

2025

Climate and Nature-Related Financial Disclosures Report





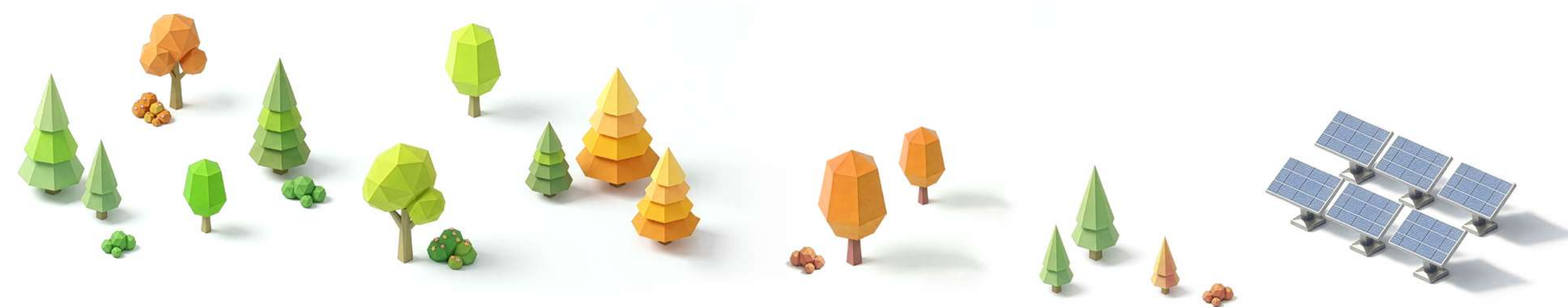
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A Message from the Chairman

2025 remained a year of profound uncertainty. We witnessed the continued acceleration of geoeconomic fragmentation alongside shifting trade policies among major economies. In particular, the renewed rise of tariff barriers has significantly disrupted global supply chains and introduced further uncertainty to global economic growth. At the same time, the explosive growth in demand for AI computing power has ushered in a new wave of technological transformation. While greatly enhancing efficiency, it has also placed unprecedented pressure on global energy systems, especially on the stability and availability of renewable energy supply. According to the Global Risks Report published by the World Economic Forum (WEF) in January 2026, “geoeconomic confrontation” has, for the first time, ranked as the most significant short-term global risk. As the world moves toward “multipolarity without multilateralism”, regional cooperation faces mounting challenges, weakening collective capacity to address critical issues such as extreme climate events and financial stability. From a long-term perspective, however, environmental risks remain dominant. Extreme weather events as well as loss of biodiversity and ecosystem collapse remain the top two risks, with half of the top ten long-term risks being environmental in nature. Economic losses from natural disasters have also risen steadily in recent years. According to Munich Re data, total losses reached US\$224 billion in 2025, with 92% attributed to climate factors. Against this backdrop of persistent uncertainty and the increasing normalization of extreme climate events, resilience remains the cornerstone of SinoPac Holdings’ strategy. We navigate change with discipline and foresight, committed to transforming risks into opportunities, safeguarding assets and creating long-term value for all stakeholders.

Climate change has become a systemic risk that directly impacts corporate costs and long-term resilience. As a capital provider in the financial sector, we are committed not only to improving the energy efficiency of our own operations, but also to channeling capital toward industries and enterprises that contribute positively to the environment. Our approach is guided by a clear “subtraction and addition” framework. On the one hand, we define and phase out activities that no longer align with our transition pathway. We have therefore committed to fully exit financing and investment in thermal coal and unconventional oil and gas exposures without credible transition plans by 2030, thereby reducing climate-related risks within our portfolio. On the other hand, we continue to scale up businesses that contribute positively to the environment and climate, steadily expanding our green asset base. Sustainability has been a core strategic pillar since 2022. Clean energy financing has long been a key focus, and since 2025, we have further expanded into the circular economy, aligning with Taiwan’s Pathway to Net-Zero Emissions and its energy and industrial transition strategies. Under this framework, SinoPac has developed deep expertise in renewable energy financing, maintaining a leading position in solar PV equipment financing. We are also the only financial institution to have received the Top Solar Award from the Energy Administration of the Ministry of Economic Affairs for ten consecutive years. In addition, we actively promote free trading of green electricity, underwrite sustainable bonds to support green enterprises with fundraising, striving to build a robust green energy financial ecosystem. For assets facing decarbonization pressure but not meet the criteria for “subtraction” or “addition,” we deepen our engagement to support their low-carbon transition. In response to Taiwan’s national strategy for “lifestyle transition”, we leveraged digital technologies to develop the “Carbon Off Show Time” platform, integrating sustainability into customers’ daily financial activities, from immersive in-branch service experiences at Carbon Off Show Time counters to online green deposits, digital transactions, wealth management, and day-to-day payments, enabling customers to easily adopt a net-zero green lifestyle. Operationally, we continue to upgrade to energy-efficient equipment, implement paperless processes, and actively sign Power Purchase Agreements (PPAs). As of the end of 2025, renewable energy consumption accounted for 27% of total power consumption of SinoPac Group.





The Financial Supervisory Commission continues to advance Taiwan’s adoption of the IFRS Sustainability Disclosure Standards, and SinoPac Holdings is among the first group of entities required to comply. At the same time, the International Sustainability Standards Board (ISSB) announced in 2025 that nature-related disclosure requirements would be incorporated into its standard-setting agenda, reflecting the growing importance of climate- and nature-related issues in enterprise risk management and disclosure. In response to evolving international trends and regulatory expectations, we continue to strengthen our climate- and nature-related risk management framework. As part of these efforts, we have collaborated with external advisors to incorporate overseas physical climate risk scenario analysis into our value chain assessment and have integrated nature-related considerations into our risk management policies, enhancing our ability to identify and manage emerging risks. We also continue to refine our methodologies and deepen the application of nature-related risk analysis with reference to the Nature-related Risk Research Report for Taiwan’s Financial Industry developed by the Net-Zero Promotion Platform for Financial Institutions. In 2025, we formally became both a Forum Member and Adopter of the Taskforce on Nature-related Financial Disclosures (TNFD), and a Supporter of the Partnership for Biodiversity Accounting Financials (PBAF). Through active participation in these international initiatives, we demonstrate our strong commitment to natural capital protection, biodiversity conservation, and transparent disclosure practices. Building on our ongoing efforts in sustainability governance and disclosure, we have received the British Standards Institution (BSI) Climate-related Financial Disclosure Maturity Model Level 5 Plus: Excellence, the highest rating, for four consecutive years. In 2026, we also completed our first independent verification of nature-related financial disclosures and were awarded the Level 5: Excellence rating under the Nature-related Financial Disclosure Maturity Model, reflecting our continued progress in climate- and nature-related transparency.

Beyond our business operations, we continue to extend our impact through social engagement and conservation initiatives. We have partnered with the Kuroshio Ocean Education Foundation to promote marine mammal conservation and support marine research programs. We also encourage SinoPac volunteers to participate in activities focused on restoring protected species in Taiwan and removing marine debris. Through these efforts, we seek to raise public awareness of marine conservation and advance the goal of a Sustainable Ocean.

In an era marked by accelerating climate change and increasing uncertainty, no one can stand alone. Guided by our commitment to creating shared value for the environment and society, SinoPac Holdings will continue to embed sustainability at the core of our business strategy, strengthen our actions, expand our sustainable finance products and services, align with global sustainability developments, and drive transformation across the financial sector. We sincerely invite all our partners to join us in co-creating a better life.

Together, a better life.

SinoPac Holdings, Chairman
S.K.Chen

A handwritten signature in black ink, reading "S.K. Chen". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Sustainability Performance Highlights

Related evaluations, assessments, or certifications (external recognitions) Items (As of February 2026)



► Relevant evaluations, assessments, or certifications (external recognition)

- SinoPac Holdings was selected as a constituent of the Dow Jones Best-in-Class World Index and Dow Jones Best-in-Class Emerging Market Index.
- SinoPac Holdings was ranked in the top 5% by the S&P Global Sustainability Yearbook for five consecutive years.
- SinoPac Holdings’ MSCI ESG Rating was upgraded to AAA (leader) level in 2025.
- SinoPac Holdings received an A leadership rating in the 2025 Climate Change Questionnaire by the Carbon Disclosure Project (CDP) and has maintained leadership status for six consecutive years.
- SinoPac Holdings issued the “2024 Climate and Nature-Related Financial Disclosures Report” in 2025 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 three consecutive years.
- Bank SinoPac recognized as Outstanding Bank in the Second TCFD Report Evaluation by the Center for Business Sustainability, National Chengchi University.



