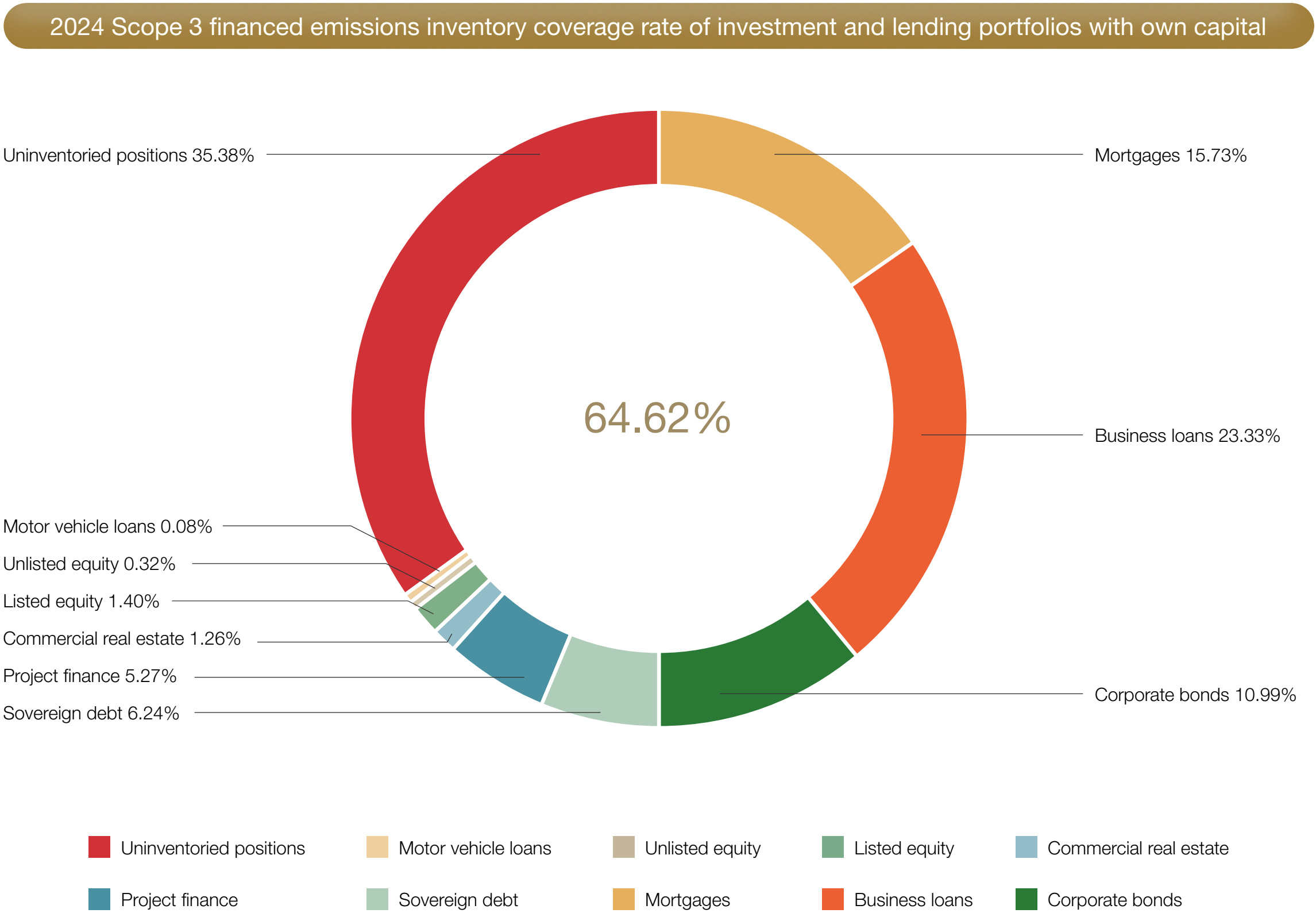
Motor vehicle loans

^{Note} The Company and its subsidiaries' carbon inventory of Scope 3 financed emissions of investment and lending portfolios with own capital, asset management businesses of SinoPac Securities Investment Trust and facilitated emissions for capital markets was verified in accordance with ISO 14064-1: 2018 published by the International Organization for Standardization (ISO). It was validated by the verification organization BSI in accordance with ISO 14064-3: 2019, and a validation report was issued, complying with the regulations of Chapter 6 "Assurance (verification) Descriptions" in "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks."



5.6.1 Financed emissions of investment and lending portfolios with own capital

As of December 31, 2024, the financed emissions inventory coverage rate of SinoPac Holdings' investment and lending portfolios with own capital was 64.62% (ratio of inventoried amount to overall investment and lending amount^{Note 1}. The coverage rate applicable under the PCAF Standard was 93.95% (ratio of inventoried amount to the amount applicable under the PCAF Standard). The financed emissions of SinoPac Holdings totaled 3.86 million tCO₂e and the overall economic emission intensity was 2.4 (tCO₂e/NT\$1 million in investment and lending).



Asset Class	Investment and lending amount included in the inventory (NT\$ million)	Proportion of overall investment and lending portfolio (%)	Coverage rate applicable under the PCAF Standard(%)
Business loans	583,825	23.33%	85.29%
Mortgages	393,552	15.73%	100.00%
Corporate bonds	274,930	10.99%	98.81%
Sovereign debt (exclude LULUCF) ^{Note 2}	156,148	6.24%	100.00%
Project finance	131,836	5.27%	100.00%
Listed equity	35,068	1.40%	99.78%
Commercial real estate	31,553	1.26%	100.00%
Unlisted equity	8,029	0.32%	98.48%
Motor vehicle loans	2,018	0.08%	100.00%
Inventoried positions	1,616,959	64.62%	93.95%
Uninventoried positions ^{Note 3}	885,334	35.38%	
Total	2,502,293	100.00%	

Note 1 The scope of the inventory covers the overall domestic and foreign investment and lending positions of SinoPac Holdings and all subsidiaries.

Note 2 Refers to activities related to Land Use, Land Use Change, and Forestry (LULUCF). E.g., transforming the usage of forest to agricultural use.

Note 3 These positions cannot be inventoried as PCAF has not released related technical documents (including green investment and lending, personal loans, derivatives, ETFs, and MBS), "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks" published by the Bankers Association of the R.O.C. clearly defines certain asset classes to be excluded (e.g. mortgages (repair and construction), commercial paper negotiable certificates of deposit issued by the Central Bank, and fixed rate commercial paper), or because a small amount of inventory information was incomplete.

Scope 3 financed emissions of investment and lending portfolios with own capital

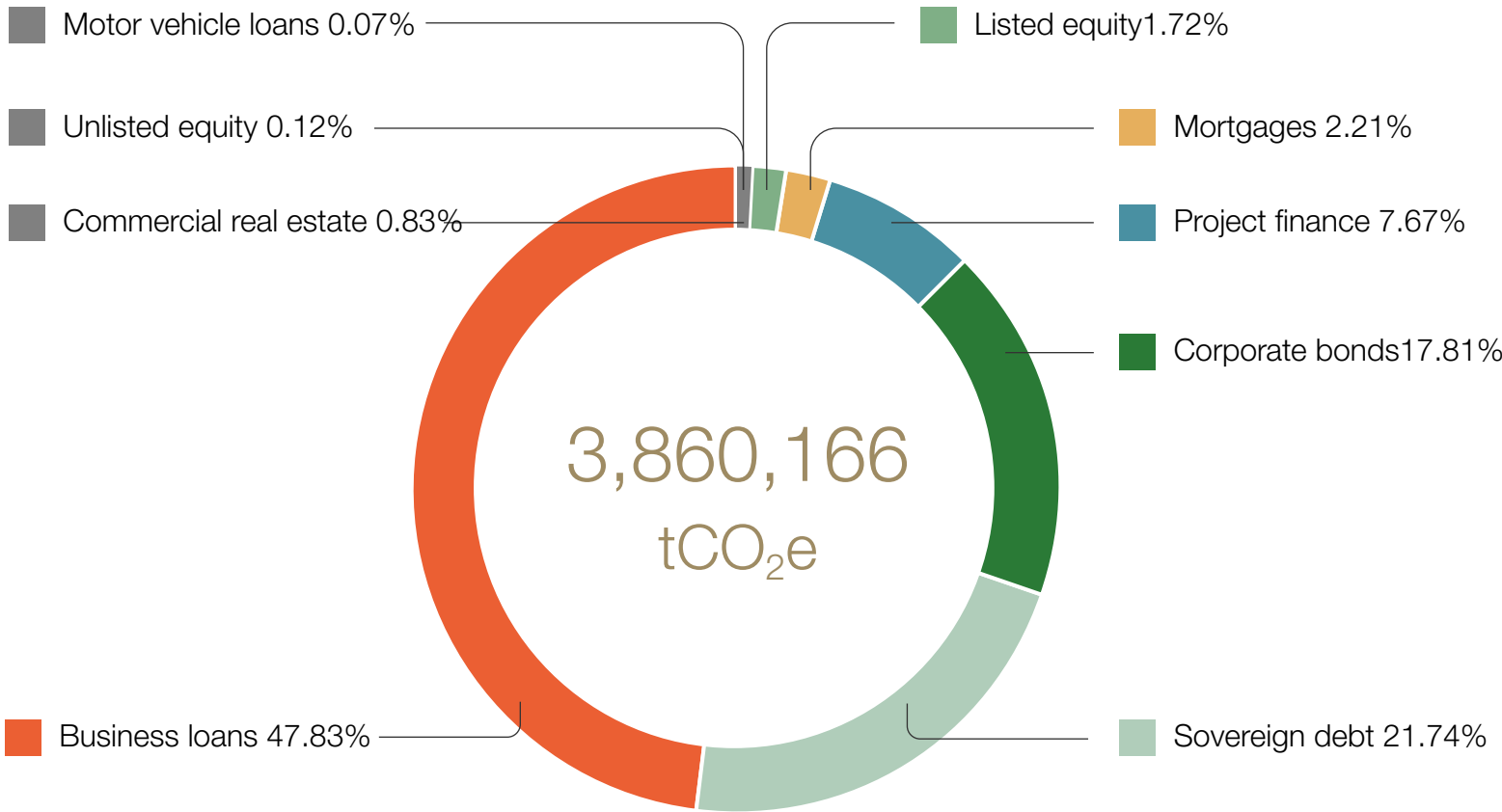
Unit: Investment and lending amount(NT\$ million); Financed emissions(tCO₂e); Economic emission intensity (tCO₂e/NT\$1 million in investment and lending); Data quality score(1: best, 5: worst)