Sustainability Performance Highlights

Related evaluations, assessments, or certifications (external recognitions) Items (As of February 2026)

► Awards-Overall sustainable developments

- SinoPac Holdings received sixth place in the 2025 Commonwealth Magazine Excellence in Corporate Social Responsibility: Large Enterprise – Financial Industry Group.
- SinoPac Holdings received The Asset 2025 Corporate Sustainability Leadership Awards Platinum Award.
- SinoPac Holdings received HR Asia Best Companies to Work For in Asia for six consecutive years.
- SinoPac Holdings received the Happy Enterprise Gold Award from 1111 Job Bank for five consecutive years.
- SinoPac Holdings received the 2025 Asia Responsible Enterprise Awards (AREA): Corporate Sustainability Reporting Award, Investment in People Award, and Social Empowerment Award, Chairman Madam Shi-kuan CHEN was awarded Responsible Business Leadership.
- SinoPac Holdings received the 2025 Taiwan Corporate Sustainability Awards (TCSA): Taiwan's Top 100 Sustainable Companies Award, Corporate Sustainability Reporting - Gold Award, Climate Leadership Award, Information Security Leadership Award, Creative Human Rights Leadership Award, Workplace Wellbeing Leadership Award, Social Inclusion Leadership Award; and 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 five consecutive years.
- Bank SinoPac received the 2025 Taiwan Corporate Sustainability Awards (TCSA) Creative Communication Leadership Award and Innovation Leadership Award.
- SinoPac Holdings received the 2025 Asia-Pacific Sustainability Action Awards (APSAA) Silver Award for SDG 08: "SinoPac Store Power Up Project."
- Bank SinoPac received five awards at the FinanceAsia Awards 2025, including Winner for Taiwan's Best Sustainable Bank, Taiwan's Best SME Bank, Taiwan's Best Strategy Bank, Taiwan's Best Financial Inclusion Bank, and Taiwan's Best Technology Innovation Bank.

► Awards-Sustainable/innovative products and services

- SinoPac Holdings received International Business Magazine Cybersecurity Innovation Application Award, Best Information Security Leadership Award, and Social Impact Award: Seeing Hometowns Project.
- Bank SinoPac became the only company in Taiwan to receive the Ministry of Economic Affairs Energy Administration Best Financial Service Provider Award for ten consecutive years.
- Bank SinoPac received the 2025 Taiwan Sustainable Action Award (TSAA) Gold Award for SDG7: Sustainable Commitment Driving Green Business Opportunities and Silver Award for SDG10: Inclusive Finance Without Barriers.
- Bank SinoPac received the 2025 Asia-Pacific Sustainable Action Award (APSAA) Silver Award for SDG8: DA BOSS.
- SinoPac Holdings subsidiaries Bank SinoPac, SinoPac Securities, and SinoPac Securities Investment Trust received 2025 Taiwan Sustainable Investment Awards (TWSIA) Silver Award for Corporate Engagement in Institutional Influence Category, Silver Award for Sustainability Bond Thematic Investment in The Exemplary Case Impact Recognition, Benchmark Award for Institutional Influence in Securities Company, Bronze Award for Shareholder Action (Voting Rights Exercise), Role Model Award of Securities Investment Trust Group in The Institutional Influence Category, and Bronze Award for Shareholder Action in The Exemplary Case Impact Recognition.



Company Overview

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

Profile of SinoPac Holdings

In NT\$ million (by the end of 2025)

Headquarters	Taipei, Taiwan
Establishment Date	May 9, 2002
Paid-in capital	145,023
Total assets	3,694,234
Total number of employees	11,543
Industry	Finance and insurance
TWSE stock code	2890

About the Subsidiaries

Bank SinoPac	King's Town Bank	SinoPac Securities
Bank SinoPac’s main businesses include corporate banking, retail banking, wealth management, financial services, and electronic banking. In addition to 125 branches and Offshore Banking Unit, Bank SinoPac has overseas branches in Hong Kong, Kowloon, Macau, Los Angeles, Ho Chi Minh City, as well as a Vietnam Representative Office. In addition, SinoPac Holdings has also invested in subsidiaries such as SinoPac Insurance Brokers Limited., Bank SinoPac (China) and Amret Plc. (The transfer of an 80% equity stake in Amret was completed on January 14, 2025) to provide customers with comprehensive services.	King’s Town Bank offers a comprehensive range of services, including deposits and loans, foreign exchange, trust, and wealth management. It operates 66 branches across Taiwan, of which 43 are in Yunlin, Chiayi, and Tainan, making it the bank with the highest branch density in the Yun-Chia-Nan region among its peers. This demonstrates its strong local service capabilities and close community engagement.	SinoPac Securities’ services include brokerage, proprietary trading, underwriting, international business, fixed income, and new financial products. SinoPac Securities is one of Taiwan’s leading integrated securities companies with 45 service locations in Taiwan and overseas service locations in Hong Kong, Shanghai.

SinoPac Leasing	SinoPac Securities Investment Trust	SinoPac Venture Capital
SinoPac Leasing mainly engages in finance leasing and operating leasing services 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 SITC” hereinafter) offers a wide variety of products to satisfy customers’ 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 focuses on venture capital investment and provides consulting services for invested 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 companies invested by bringing in the integrated financial services of the SinoPac Holdings group of companies. SinoPac Venture Capital currently has set 1 operating location.



About This Report



Since 2022, SinoPac Holdings has adhered to the Recommendation of Task Force on Climate-related 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. 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); climate- and nature-related information is disclosed in our Climate and Nature-Related Financial Disclosures Report (hereafter "this Report"). Starting in 2025, SinoPac Holdings has further enhanced climate-related disclosures by referencing IFRS S2 "Climate-related Disclosures."

This Report covers the same reporting boundary as the SinoPac Holdings Consolidated Financial Report, which 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 expects to work together with stakeholders to promote sustainable corporate development.

The reporting period spans the whole of 2025 (January 1 to December 31, 2025). This Report was checked by a third-party organization, which has issued TCFD and TNFD conformity statements for climate- and nature-related financial disclosures. All disclosed environmental data have passed verification under the GHG Protocol, ISO 14064-1, 14001, and 50001. 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

2023	2024	2025
- 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. - 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.	- 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. - 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. - PBAF: Became Partnership for Biodiversity Accounting Financials (PBAF) Supporter. - 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.	- DJBIC:Continuously selected as a constituent of the Dow Jones Best-in-Class World Index and Dow Jones Best-in-Class Emerging Markets Index. - MSCI ESG Rating: Upgraded to the highest AAA rating in the MSCI ESG Ratings. - CDP: Received an A leadership rating in CDP's 2025 Climate Change Questionnaire maintained leadership status for six consecutive years. - GSS Bonds: The cumulative issuance amount of SinoPac Holdings' Green, Social, and Sustainability (GSS) bonds reached NTD 12.4 billion. - Decarbonization Commitment: Expanded decarbonization-related business restrictions and further strengthened proactive decarbonization commitments^{Note1}. - TNFD: SinoPac Holdings joined the Taskforce on Nature-related Financial Disclosures (TNFD) as a forum member and adopter. - PBAF: SinoPac Holdings joined the Partnership for Biodiversity Accounting Financials (PBAF) as a supporter. - Green Power Adoption: As of the end of 2025, SinoPac Holdings had signed cumulatively power purchase agreements (PPAs) and plans to introduce 10.68 million kWh of renewable electricity annually. Note1: Starting from July 1, 2023, SinoPac Holdings expanded the scope of its decarbonization policy to cover investment and financing activities related to thermal coal mining and power generation. Starting from July 1, 2024, the Company ceased underwriting fixed income products for enterprises engaged in thermal coal mining and power generation, as well as overseas unconventional oil and gas enterprises. Starting from July 1, 2025, the Company further commits to exiting, by 2030, all investment, financing, and fixed income underwriting activities related to thermal coal and unconventional oil and gas enterprises without credible transition plans. SinoPac Holdings also supports government-led transition finance policies and continues to engage with its investment and financing counterparties, aiming to assist carbon-intensive industries in achieving an orderly transition. SinoPac Holdings continues to advance more proactive decarbonization commitments. For the latest progress, please refer to the SinoPac Holdings website.



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

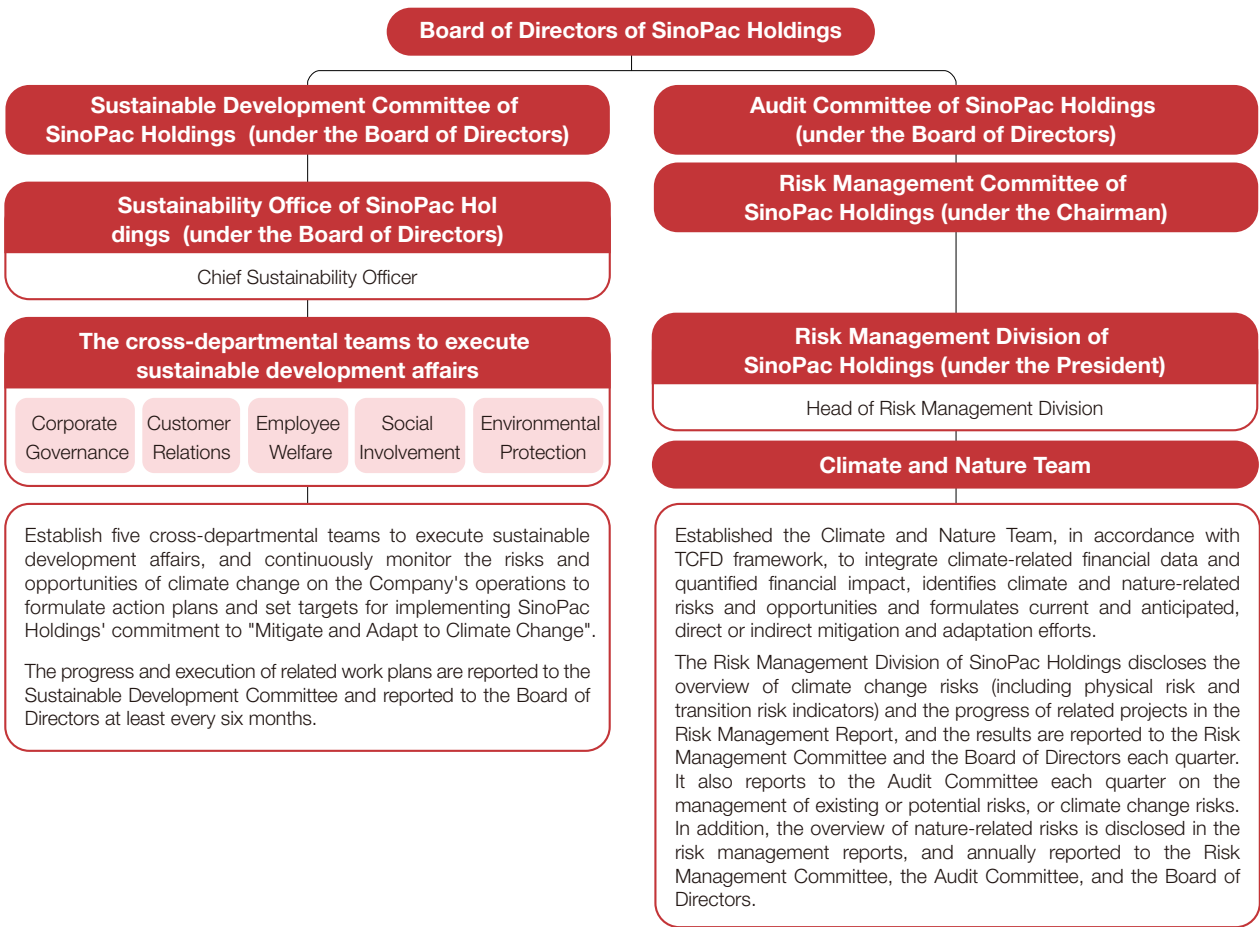
1.4 Human Rights Governance

1.4.1 Due Diligence Procedures for Human Rights Issues



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 serves as the highest governance unit for climate- and nature- related issues and bears ultimate oversight and management responsibility for such matters. The "Sustainable Development Committee" has been established under the Board of Directors, alongside the "Sustainability Office" as a dedicated unit responsible for implementing sustainability-related tasks. The "Risk Management Committee" has been established under the governance of the Chairman. The Committee is chaired by the Chairman and comprises external members, the President of SinoPac Holdings, and the Chairman of Bank SinoPac. These committees jointly oversee and manage key matters, including the sustainability management, and climate- and nature-related strategies implementation, as well as associated risks and opportunities.



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". 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. The members of the Sustainable Development Committee consist of the directors from SinoPac Holdings and its subsidiaries, with a minimum of three members, including at least 1 independent director of the Company. Currently the Sustainable Development Committee comprises a total of 11 directors from SinoPac Holdings and its subsidiaries, including the banking, securities, and leasing businesses, to ensuring the formation of consensus and the implementation of decisions on sustainable development. The Committee also includes 3 independent directors of SinoPac Holdings, and the Chairman of the Company serves as the convener and chair of the Committee. Meanwhile, the Company has 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 promoting and coordinating sustainability-related initiatives.

The Company established the "Risk Management Committee" under the governance of the Chairman. The Committee is chaired by the Chairman and comprises external members, the President of SinoPac Holdings, and the Chairman of Bank SinoPac and is responsible for managing climate- and nature-related risks to strengthen climate- and nature-related resilience. To improve the management mechanisms of climate and nature-related risks and opportunities, SinoPac Holdings has incorporated climate change risks into the "Risk Management Policy". In addition, the Company revised the "Guidelines for the Management of Climate-Related Risks and Opportunities" in accordance with the core requirements of the IFRS S2 Climate-related Disclosures and the latest recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and renamed it as the "Guidelines for the Management of Climate and Nature-Related Risks and Opportunities", which came into effect in March 2026 to enhance alignment with international practices.

The Risk Management Division serves as the coordinating unit for overall climate and nature risk management. It discloses the overview of climate change risks (including physical risk and transition risk indicators) and the progress of related projects each quarter in the risk management report, and the results are reported to the Risk Management Committee and the Board of Directors. It also reports to the Audit Committee each quarter on the management of the Company's existing and potential risks, or climate change risks. In addition, the Risk Management Division discloses the overview of nature-related risks annually in risk management reports submitted to the Risk Management Committee, the Audit Committee, and the Board of Directors.

To advance climate- and nature-related strategies, the Risk Management Committee established the "Climate and Nature Team." The Risk Management Division serves as the coordinating unit, integrates climate-related financial data and quantified financial impact, identifies climate and nature-related risks and opportunities and formulates current and anticipated, direct or indirect mitigation and adaptation efforts.

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 6 main tasks of the team are shown in the table below:

Main tasks of Climate and Nature Team	Instruction
【Climate-related Risks and Opportunities】 Identification, 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.
【Climate Strategy Actions】 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 nature-related physical risks analysis of own real estate/operating sites and upstream & downstream value chain sectors. - Conducted nature-related dependency and impact assessments based on TNFD-identified nature-sensitive sectors. - Identify nature-related risks and opportunities. - Performed nature-related physical and transition scenario analysis and assessed financial impacts.
【Policy Framework and Management of Operational Risks】	- Established a three lines of defense internal control framework to define roles, responsibilities, and management mechanisms for climate and nature-related risk management. - Implemented management measures for physical risks associated with own operations. - Established risk management mechanisms and procedures for responsible investment and responsible lending.
Formulating climate indicators and targets	- Set key metrics and formulate short/medium/long-term targets for investment and lending portfolios based on risk appetite. - Continuous management, monitoring, and review 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 understands the influence and responsibility it bears as a provider and allocator of capital. In December 2021, the Sustainable Development Committee approved the addition of short-, medium-, and long-term goals under the Company’s “Pave the Way for Net Zero Emissions” initiative, which was subsequently approved by the Board of Directors in January 2022. In March 2022, the Board of Directors further approved the Company’s net-zero commitment, pledging to achieve net-zero emissions from its own operations by 2030 and across its entire asset portfolio by 2050. Through sustainable finance, SinoPac Holdings is committed to supporting Taiwan’s transition toward net-zero emissions.