Asset Class	2023					2024				
	Investment and lending amount	Financed emissions	Proportion of financed emissions	Economic emission intensity	Data quality score	Investment and lending amount	Financed emissions	Proportion of financed emissions	Economic emission intensity	Data quality score
Business loans	460,511	1,393,189	41.28%	3.0	3.2	583,825	1,846,161	47.83%	3.2	3.5
Sovereign debt (exclude LULUCF) ^{Note 1}	144,102	852,452	25.26%	5.9	1.8	156,148	839,115	21.74%	5.4	2.0
Corporate bonds ^{Note 2}	262,926	740,812	21.95%	2.8	1.8	274,930	687,492	17.81%	2.5	2.0
Project finance	108,371	186,808	5.54%	1.7	3.0	131,836	296,091	7.67%	2.2	3.0
Mortgages	381,135	85,435	2.53%	0.2	4.0	393,552	85,300	2.21%	0.2	4.0
Listed equity	35,368	71,609	2.12%	2.0	1.2	35,068	66,526	1.72%	1.9	1.2
Commercial real estate	33,839	34,406	1.02%	1.0	4.0	31,553	32,027	0.83%	1.0	4.0
Motor vehicle loans	4,032	5,974	0.18%	1.5	3.4	2,018	2,804	0.07%	1.4	3.3
Unlisted equity	6,141	4,057	0.12%	0.7	3.2	8,029	4,650	0.12%	0.6	2.9
Total	1,436,426	3,374,742	100.00%	2.3	3.0	1,616,959	3,860,166	100.00%	2.4	3.1

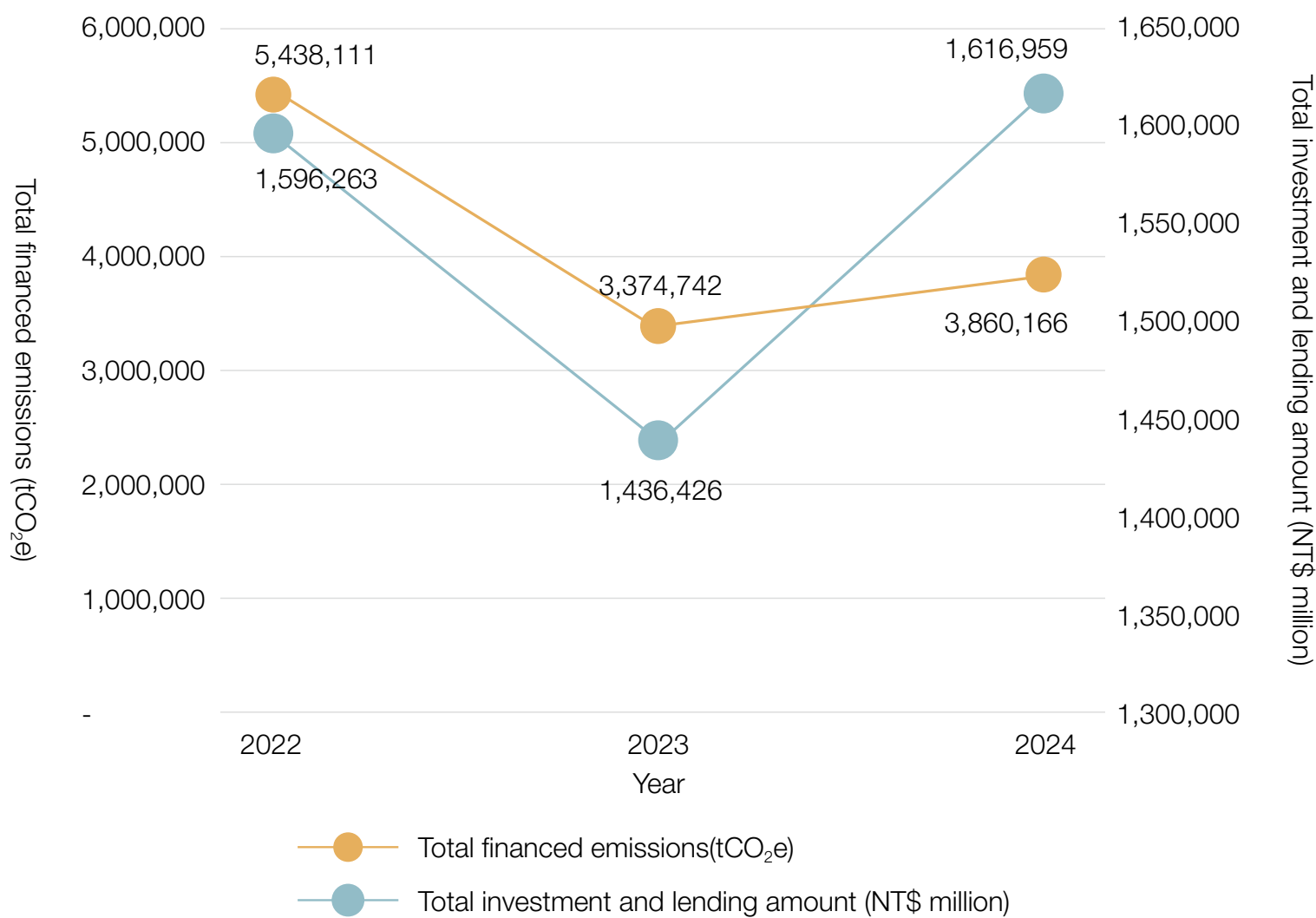
Note 1 In 2023, financed emissions of sovereign debt excluding LULUCF amounted to 852,452 tCO₂e, while those including LULUCF amounted to 793,212 tCO₂e. In 2024, financed emissions of sovereign debt excluding LULUCF amounted to 839,115 tCO₂e, while those including LULUCF amounted to 798,612 tCO₂e.

Note 2 In 2023, corporate bonds investments included one fund investment linked to corporate bonds, with an investment amount of approximately NT\$8 million, contributing to 122 tCO₂e of financed emissions.

Note 3 Financed emissions for 2022 were calculated based on the asset classes defined under the PCAF Standard. Starting in 2023, calculations also incorporated the asset classes outlined in the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks"released in October 2023 by the Bankers Association of the R.O.C., which explicitly defines certain assets to be excluded from the calculation.



SinoPac Holdings Financed Emissions Trends from 2022-2024^{Note 3}



Financed Emissions for Specific Assets (tCO₂e)