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 providing policy recommendations when appropriate. Its subsidiary, Bank SinoPac, is also one of the founding members of the "Sustainable Finance Implementation Platform" and the "Taiwan Nature Positive Initiative (TNPI)" established by BCSD Taiwan. Recognizing that natural capital and biodiversity have become sustainability issues of growing global concern in recent years, are closely interconnected with climate change, and are key factors in achieving net zero emission targets by 2050, SinoPac Holdings and Bank SinoPac have demonstrated the importance they attach to these issues through concrete actions. Together, they supported BCSD Taiwan in publishing Industry Net-Zero Transition Strategy Recommendations – Corporate Perspective in 2022, Connecting Finance and Natural Capital (Chinese Translation) in 2023,Guidelines for Climate and Nature-Positive Action in Industry in 2024, and [Towards a Global Circular Vision – GCP Framework and Taiwan's Industrial Circular Practices](#) in 2025.



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, and regularly receive reports from the Risk Management Division on the status of climate change and nature-related risks. 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 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 a member of the Presidential Office National Climate Change Committee. The Board members lead the Company in proactive participation of corporate sustainable developments and ESG matters, and continue to pay close attention to climate change and environmental sustainability issues. Please refer to the “SinoPac Holdings [2025 Sustainability Report](#)”, Section 2.1.3.1 Board Composition” for more information of the composition and background of the Board of Directors.

1.2.2 Climate and Nature Governance Decision-Making

Since 2022, SinoPac Holdings has implemented a phased plan to exit investments and financing related to thermal coal and unconventional oil and gas, with regular monitoring and review of implementation progress. Effective July 1, 2022, the Company ceased undertaking new project financing related to thermal coal and unconventional oil and gas, including activities such as extraction, power generation, processing, trading, transportation and logistics, equipment manufacturing, and infrastructure. Existing project financing will not be renewed upon maturity. Effective July 1, 2023, SinoPac Holdings expanded the scope of decarbonization policy to include investment and lending of thermal coal mining and thermal coal-fired power generation. Effective July 1, 2024, the Company ceased underwriting fixed income products for companies engaged in thermal coal mining or thermal coal-fired power generation, as well as overseas unconventional oil and gas related companies. Effective July 1, 2025, the Company further commits to exiting, by 2030, all investments, financing, and fixed income underwriting related to thermal coal and unconventional oil and gas without transition actions. For further details, please refer to the [latest version of the Company's Decarbonization Policy](#) available on its official website. SinoPac Holdings continues to monitor and support government transition finance policies and is committed to facilitating an orderly transition for carbon-intensive industries. The Company identifies clients under greater decarbonization pressure as priority engagement targets and collaborates with third parties on joint engagement activities when necessary to encourage and support clients in strengthening their focus on net-zero issues and enhancing their transition 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 since 2022. 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. In addition, in response to the Financial Supervisory Commission's release of the “Roadmap for Aligning with IFRS Sustainability Disclosure Standards,” SinoPac Financial Holdings has engaged external consultants since 2025 to provide advisory services on IFRS S2 Climate-related Disclosures, in order to comply with regulatory requirements.



1.2.4 Board of Directors Training

All directors of SinoPac Holdings completed 131.5 hours of training in 2025, including 38 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, Wen-ling MA, Stanley CHU	Toward a Global Circular Vision: The GCP Framework and Taiwan's Path to Industrial Circular Practices	3 (9 hours in total)
Shi-kuan CHEN, Wei-thyr TSAO, Wen-ling MA, Stanley CHU	The Path to Sustainable Transformation: Reshaping the Global ESG Landscape and Markets	3 (12 hours in total)
Wei-ta PAN, Chi-hsing YEH	Corporate Governance – Sustainable Environmental Carbon Management: Low-carbon Transition Pathways, Carbon Credits, and Carbon Pricing	3 (6 hours in total)
Huey-jen SU	2025 Cathay Sustainable Finance and Climate Change Summit	6
Wen-ling MA	Strengthening Natural Capital through Finance Forum	2
Wei-thyr TSAO	Directors and Corporate Governance Officers Training Series – Global and Domestic Trends in Carbon Pricing Mechanisms	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", and the Sustainability indicator is additionally account for 15% and has been included in annual assessment targets for 2025-2027 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 2025 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 of SinoPac Holdings and its domestic subsidiaries completed 6,293 hours of training, of which 1,000 hours were related to climate issues, including a series of courses on sustainable financial trends, net zero trends, and corporate social responsibility.



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 2025, 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 [2025 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.



Sustainable financial trends

The Path to Sustainable Transformation: Reshaping the Global ESG Landscape and Markets Dynamics

Toward a Global Circular Vision: The GCP Framework and Taiwan's Path to Industrial Circular Practices

Net zero transformations in practice

Circular Transition and Business Impacts

Climate Change and Energy Efficiency & Carbon Reduction Training

Global and Domestic Trends in Net-Zero Transition and Corporate Response Strategies

Green Products Seminar: Reshaping the Traditional Power Market – Challenges and Prospects of Virtual Power Plants (VPPs)

Offshore Wind Power and Green Finance: Practical Insights and Experience Sharing

Corporate social responsibilities

Sustainability I DO Commitment

SinoPac Talks Sustainability

Sustainability EASY TALK: A Conversation with the President

Sustainability EASY TALK: A Conversation with the Chairperson

Strategy

2.1 Climate and Nature-Related Risks and Opportunities

2.1.1 Risks and Opportunities Management Process

2.1.2 Identified Climate and Nature Risks

2.1.3 Identified Climate and Nature Opportunities

2.2 Climate and Nature Strategies and Actions

2.2.1 Climate Strategies and Actions

2.2.2 Nature Strategies and Actions

2.3 Strategies for Nature-Related Risks

2.3.1 Nature-related Physical Risk Analysis

2.3.2 Nature-Related Dependencies and Impacts Evaluation

2.4 Green Strategies

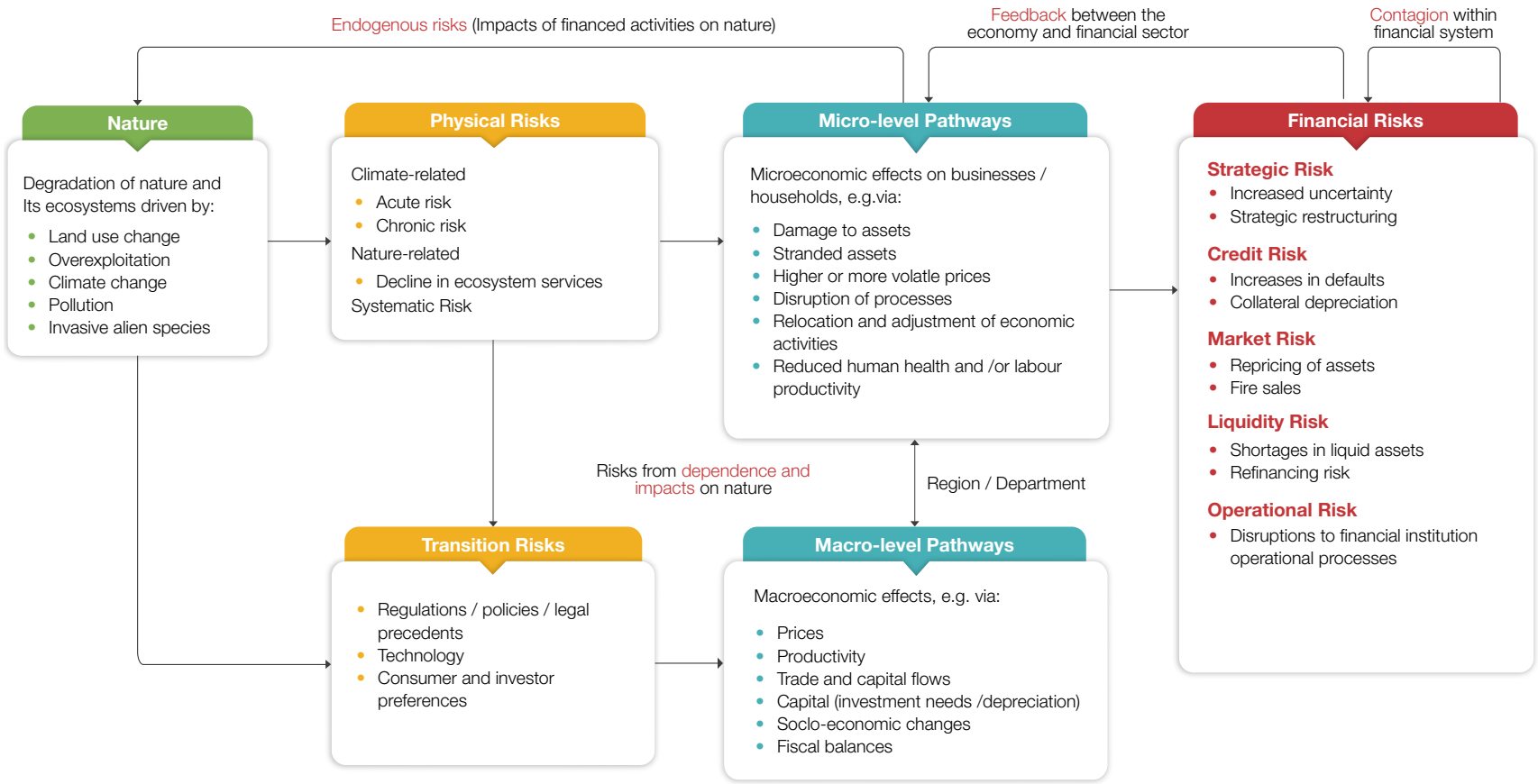
2.4.1 Green Operations

2.4.2 Green Investments and Financing

2.4.3 Green Procurement



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 illustrates the transmission pathways of climate and nature-related risks.

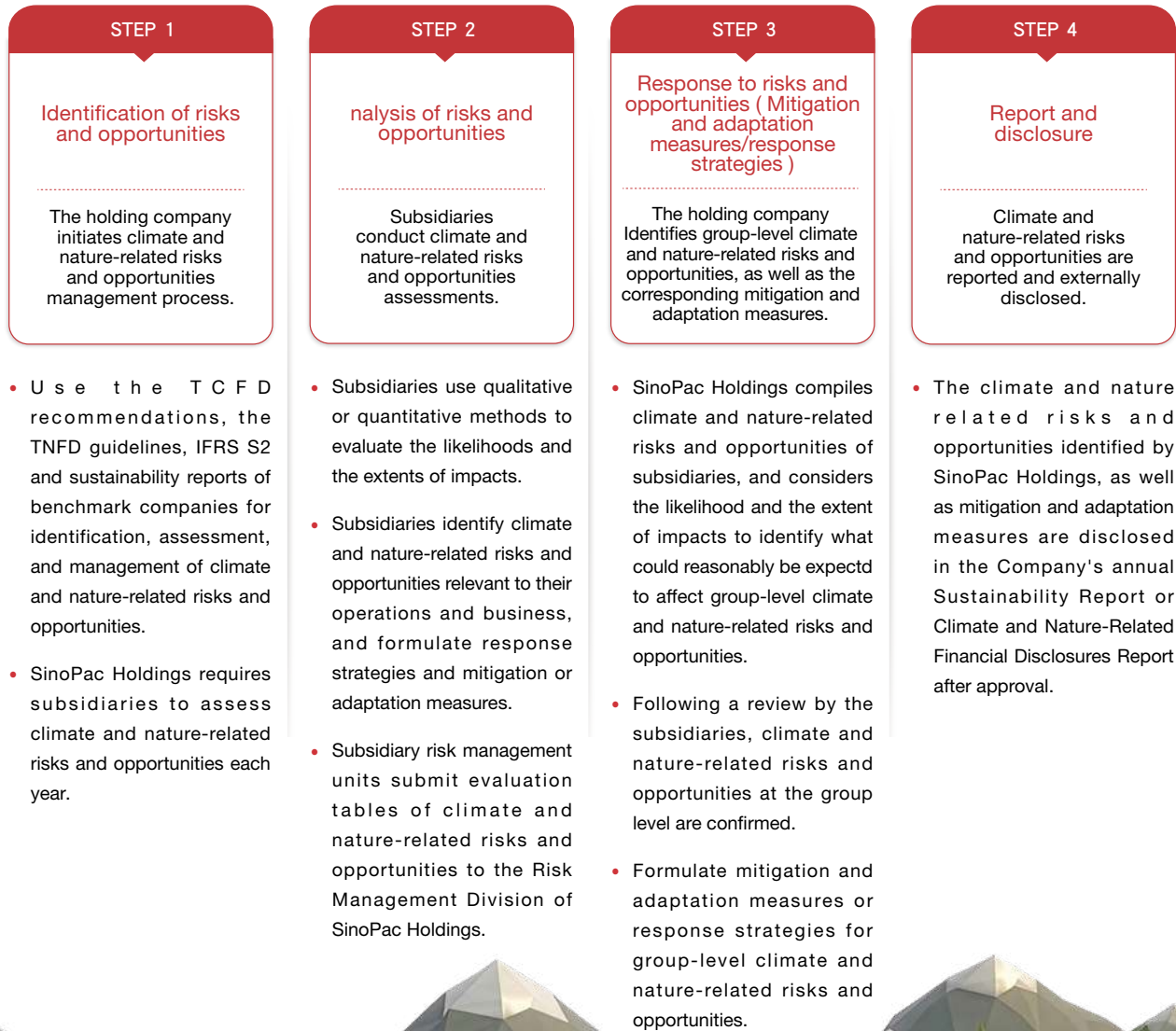


2.1 Climate and Nature-Related Risks and Opportunities

Climate change and losses in natural capital have significant impacts on corporates, society and the environment. 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 referred to the climate and nature-related regulations and reports released by domestic and foreign institutes, to create climate and nature-related risk and opportunity assessment tables every year. The risk management units of all subsidiaries referred to the industry-based “disclosure topics” defined in the Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures, and considered their applicability, climate-related scenario analysis, past events, current conditions, and forecasts of future conditions, to identify the climate- and nature-related risks and opportunities that could reasonably be expected to affect the Company’s prospects.



2.1.1Risks and Opportunities Management Process



To implement sustainable development roadmaps and strengthen ESG risk management mechanisms, SinoPac Holdings established the "Guidelines for the Management of Climate and Nature-Related Risks and Opportunities" to evaluate the climate and nature-related risks and opportunities of the Company in its own operations, measure the impact of the 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 management process this year. In the process of identifying climate and nature-related risks and opportunities, the Company comprehensively considers "expected time horizons 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), expected time horizons 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.

The risk and opportunity issues assessed this year were revised based on a review of the issues assessed in the previous year. Within climate-related transition risks, issues attributable to carbon pricing and decarbonization strategies were consolidated. Within climate-related physical risks, different types of natural disasters were consolidated according to their immediacy and long-term nature. For climate-related opportunities, climate engagement activities were considered to support the promotion of green finance products and services and were therefore consolidated under Products and Services for an integrated assessment.

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

The definition of the forecasted period of occurrence is in accordance with the period set for the short-, medium-, and long-term key project objectives by the SinoPac Holdings' Sustainable Development Committee.