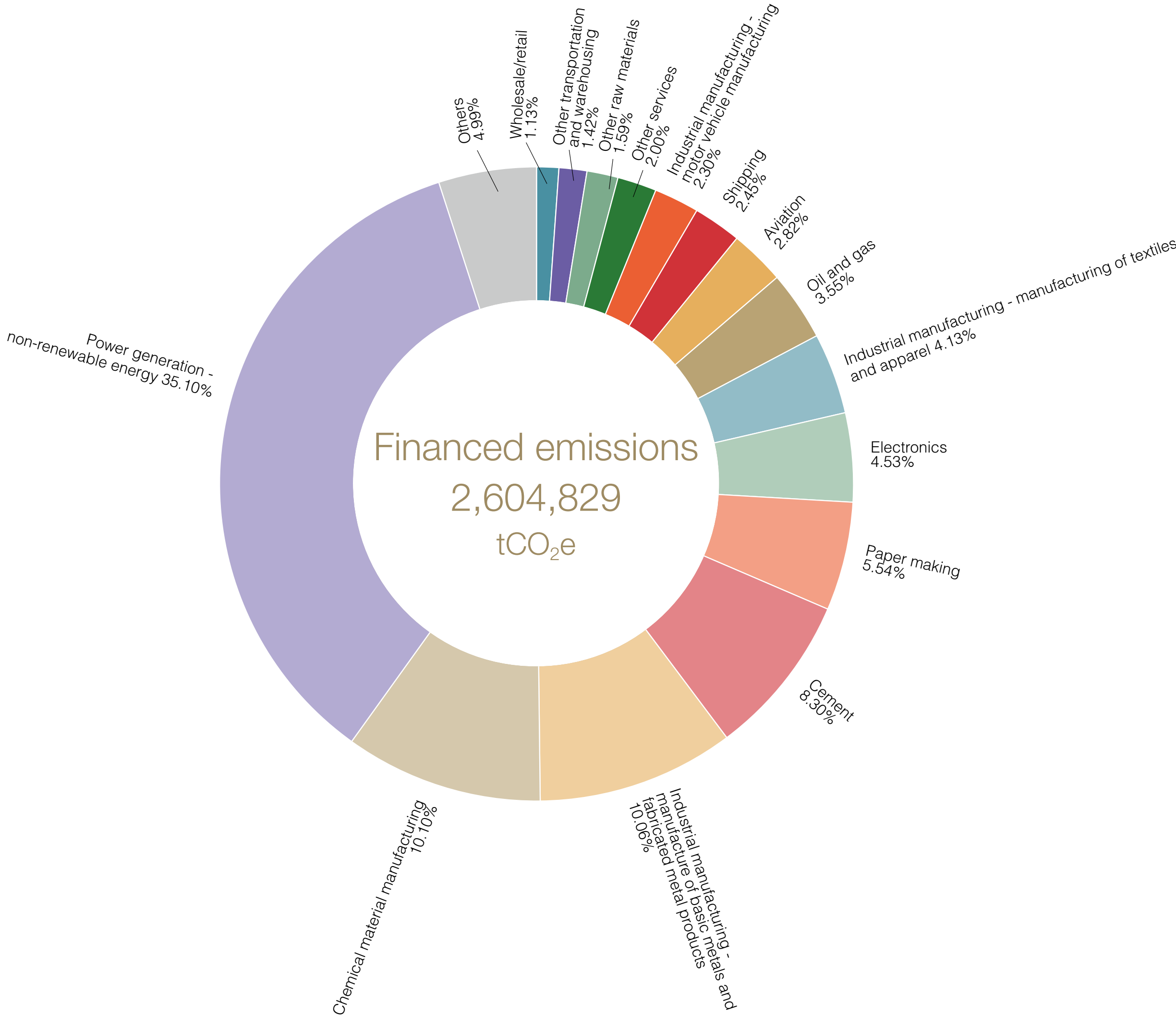
Categorized by industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)

SinoPac Climate Risk Industries	Financed emissions (tCO ₂ e)	Proportion of financed emissions	Economic emission intensity (tCO ₂ e/ NT\$1 million in investment and lending)
Power generation - non-renewable energy	914,203	35.10%	24.7
Cement	216,086	8.30%	59.6
Paper making	144,282	5.54%	29.0
Aviation	73,398	2.82%	17.9
Oil and gas	92,518	3.55%	8.8
Chemical material manufacturing	263,044	10.10%	13.1
Food production	22,576	0.87%	1.2
Shipping	63,938	2.45%	7.6
Real estate	15,813	0.61%	0.1
Other transportation and warehousing	36,891	1.42%	2.0
Industrial manufacturing - motor vehicle manufacturing	59,985	2.30%	3.0
Other raw materials	41,475	1.59%	4.7
Hospitality	7,449	0.29%	1.4
Other public utilities	6,158	0.24%	4.5
Banking	4,973	0.19%	0.0
Financial leasing	3,252	0.12%	0.2
Pharmaceutical chemical materials manufacturing	2,734	0.10%	0.6

SinoPac Climate Risk Industries	Financed emissions (tCO ₂ e)	Proportion of financed emissions	Economic emission intensity (tCO ₂ e/ NT\$1 million in investment and lending)
Wholesale/retail	29,472	1.13%	0.5
Non-profit organization	1	0.00%	0.0
Financial holding	154	0.01%	0.0
Government institution, government-run businesses, and public utilities	747	0.03%	1.6
Agriculture, forestry, fishery, and animal husbandry	5,579	0.21%	3.5
Other services	52,029	2.00%	0.6
Power generation - renewable energy	6,281	0.24%	1.3
Metal mining	1,830	0.07%	10.9
Industrial manufacturing - manufacturing power equipment	7,600	0.29%	1.1
Securities, futures, insurance, and auxiliary financial services	5,183	0.20%	0.3
Investment and other financial services	14,366	0.55%	0.2
Leasing and credit services	3,962	0.15%	0.3
Construction	2,024	0.08%	0.2
Industrial manufacturing - manufacturing of textiles and apparel	107,581	4.13%	6.5
Industrial manufacturing - other manufacturing	19,258	0.74%	1.0
Industrial manufacturing - manufacture of basic metals and fabricated metal products	261,942	10.06%	6.6
Electronics	118,044	4.53%	1.6
Total	2,604,829	100.00%	2.9

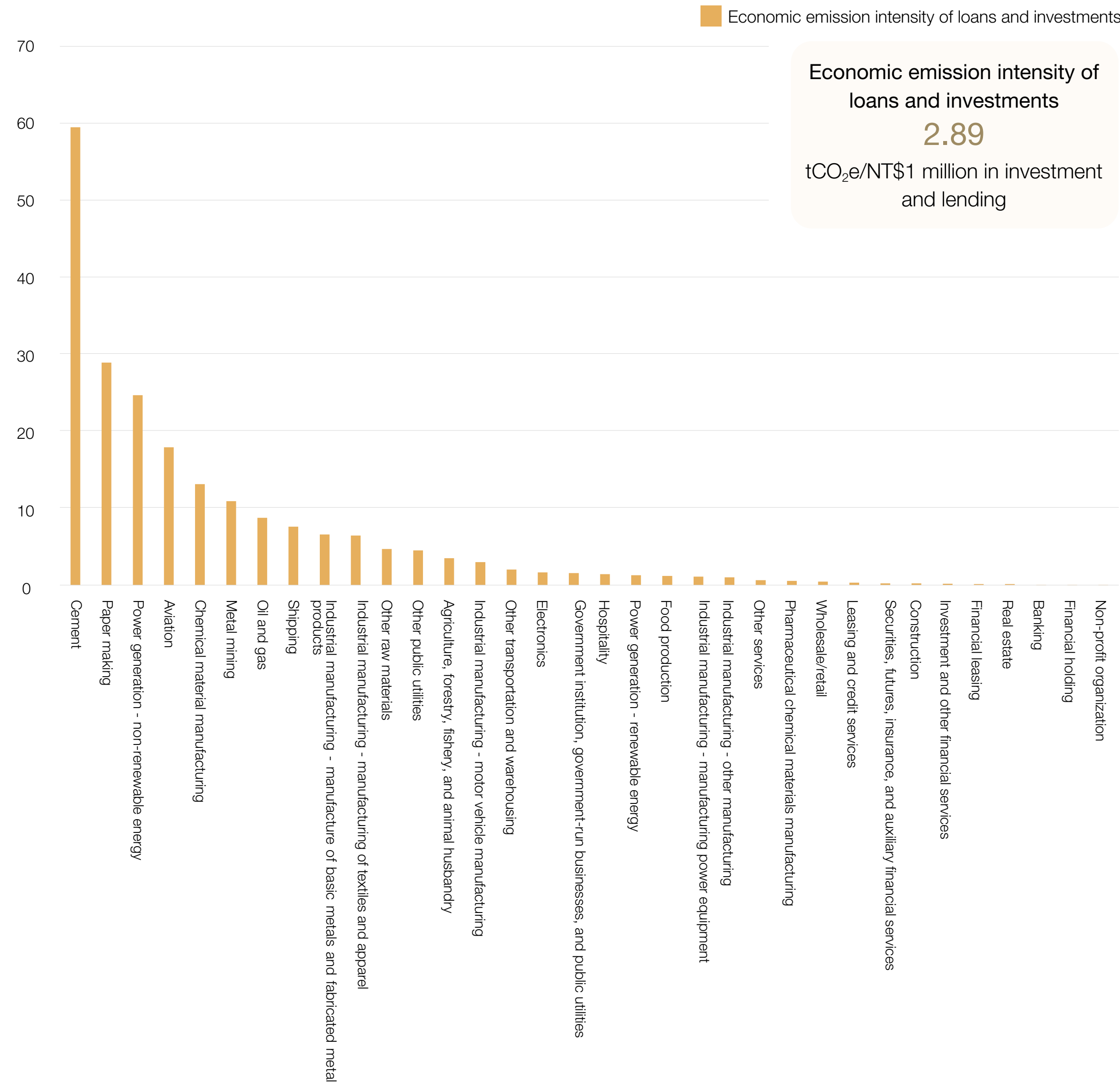
[Financed Emissions for Specific Assets \(tCO₂e\)](#)

Categorized by industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)