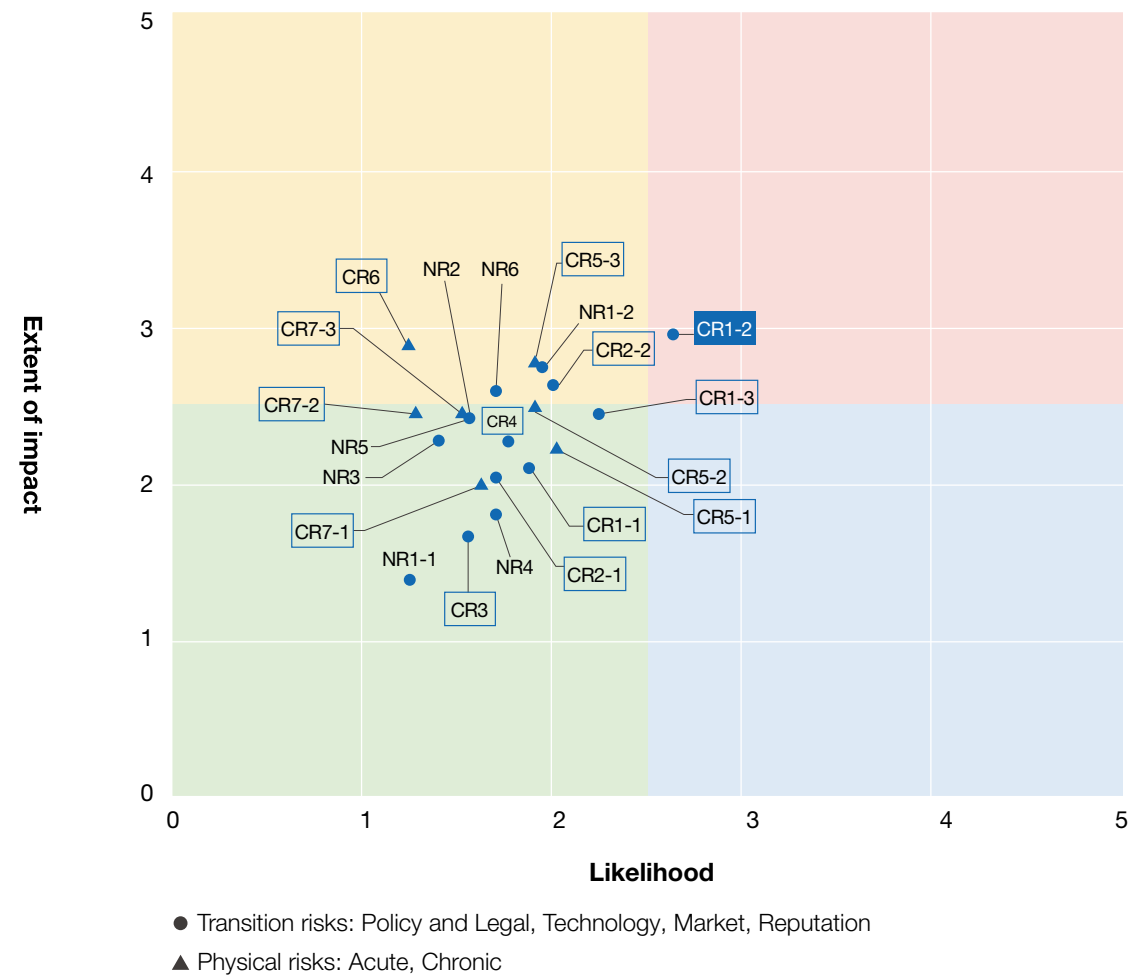
Expected time horizons of occurrence	
Short-term	Within 1 year
Mid-term	1~3 years
Long-term	3~5years



2.1.2 Identified Climate and Nature Risks

Compiled risk items were divided into risk categories (physical and transition 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:

Climate and Nature Risk Matrix



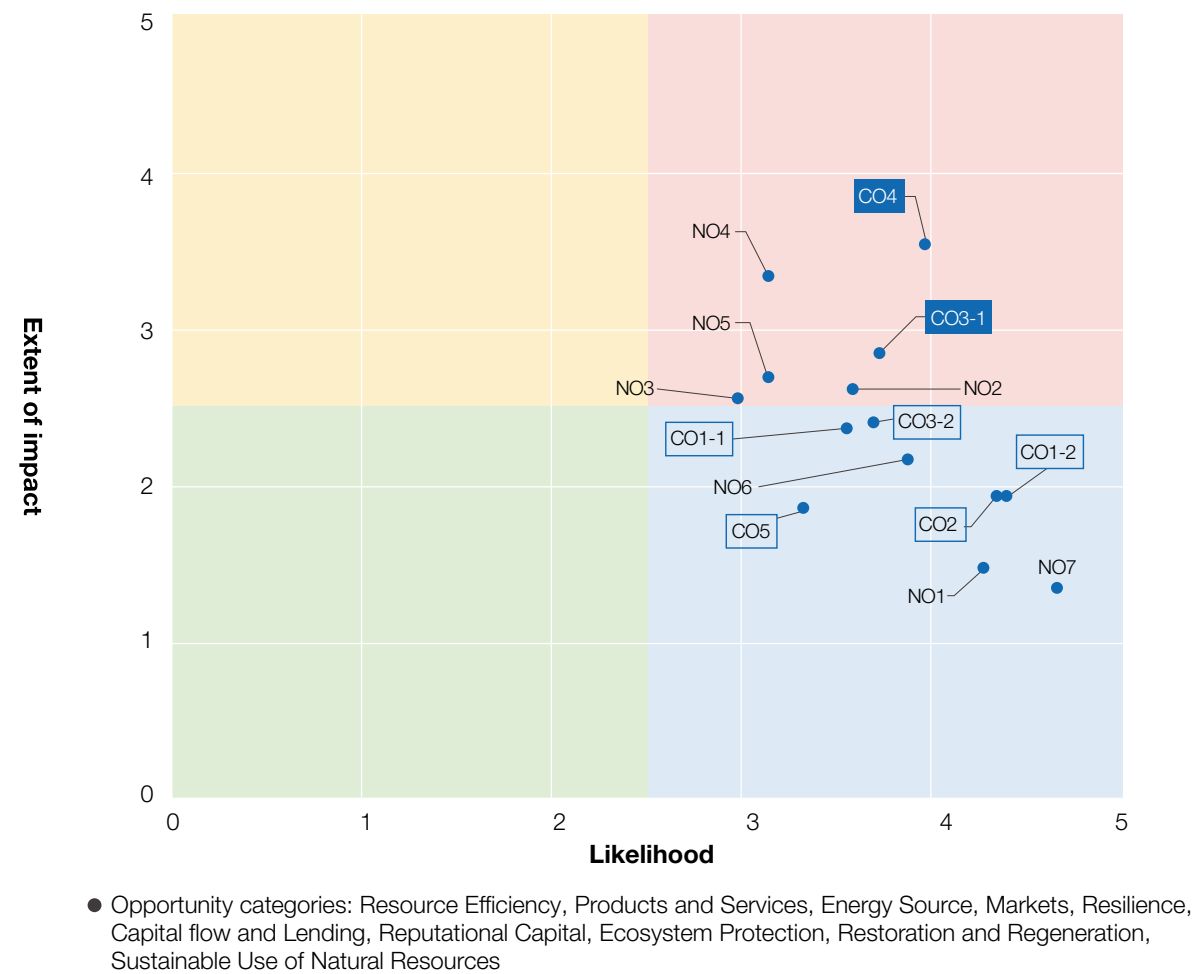
Risk Category	Risk Type	Item Code	Risk incident	Impact Code	Risk description
Transition risk	Policy and legal	CR1	Economic changes arising from carbon-pricing, decarbonization strategies, or climate-disclosures related regulations and policies	CR1-1	Tightening policies or regulations related to greenhouse 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	High-emission industries or companies may be affected by regulatory requirements, carbon fee/carbon tax, or decarbonization/net-zero policies, which could increase the financial pressure or default risk of the Company's borrowers and investees, thereby affecting the Company's credit exposures or investment returns.
				CR1-3	To achieve decarbonization targets—such as a net-zero commitment, science-based targets (SBTs), and decarbonization claims, or to comply with reporting obligations under external requirements, including climate-related information, carbon emissions data, greenhouse gas (GHG) emissions data, and the IFRS Sustainability Disclosure Standards, the Company may need to adjust its operating plans or business strategies, which could increase operating costs, compliance costs, or exposure to penalties.
Transition risk	Technology	CR2	Company's future policies affected or tightening regulations based on technological improvements or emerging technologies	CR2-1	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.
				CR2-2	In response to the low-carbon transition, if an enterprise fails to develop low-carbon processes or products, or if substantial investment in new technology development proves unsuccessful, the operations and financial performance of the Company's borrowers and investees may be adversely affected, thereby affecting the Company's credit exposure or investment returns.
Transition risk	Market	CR3	Changes in customer behavior	CR3	As demand for corporate low-carbon transition and green finance increases, if the Company fails to launch relevant products or services in a timely manner, its market competitiveness may decline, resulting in business and customer attrition and lower revenue.
Transition risk	Reputation	CR4	Increased stakeholder concern about climate change issues.	CR4	Failure to proactively address the climate-related issues of concern to stakeholders, to provide green products, or to demonstrate effective decarbonization performance may adversely affect the Company's reputation, resulting in business and customer attrition, lower revenue, or reduced investor appeal.