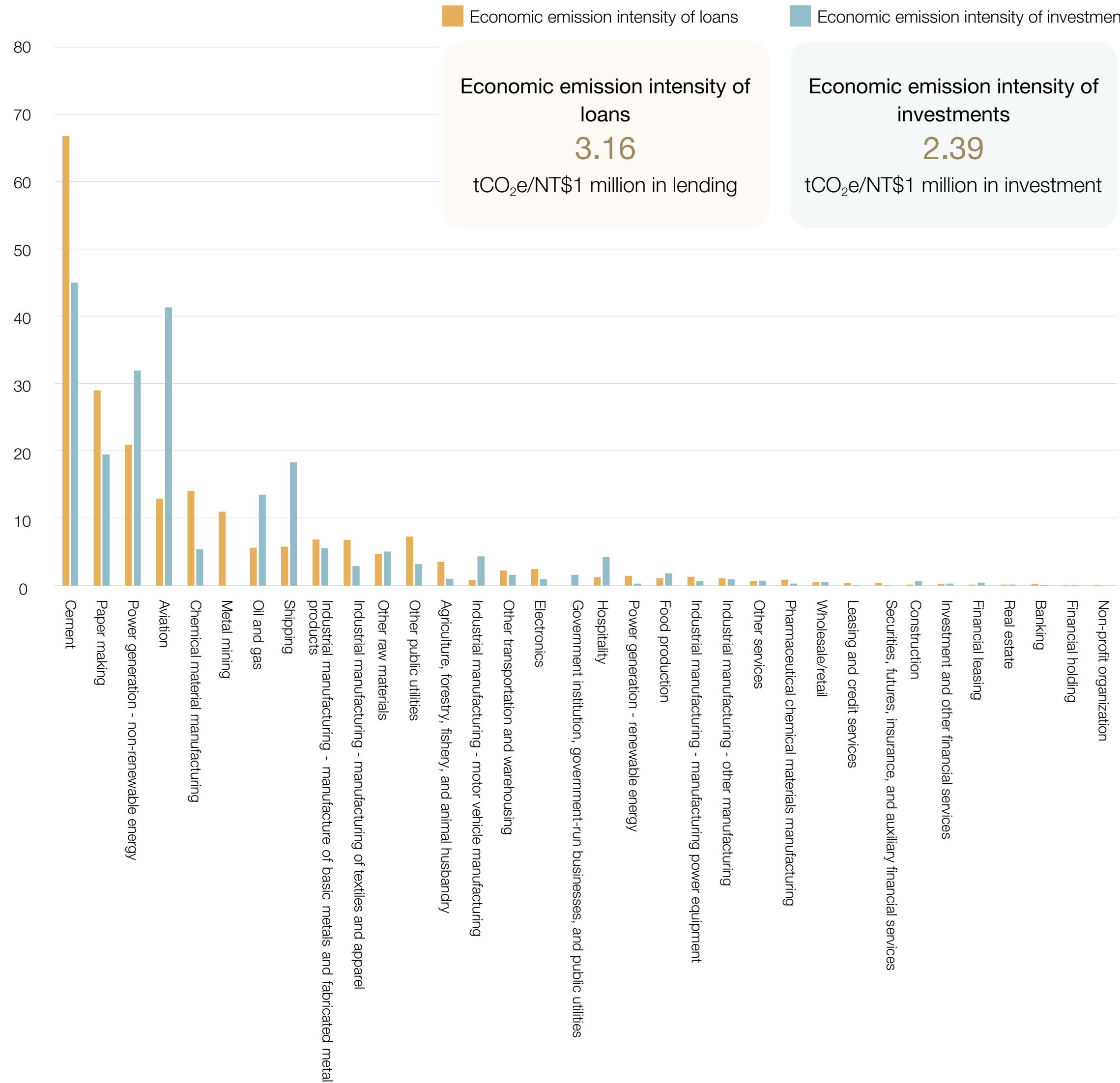


Economic Emission Intensity for Specific Assets (NT\$1 million in investment and lending)

Categorized by industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)



Categorized by asset and industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)



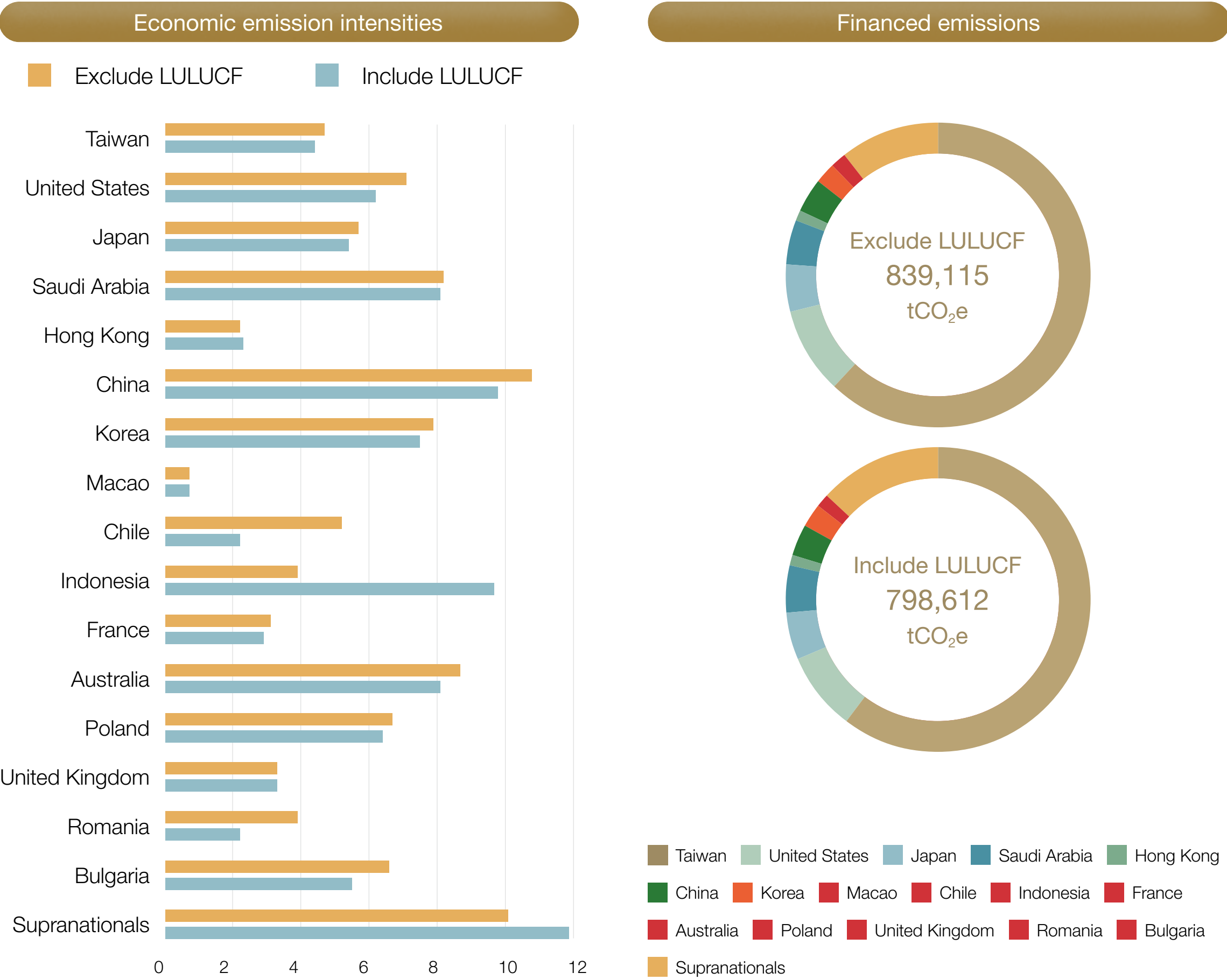
[Financed Emissions for Specific Assets \(tCO₂e\)](#)

Categorized by country (sovereign debt)

Sovereign countries	Investment and lending amounts (NT\$ million)	Financed emissions (exclude LULUCF) (tCO ₂ e)	Economic emission intensities (exclude LULUCF) (tCO ₂ e/ NT\$1 million in investment and lending)	Financed emissions (include LULUCF) (tCO ₂ e)	Economic emission intensities (include LULUCF) (tCO ₂ e/ NT\$1 million in investment and lending)
Taiwan	110,248	521,683	4.7	481,852	4.4
United States	10,637	75,169	7.1	66,227	6.2
Japan	7,542	42,979	5.7	41,077	5.4
Saudi Arabia	4,834	39,784	8.2	39,120	8.1
Hong Kong	4,310	9,668	2.2	9,781	2.3
China	2,705	29,292	10.8	26,637	9.8
Korea	2,514	19,967	7.9	18,834	7.5
Macao	2,372	1,585	0.7	1,585	0.7
Chile	1,278	6,679	5.2	2,863	2.2
Indonesia	432	1,687	3.9	4,185	9.7
France	168	515	3.1	495	2.9
Australia	97	853	8.7	788	8.1
Poland	86	576	6.7	547	6.4
United Kingdom	81	265	3.3	266	3.3
Romania	62	240	3.9	137	2.2
Bulgaria	34	227	6.6	189	5.5
Supranationals	8,746	87,947	10.1	104,029	11.9
Total	156,148	839,115	5.4	798,612	5.1

[Avoided Emissions](#)

Avoided emissions refer to emission reductions that the financed project produces versus what would have been emitted in the absence of the project (the baseline emissions). In the context of the PCAF Standard, avoided emissions are only from renewable energy projects. Avoided emissions from renewable energy project financing as of December 31, 2024 amounted to **1.74 million tCO₂e**.



5.6.2 Financed emissions of asset management businesses of SinoPac SITC

The Company conducted a financed emissions inventory of asset management businesses of SinoPac SITC. The coverage rate was 98.67% (ratio of inventoried amount to overall asset management amount of SinoPac SITC). The financed emissions totaled 0.31 million tCO₂e and the economic intensity was 4.1 tCO₂e/ NT\$1 million in investment.