Risk Category	Risk Type	Item Code	Risk incident	Impact Code	Risk description
Transition risk	Acute	CR5	Increased frequency and severity of extreme climate events such as heavy rainfall, landslides, and droughts.	CR5-1	Extreme climate events (such as heavy rainfall, landslides, and drought) may cause damage to the Company's operating locations, equipment, or data centres, resulting in business interruption, loss of critical data, or casualties.
				CR5-2	Extreme climate events (such as heavy rainfall and landslides) may cause a decline in the value of collateral securing the Company's credit exposures, thereby adversely affecting the Company's claims.
				CR5-3	Extreme climate events (such as heavy rainfall, landslides, and droughts) may damage the headquarters, operating sites, plants, and other assets of the Company's borrowers and investees, or disrupt their operations, thereby affecting the Company's credit exposures or investment returns.
Transition risk	Acute	CR6	The occurrence of extreme weather events may cause difficulties in the Bank's liquidity management and short-term funding turnover.	CR6	Severe losses caused by extreme weather events may trigger a rapid and substantial increase in bank withdrawals by corporates or households to meet disaster recovery funding needs, thereby creating pressure on the Bank's liquidity and causing liquidity risk to materialize.
Transition risk	Chronic	CR7	Extreme changes in chronic climate phenomenon such as rise of sea level and increase in average temperature	CR7-1	Long-term shifts in climate patterns (rise of sea level) may damage the Company's operating locations, equipment, or data centers, resulting in business interruption, loss of critical data, or casualties. In addition, higher average temperatures may increase electricity consumption for air conditioning and water usage, thereby increasing operating costs.
				CR7-2	Long-term shifts in climate patterns (rise of sea level) may cause a decline in the value of collateral securing the Company's credit exposures, thereby adversely affecting the Company's claims.
				CR7-3	Long-term shifts in climate patterns (rise of sea level and higher temperatures sustained) may damage the headquarters, operating sites, plants, and other assets of the Company's borrowers and investees, thereby adversely affecting the Company's credit exposure or investment returns.

Risk Category	Risk Type	Item Code	Risk incident	Impact Code	Risk description
Transition risk	Policies and legal	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.
Transition risk	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.
Transition risk	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.
Transition risk	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 risk	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.
Physical risk	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.

2.1.3 Identified Climate and Nature Opportunities

Climate and Nature Opportunity Matrix



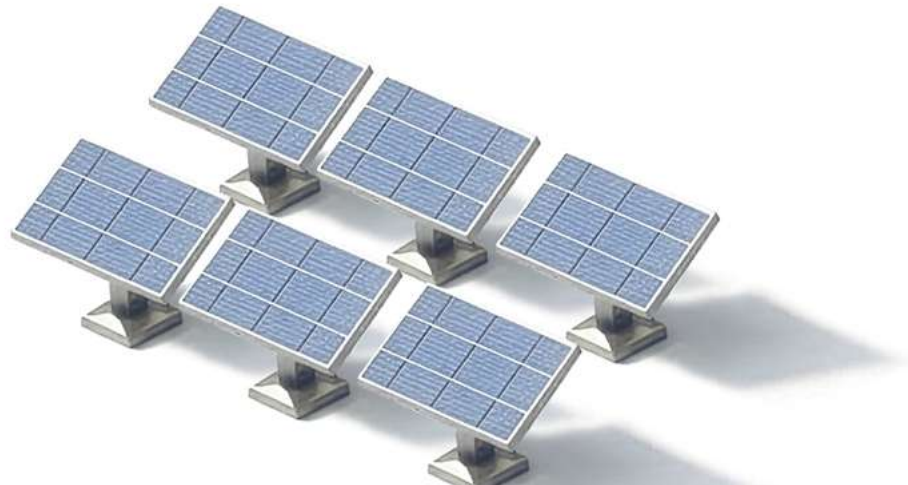
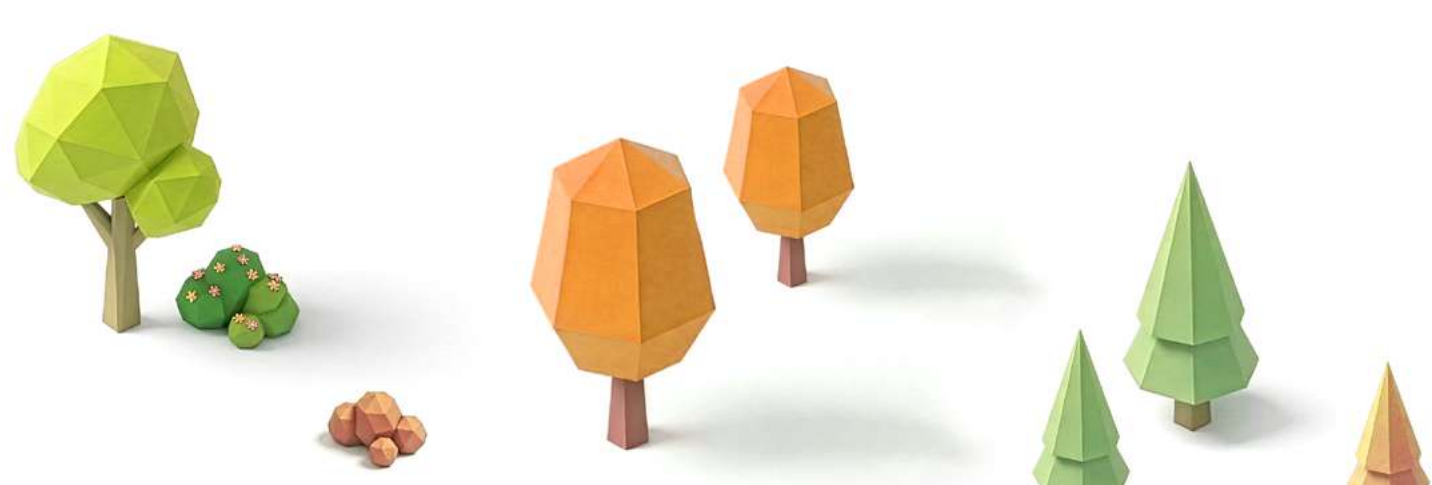
Note1: Climate opportunity categories: Resource efficiency, products and services, energy source, markets, resilience

Note2: 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	Opportunity event	Impact Code	Opportunity description
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.
Opportunity	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 creating opportunities to earn non-operating income and obtaining green electricity and renewable energy certificates by changing the power supply models.
Opportunity	Products and services	CO3	Increase green financial products and services	CO3-1	In line with the global trend toward low-carbon and green energy, and in response to government policies and regulations, the Company will continue to promote green financial products and services—such as green loans (including retail loans such as green building mortgages), low-carbon/climate-related funds, green energy electricity trading trust services, and green credit cards—and support customers’ low-carbon transition through engagement channels, thereby enhancing the Company’s earnings.
				CO3-2	The Company will continue to optimize its digital financial services to enhance user convenience and achieve paperless, low-carbon benefits. The development of related products and services will also drive increased investment in research and development.
Opportunity	Market	CO4	Increase investment in or participation in underwriting of green financial products to explore related business opportunities and market opportunities.	CO4	Increasing investment in or underwriting of green bonds or equities of green-related industries will help the Company enter new markets and capture new business opportunities in the green or circular economy, thereby driving revenue growth.
Opportunity	Resilience	CO5	Develop adaption capabilities in response to climate change	CO5	By actively participating in government-led and international sustainability and climate change initiatives and translating these concepts into concrete actions, the Company may receive positive media coverage, thereby enhancing its overall corporate image.