Unit: Position amount (NT\$ million) ; Financed emissions (tCO₂e); Economic emission intensity (tCO₂e/NT\$1 million); Data quality score (1: best, 5: worst)

Asset class	2023							2024						
	Amount included in inventory	Proportion of overall asset management amounts at SinoPac SITC ^{Note 3}	Coverage rate applicable under the PCAF Standard	Financed Emissions	Proportion of financed emissions	Economic emission intensity	Data quality score	Amount included in inventory	Proportion of overall asset management amounts at SinoPac SITC ^{Note 3}	Coverage rate applicable under the PCAF Standard	Financed Emissions	Proportion of financed emissions	Economic emission intensity	Data quality score
Equity	28,543	50.92%	99.90%	76,097	27.66%	2.7	1.2	34,445	45.18%	99.97%	83,405	26.85%	2.4	1.3
Corporate bonds	20,281	36.18%	97.66%	151,079	54.92%	7.4	1.2	18,384	24.12%	98.54%	43,826	14.11%	2.4	1.5
Sovereign debt (exclude LULUCF) ^{Note 1}	5,929	10.58%	100.00%	47,915	17.42%	8.1	1.0	22,388	29.37%	100.00%	183,355	59.04%	8.2	1.0
Inventoried positions	54,753	97.68%	97.68%	275,091	100.00%	5.0	1.2	75,217	98.67%	98.67%	310,586	100.00%	4.1	1.3
Uninventoried positions ^{Note 2}	1,300	2.32%						1,015	1.33%					
Total	56,053	100.00%						76,232	100.00%					

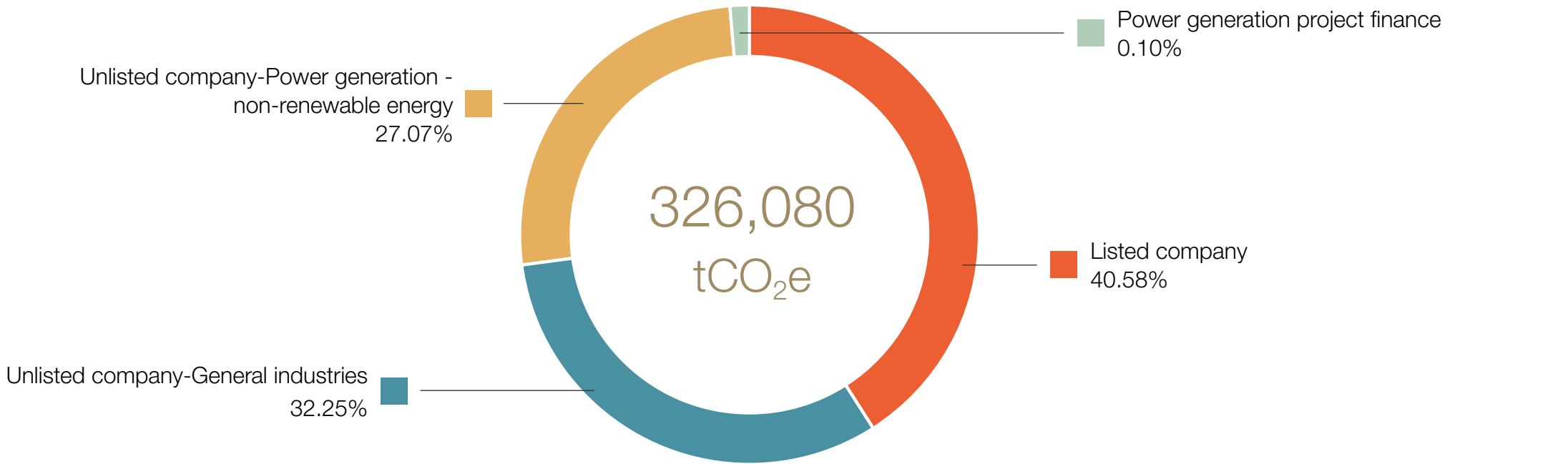
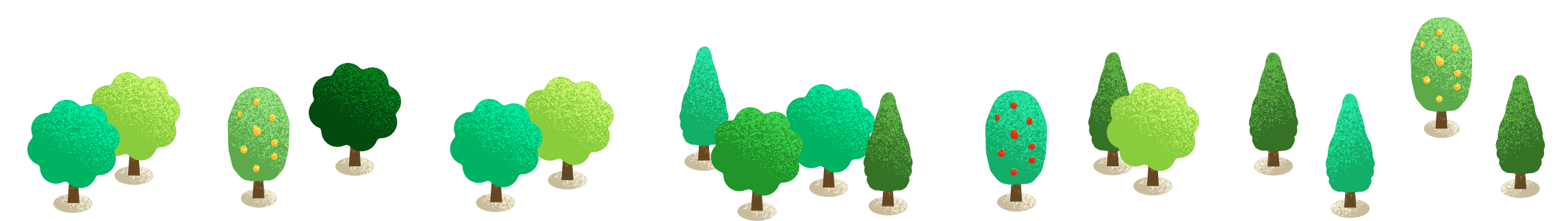
Note 1 In 2024, financed emissions of sovereign debt under asset management excluding LULUCF amounted to 183,355 tCO₂e, while those including LULUCF amounted to 161,556 tCO₂e.

Note 2 The scope of the inventory adhered to the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Lending Portfolios of Domestic Banks."Positions excluded from the inventory were due to the unavailability of complete fund holding information or a small amount of incomplete inventory information.

Note 3 The asset management inventory covers asset classes consistent with the PCAF Standard. Asset classes for which PCAF has not released related technical documents (including short-term bills, deposits, repurchase agreement, and derivatives) are excluded.

5.6.3 Facilitated Emissions of Capital Markets

The Company inventoried underwriting/syndicated loan cases in 2024 led by SinoPac as lead bookrunner in accordance with the recommended inventory scope described in the "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B"released by PCAF in December 2023, calculating GHG emissions associated with capital market^{Note 1}. The coverage rate was 100%, and the facilitated emissions amounted to 0.33 million tCO₂e.



Unit: Facilitated amounts (NT\$ million); Facilitated emissions (tCO₂e); Economic emission intensity (tCO₂e/NT\$1 million); Data quality score (1: best, 5: worst)

Facilitated capital market activities		2023							2024						
		Facilitated amounts included in inventory	Proportion of facilitated amounts led by SinoPac	Coverage rate applicable under the PCAF Standard ^{Note 2}	Facilitated emissions	Proportion of facilitated emissions	Economic emission intensity	Data quality score	Facilitated amounts included in inventory	Proportion of facilitated amounts led by SinoPac	Coverage rate applicable under the PCAF Standard ^{Note 2}	Facilitated emissions	Proportion of facilitated emissions	Economic emission intensity	Data quality score
Listed company		415,443	48.29%	99.08%	271,231	54.50%	0.7	1.0	335,582	33.43%	100.00%	132,329	40.58%	0.4	1.1
Unlisted company	General industries	414,910	48.23%	98.57%	118,688	23.85%	0.3	1.3	651,511	64.89%	100.00%	105,147	32.25%	0.2	1.2
	Power generation -non-renewable energy	9,540	1.11%	100.00%	104,404	20.98%	10.9	1.3	7,000	0.70%	100.00%	88,285	27.07%	12.6	1.0
Power generation project finance		10,566	1.23%	100.00%	3,368	0.68%	0.3	3.0	9,871	0.98%	100.00%	319	0.10%	0.03	3.0
Inventoried facilitated activities		850,458	98.85%	98.85%	497,690	100.00%	0.6	1.2	1,003,964	100.00%	100.00%	326,080	100.00%	0.3	1.1
Uninventoried facilitated activities ^{Note 3}		9,879	1.15%						-	0%					
Total		860,338	100.00%						1,003,964	100.00%					

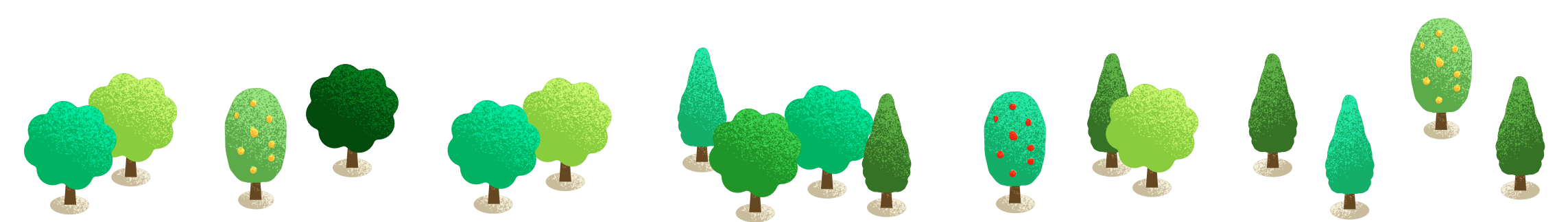
Note 1 According to PCAF Standard , calculation of facilitated emissions should be multiplied by a weighting factor of 33% which is used to assess the responsibility of facilitator for the issuer's emissions. Therefore, the formula for calculation is Attribution factor × Weighting factor (33%) × Company emissions. Facilitated emissions and financed emissions should not be aggregated, and a unit of financed emissions is not equal to a unit of facilitated emissions.

Note 2 The coverage rate here is calculated only using the facilitated amounts from underwriting/syndicated loans led by SinoPac as lead bookrunner, and not overall funds raised of the Company.

Note 3 Facilitated activities that cannot be inventoried are due to incomplete inventory information.

5.7 Internal Carbon Pricing

SinoPac Holdings strives to enhance climate awareness and promote low-carbon transformations. In 2022, we implemented internal carbon pricing (ICP) mechanisms at SinoPac Holdings and our first-tier subsidiaries to increase energy usage efficiency and reduce carbon emissions, thereby strengthening our carbon reduction awareness and encouraging behavioral changes within the organization. SinoPac Holdings implements Internal Carbon Pricing (ICP) using its own electricity consumption (Scope 2) as the baseline, and applies a shadow price to evaluate the effectiveness of energy conservation and carbon reduction initiatives at its operating sites. Each year , energy-saving benefits are assessed based on actual carbon reduction performance. After accounting for hidden carbon costs, the Company promotes corresponding low-carbon investments. For example, in 2024, the Company spent NT\$36.07 million on purchasing green electricity, NT\$21.17 million on replacing outdated equipment, upgraded traditional lighting to LED fixtures, and utilized or initiated the development of solar power generation facilities. SinoPac's analysis shows that the average cost of reducing each ton of CO₂e in recent years remains at NT\$5,000 per ton, which continue to serve as the reference basis for internal carbon pricing. At the beginning of each year, the internal carbon pricing mechanism takes into account the carbon reduction targets and implementation status of subsidiaries to calculate their carbon emission costs or carbon income and to further plan optimal actions and formulate carbon reduction plans. Energy conservation benefits are evaluated based on carbon reduction results of carbon reduction targets to conduct trial calculations of carbon prices. Subsidiaries that do not meet the target will have their carbon fees calculated, and those who meet the target will have their carbon income calculated thereby achieving substantial carbon emissions reduction. SinoPac Holdings will continue to use Science Based Targets (SBT) and international carbon pricing trends to make ongoing ICP adjustments and gradually link the ICP to its commitment to achieving net zero emissions in company operations by 2030 while expanding the scope of application.



5.8 Water Usage and Waste Management

Water Management

The water resources used by SinoPac Holdings and its subsidiaries are mainly tap water, and mainly used for drinking, air conditioning, and cleaning. There is no groundwater or other sources of water supply. In 2024, due to a 14.44 % increase in headcount compared to the 2021 base year and an increase in operating bases, the overall water consumption was 171,417 cubic meters, which represents a 1.12 % decrease compared to the base year, per capita water consumption was 15.88 cubic meters, representing a 13.60% reduction compared to the baseline year. The Company promoted water-saving measures and took relevant water conservation measures such as cherishing water resources to all colleagues through the replacement of air-conditioning cooling towers, installation of sensor faucets, and the "SinoPac Life" website platform.

Water Resources Management Criteria and Water Use from 2021 to 2024

Water Resources Management Criteria	Unit	2021 ^{Note 4}	2022 ^{Note 5}	2023 ^{Note 5}	2024 ^{Note 5}
 Total water consumption ^{Note 1}	cubic meters	173,360	173,369	174,609	171,417
 Per-capita water consumption (water consumption intensity) ^{Note 2}	cubic meters/person	18.38	17.84	16.88	15.88
 Data Coverage ^{Note 3}	%	100	100	100	100

Note 1 Water consumption was calculated by the actual usage on water bills of SinoPac Holdings and its five subsidiaries. The water consumption of SinoPac Holdings is mainly domestic water, and the fresh water withdrawal is equivalent to the water discharge, hence the net consumption of fresh water is 0.

Note 2 Per-capita water consumption = Amount of water use within the scope of this report/total number of SinoPac Holdings' employees. The number of employees refers to the number of domestic and overseas sites full-time employees excluding dispatched employees.

Note 3 The number of employees refers to the number of domestic and overseas sites full-time employees excluding dispatched employees.

Note 4 The externally verified domestic water consumption in 2021 was 171,054 cubic meters. The remaining unverified data are estimated by 2021 unverified values of overseas sites (2,306 cubic meters of water consumption).

Note 5 All domestic and overseas operating sites of SinoPac Holdings and all its subsidiaries will be included in the statistical scope (aligned with the boundaries of SinoPac Holdings Consolidated Financial Report)

Waste Management

Waste from the office buildings of SinoPac Holdings and its subsidiaries is mainly domestic waste. Recyclable waste is divided into four categories: paper, bottles, iron and aluminum cans, and IT equipment. All general and recyclable waste is shipped by qualified contractors to incinerators or recycling sites for disposal. The paper waste is collected and managed by the responsible unit of the Company and handled in accordance with the document destruction rules before being handed over to the paper manufacturer for disposal as recycled paper raw material. The waste of electronic product waste is handled in accordance with internal information safety rules, and any digital data related to customer information is also kept secure and confidential and destroyed in accordance with the internal rules and procedures. SinoPac Holdings starts to calculate total waste from the seven self-owned buildings based on the actual weight since 2019, and in 2020 the newly added data from Xingda Building was also included in the scope of waste management in 2020. In 2021, the coverage of waste management was expanded to all our domestic operation sites and reached a 100% coverage rate. In 2024, due to the expansion of personnel and increase in operating locations, the total weight of waste produced from business operations was 554.47 metric tons, which is a 2 % increase from 2021 (base year).



Waste Management Criteria and Total Waste from 2021 to 2024.

Type of Waste (Metric Tons)		2021	2022	2023	2024
Recyclable Waste ^{Note 1}	Paper/bottles/iron and aluminum cans	204.70	189.03	182.48	189.57
	Electronic waste (computers/monitors/ printers)	N/A	1.66	0.43	1.05
General Industrial Waste ^{Note 2}	Incineration process volume	358.36	389.08	365.80	363.84
	Landfill volume	0	0	0	0
Total Waste ^{Note 3}		563.06	579.77	548.71	554.47
Data Coverage ^{Note 4}		100%	100%	100%	100%

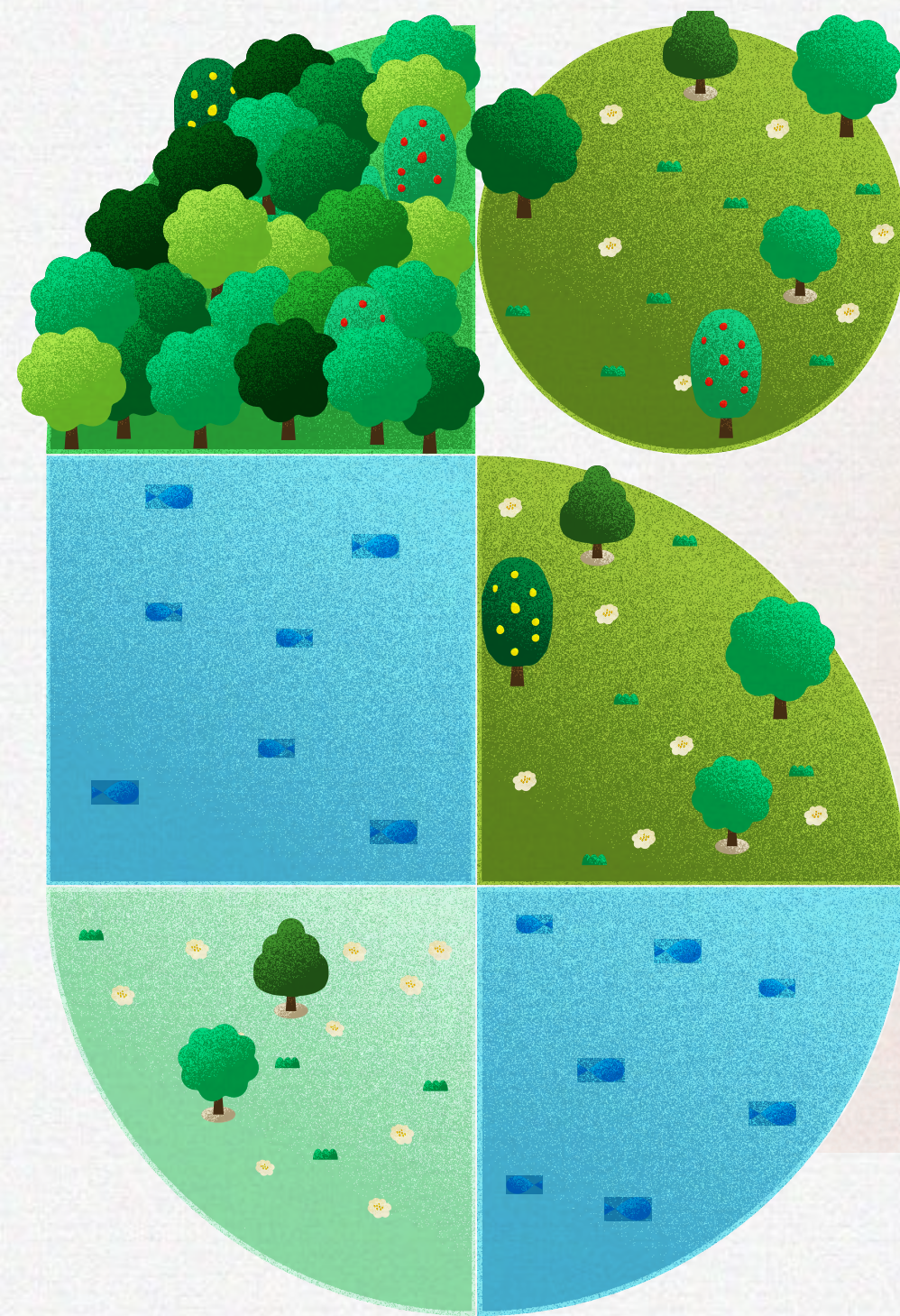
Note 1 All recyclable wastes are handed over to qualified contractors for disposal. Since 2021, SinoPac Holdings has started to track the flow of waste recycled by contractors. Among them, paper (41.73 tons in 2022, 44.50 tons in 2023 and 48.65 tons in 2024) is transported to paper mills for water destruction, recycling, and reuse. The flow of other categories of recycling waste will continue to be tracked.

Note 2 General industrial waste is disposed of by qualified contractors and shipped to local incinerators equipped with waste heat recovery systems for power generation.

Note 3 In 2021, SinoPac Holdings started to weigh the total waste produced from SinoPac Holdings and all its subsidiaries.

Note 4 Data coverage was calculated based on the number of employees; the number of employees referred to the number of full-time employees in Taiwan excluding dispatched and overseas employees.





Future Outlook

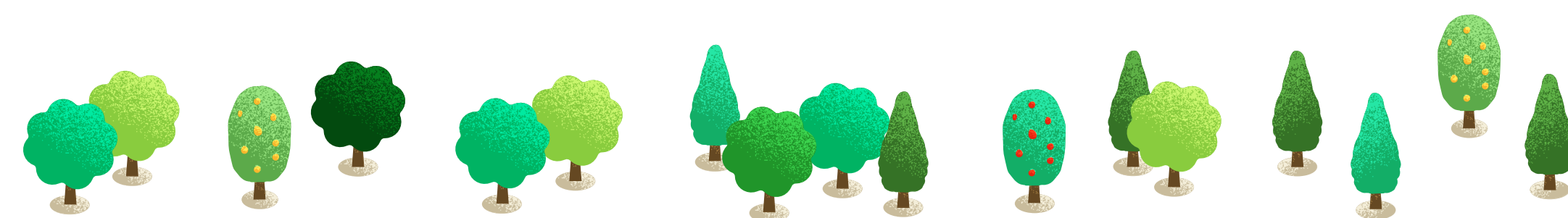
F U T U R E

As the global frequency and severity of extreme weather events continue to intensify, ecosystems are increasingly at risk of rapid degradation. In response, SinoPac Holdings remains committed to advancing its efforts in sustainability, climate, and nature-related initiatives. In January 2024, the Company obtained SBTi validation, and by 2025, it became a member and adopter of the TNFD Forum as well as a supporter of PBAF. These milestones reflect SinoPac Holdings' strong commitment to proactively addressing, mitigating, and adapting to the risks of climate change and ecosystem degradation.

In terms of climate action, SinoPac Holdings continues to expand the scope of its decarbonization commitment, striving toward the goal of achieving net-zero emissions across our entire investment and lending portfolio by 2050. We monitor and assess the impacts of climate change, enabling timely adjustments to its climate strategies and risk management measures to mitigate adverse effects. Through climate scenario analysis, SinoPac evaluates the potential impacts of various climate pathways on its operations and financial performance, forming the basis for more resilient strategies and action plans. Moreover, climate-related considerations are embedded into credit and investment decision-making processes, strengthening the foundation for managing climate risks. SinoPac also actively provides green financing and investment products and services to support clients in energy transition, improving energy efficiency, and reducing greenhouse gas emissions—thereby leveraging its core financial capabilities to promote low-carbon transition and the development of green finance.

In response to the global shift toward nature-positive outcomes, SinoPac Holdings continued its collaboration in 2024 with the Taiwan Business Council for Sustainable Development to jointly publish the Industry Guidelines for Climate- and Nature-Positive Actions, aiming to provide actionable solutions for relevant sectors. Recognizing the financial sector's responsibility, SinoPac actively aligns with the TNFD framework by assessing nature-related dependencies, impacts, risks, and opportunities, and disclosing interactions with natural capital across the value chain. Biodiversity considerations have also been integrated into investment and lending assessments to better understand and mitigate negative impacts on nature. In addition, SinoPac supports biodiversity conservation and restoration through partnerships with environmental organizations, contributing to efforts to mitigate biodiversity loss.

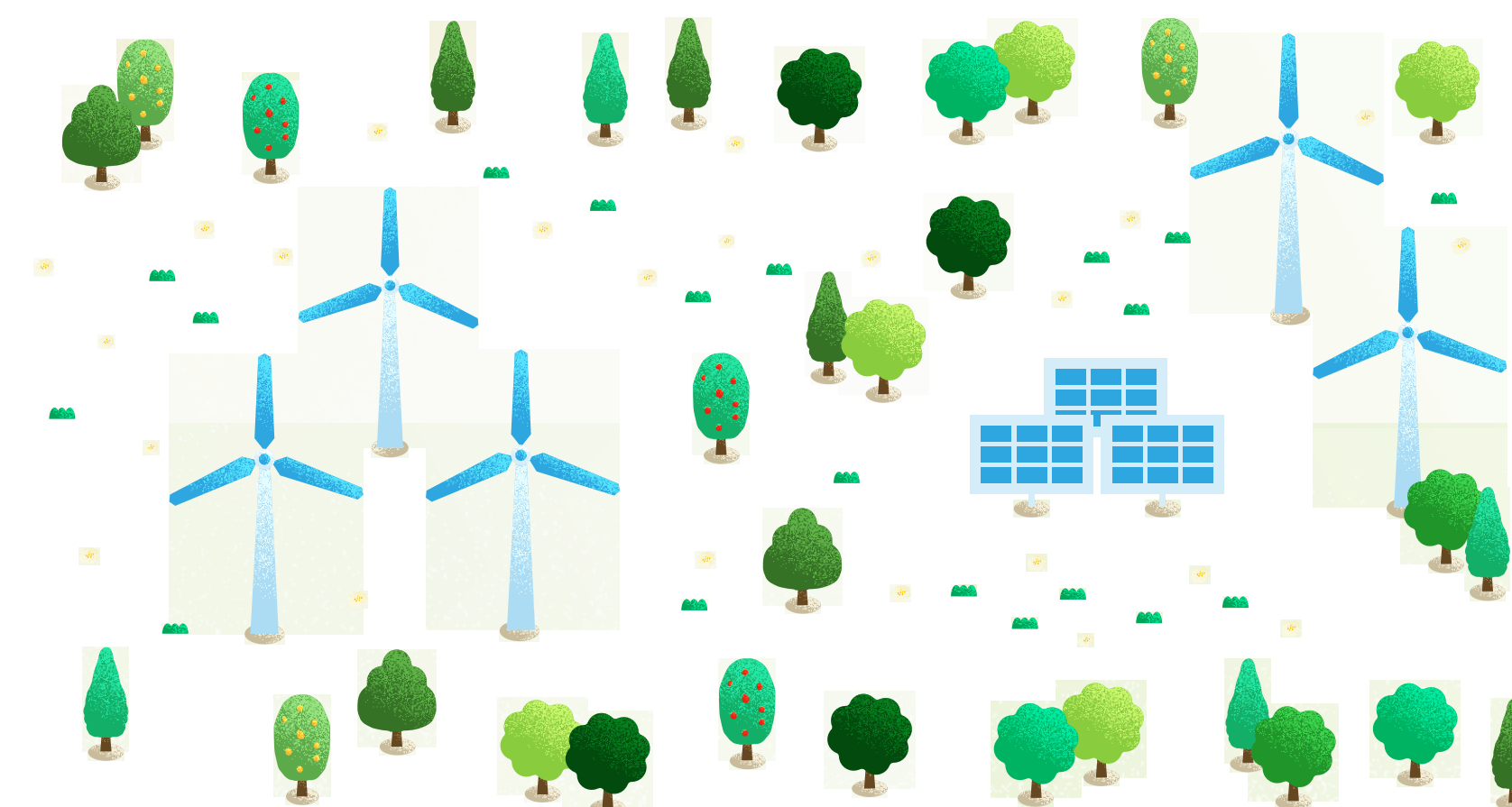
Looking ahead, SinoPac Holdings will continue to address climate and nature-related issues, working with stakeholders to drive low-carbon transition and innovation in green finance. By integrating financial expertise with sustainability principles, SinoPac Holdings strives to create shared value for both business and society.



SinoPac Holdings Protects the Planet Through Action

SinoPac Holdings actively promotes global sustainability. Since 2019, we have launched the "SinoPac Life" website and designated the 17th of every month as "SinoPac Environmental Day." Through diverse channels such as educational campaigns, advocacy activities, social media, and commercial services, we encourage employees, customers, and the general public to take green actions in their daily lives. For six consecutive years, we have participated in the "A Million Acts of Green" initiative, as well as international campaigns such as "Earth Hour" and the "21-Day Green Living Challenge," demonstrating our commitment to energy conservation and carbon reduction. We also organized the "SinoPac Love Cycle" event to facilitate donations of idle items, combining environmental protection with public welfare and expanding our positive social impact.

SinoPac Holdings is also deeply committed to ocean sustainability. We designated a whale& dolphin-themed branch, supported the "Project Blue 2.0" and "Ocean Oasis Project" initiatives, and carried out beach cleanups and ecological restoration efforts to help protect Taiwan's biodiversity. By leveraging corporate influence and collaborating with stakeholders, SinoPac Holdings strives to safeguard the planet and create a better living environment for future generations. (For details, please refer to Section 6.4 "Raise Climate Awareness to Mitigate and Adapt to Climate Change" in the [SinoPac Holdings 2024 Sustainability Report](#).)



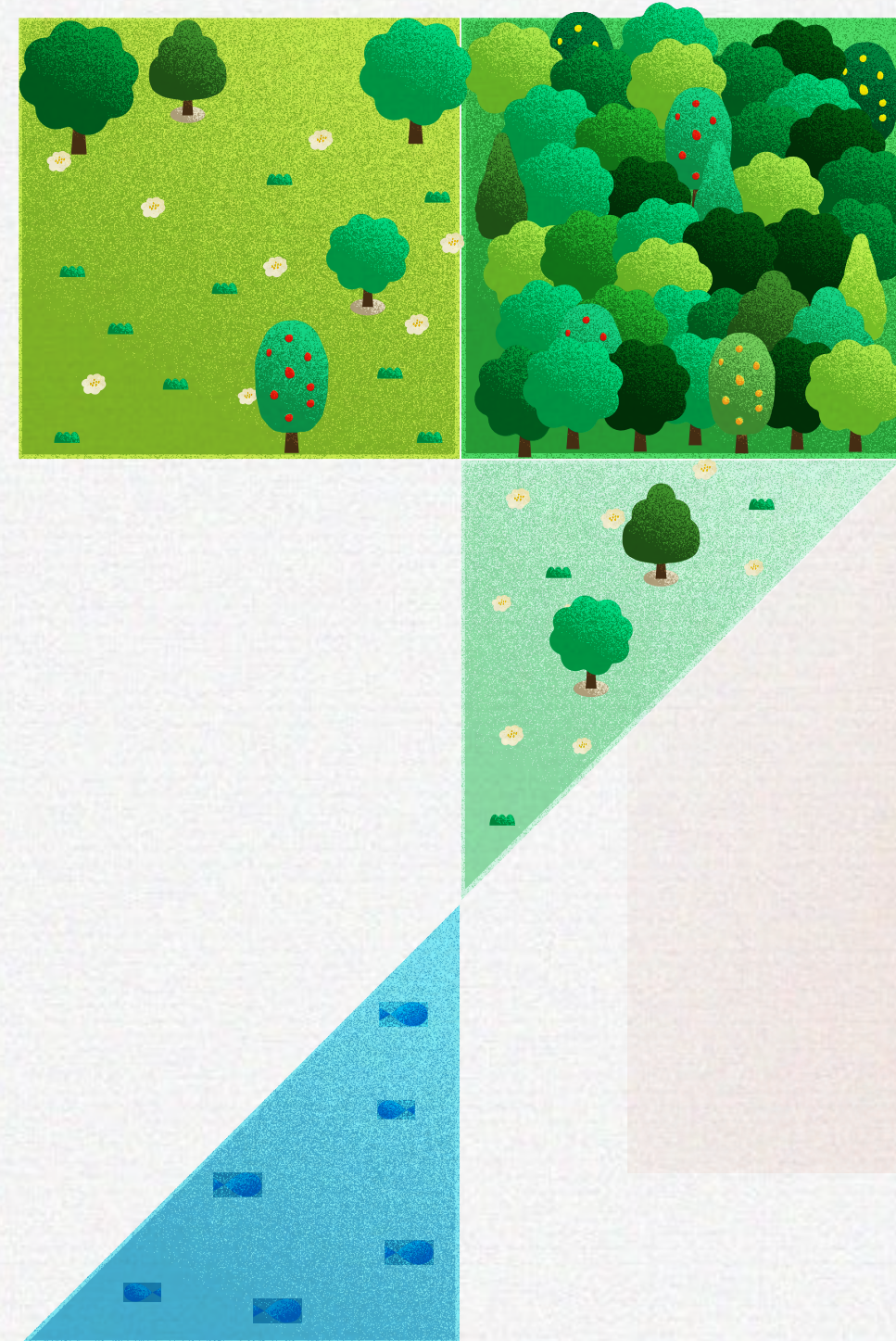
Appendix

TCFD's Recommended Disclosures

TNFD's Recommended Disclosures

IFRS S2 Index

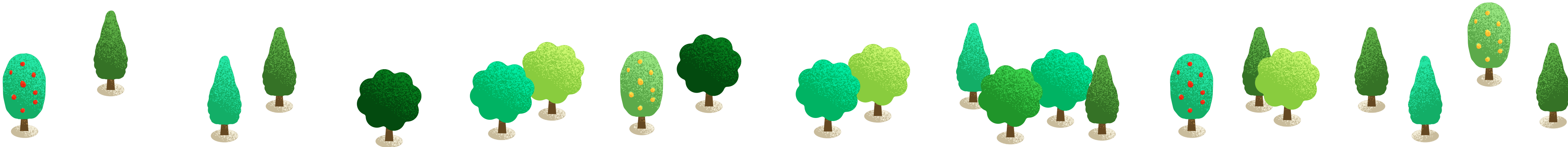
TCFD Compliance Assurance Statement



A P P E N D I X

TCFD's Recommended Disclosures

Aspect	TCFD's recommended disclosures	Corresponding Chapters
Governance	Describe the board's oversight of climate-related risks and opportunities.	1.2
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.1 、 1.3 、 5.3
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.1
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.1 、 2.2 、 2.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	2.2 、 3.1 、 3.2 、 3.3 、 3.5
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	2.1 、 4.1
	Describe the organization's processes for managing climate-related risks.	2.1 、 4
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5.1 、 5.2
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	5.4 、 5.6
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	5



TNFD's Recommended Disclosures

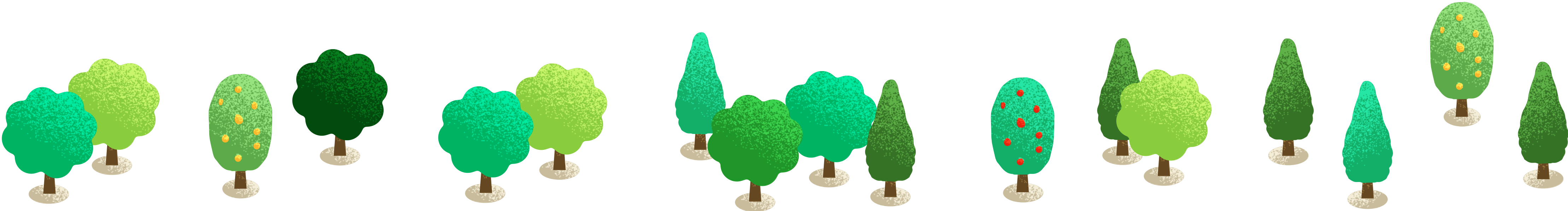
SinoPac Holdings will continuously refine the disclosure contents and analysis methods of the four aspects, "Governance,""Strategy,""Risk and Impact Management,"and "Metrics and Targets,"in accordance with TNFD and its latest published documents.

Aspect	TNFD's recommended disclosures	Corresponding Chapters
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	1.2
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.1 ∨ 1.3 ∨ 5.3
	Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	1.4 ∨ 4.2
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.	2.1 ∨ 2.3
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	2
	Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	2.2 ∨ 2.3 ∨ 3.4
	Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	2.3
Risk & Impact Management	(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.	2.1 ∨ 2.3 ∨ 4.3
	(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	2.1 ∨ 2.3 ∨ 4
	Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.	2.1 ∨ 2.3 ∨ 4
	Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.	4
Metrics and Targets	Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	5.1 ∨ 5.2
	Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.	2.3
	Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	5

IFRS S2 Index

SinoPac Holdings will align with the relevant regulations of the Financial Supervisory Commission R.O.C. (Taiwan) to adopt IFRS S2 and continuously improve the disclosure contents and analytical methods.

Aspect	IFRS S2 Index	Corresponding Chapters
Objective	Paragraphs 1-2	All chapters
Scope	Paragraphs 3-4	All chapters
Governance	Paragraphs 5-7	1 、 5.3
Strategy	Paragraphs 8-14	2 、 5.1
	Paragraphs 15-21	3
	Paragraphs 22-23	2.2 、 3
Risk Management	Paragraphs 24-26	2.1.1 、 3 、 4
Metrics and Targets	Paragraphs 27-28	5
	Paragraphs 29-32	5
	Paragraphs 33-37	5



TCFD Compliance Assurance Statement



By Royal Charter

Conformity Statement

Climate related Financial Disclosure

This is to conform that

SinoPac Financial Holdings Co., Ltd.
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八德路二段 306 號
104498

Holds Statement Number

SRA-TW-822340

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:
SinoPac Financial Holdings Co., Ltd. follows the Recommendations of the Task Force on Climate-related
Financial Disclosures (TCFD) with Supplemental Guidance for the Financial sector (Asset Managers Sectors)
to disclose climate-related financial information which is clear, comparable and consistent its organizational
risks and opportunities as well as its financial impacts. The disclosures covers the four core elements of the
TCFD and is prepared based on the seven guiding principles for effective disclosures.

The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the
Financial Sector (Asset Managers Sectors) is **Level-5+: Excellence** grade.

涵蓋金融業補充指引(資產管理者)之氣候相關的財務揭露的成熟度模型為[第五級 **PLUS**：優秀]等級。

For and on behalf of BSI



Managing Director BSI Taiwan, Peter Pu

Latest issue: 2025-06-09

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Conformity Check Overall Result:

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