Opportunity Category	Opportunity Type	Item Code	Opportunity event	Impact Code	Opportunity description
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.
Business performance	Product 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.
Business performance	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.
Business performance	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.

Opportunity Category	Opportunity Type	Item Code	Opportunity event	Impact Code	Opportunity description
Business performance	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.
Sustainability performance	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 likelihood of occurrence at different period of time to identify the forecasted period of occurrence for the risks and opportunities associated with each issue, and formulates

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.



2.2.1 Climate Strategies and Actions

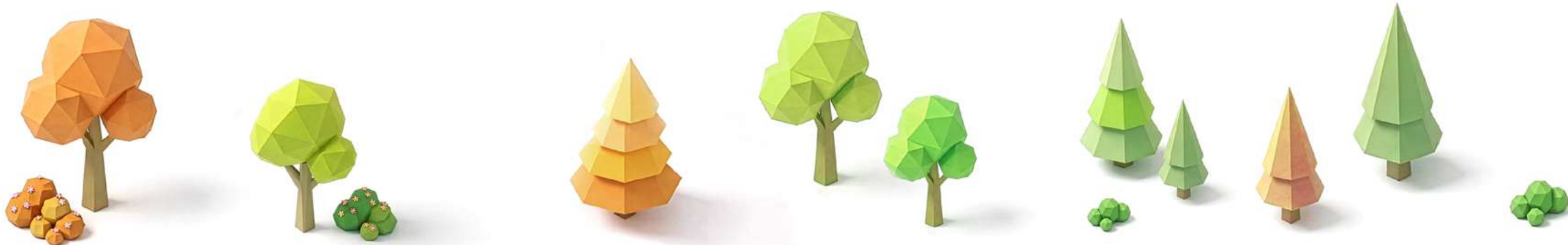
In 2025, SinoPac Holdings identified one material climate risks along with the potential influence, mitigation, adaptation efforts / response strategies, and changes to the business model and resource allocation are summarized in the table below. To further strengthen the management of climate-related risks and opportunities, SinoPac Holdings formulated risk management measures and response strategies for identified key climate risks and opportunities based on past operational performance of related businesses. Please refer to "[5.2 Metrics and Targets](#)" for more information.

Risk Category		Item Code	Description of Climate-Related Risk Influences	Current and anticipated influence of climate-related risks on the business model or value chain		Expected Period of Occurrence	Affected areas of own operations and the value chain
				Current Influence	Anticipated Influence		
Transition risks	Policies and legal	CR1-2	Economic changes resulting from the issuance of regulations and policies related to carbon pricing, decarbonization strategies, or climate-related disclosures. Risk Description: High-emitting industries or companies may be affected by regulatory requirements, carbon fee/carbon tax policies, or decarbonization/net-zero policies, which could increase the financial pressure or default risk of the Company's borrowers and investees, thereby affecting the Company's credit exposure or investment returns.	To achieve the 2050 net-zero target, the Taiwan government has introduced Taiwan's pathway to net-zero emissions and related action plans, enacted the Climate Change Response Act, and promulgated the three sub-regulations for carbon fee collection. Beginning in 2026, Taiwan has formally started collecting carbon fees from specified industries based on their 2025 emissions. As a result, the Company's borrowers and investees may incur additional decarbonization costs to comply with regulatory requirements and carbon fee policies, or may face constraints arising from insufficient transition technologies, which could reduce operating profits or lead to share price declines and increased credit risk, thereby potentially increasing the Company's credit losses or reducing investment returns.	Trends in domestic carbon fee collection and international carbon border measures—such as the EU Carbon Border Adjustment Mechanism (CBAM), which enters its definitive regime from 2026 with CBAM certificate obligations applying to 2026 imports and the first annual declaration/certificate surrender occurring in 2027—are expected to increase corporates' operating and compliance costs. As Taiwan's net-zero policies continue to advance, the energy transition may raise corporates' purchased energy costs and increase capital expenditures for low-carbon technology upgrades. If the Company's borrowers and investees fail to take appropriate measures in response to decarbonization policies, their products may lose market access, leading to lower revenue and, in turn, potentially increasing the Company's credit losses or reducing investment returns.	Expected to occur over long period (more than 3 years and less than 5 years).	Value Chain: This risk primarily affects the Company's borrowers and investees in high-emitting industries.
Mitigation and Adaptation Efforts/Response Strategies				Changes to the Business Model and Resource Allocation			
Indirect Actions							
Current Actions		Anticipated Actions		Current	Expected		
- The Company has committed to achieving net-zero emissions across its entire financed portfolio by 2050 and has established short-, medium-, and long-term climate targets. In its investment and financing businesses, it has established carbon accounting, monitoring, and disclosure mechanisms in line with the Partnership for Carbon Accounting Financials (PCAF). - The Company has adopted a "Net Zero Commitment and Implementation Plan," under which its investment and financing assets are categorized into three groups based on climate risk (stranded assets, decarbonization-pressured assets, and green assets) with separate implementation plans for each category. The Company has also established a "decarbonization policy" for thermal coal and unconventional oil and gas exposures. - The Company and its subsidiaries have established the "Responsible Investment Management Guidelines" or relevant internal rules, and Bank SinoPac has adopted the "Responsible Lending Management Guidelines" to prudently assess investment and financing exposures to sensitive industries, including high-emitting industries.		- In accordance with the Company's decarbonization policy, it will gradually exit investment, financing, and fixed-income underwriting exposures classified as stranded assets with no transition measures. For clients that do not align with the Company's decarbonization plan, the Company will initiate engagement to guide them in formulating net-zero transition plans, and will use the results of such engagement as a basis for decisions on maintaining the relationship or divesting, thereby implementing the Company's decarbonization plan. For the latest progress and detailed information, please refer to the SinoPac Holdings official website. - The Company has set science-based targets (SBTs), which were approved by the Science Based Targets initiative (SBTi) in January 2024, and uses them as interim checkpoints toward its 2050 net-zero target, with regular tracking of decarbonization performance against those targets.		- The Company has committed to achieving net-zero emissions across its entire financed portfolio by 2050. Since 2022, it has issued a "Decarbonization Policy," initiating a gradual phase-out of investments and financing related to thermal coal and unconventional oil and gas, and has ceased underwriting fixed-income products for such companies. - The Company and its subsidiaries have established the "Responsible Investment Management Guidelines" or relevant internal rules, and Bank SinoPac has adopted the "Responsible Lending Management Guidelines" to prudently assess investment and financing exposures to sensitive industries, including high-emitting industries. - In its investment and financing businesses, the Company has established carbon accounting, monitoring, and disclosure mechanisms in line with the Partnership for Carbon Accounting Financials (PCAF), and has also set science-based targets (SBTs), with regular tracking of progress against its decarbonization targets.	Under its "Decarbonization Policy," the Company has set targets and committed to fully phasing out, by 2030, investments, financing, and fixed-income underwriting related to thermal coal and unconventional oil and gas that lack transition measures. The Company will continue to follow the PCAF carbon accounting mechanism and its science-based targets (SBTs) to regularly track progress against its decarbonization goals. The Company also supports the government's transition finance policy and will continue to engage and cooperate with portfolio companies and borrowers to promote an orderly transition of high-carbon industries toward net zero.		

In terms of climate risk issues, the Company not only selected the issues falling in the first quadrant, but also consider the completeness of risk identification and assessment, to be included with the physical risk issues with relatively greater impacts. Their potential impacts, as well as the corresponding mitigation and adaptation efforts/response strategies, are summarized in the table below.

Risk Category	Risk Option	Item Code	Risk Item	Effect Produced	Level of Influence	Potential Impact Influence
Physical risk	Acute	CR5-3	Increased frequency and severity of extreme weather events, such as heavy rainfall, landslides, and drought.	Extreme weather events (such as heavy rainfall, landslides, and drought) may damage the headquarters, operating sites, plants, and other assets of the Company's borrowers and investees, or disrupt their operations, thereby adversely affecting the Company's credit exposure or investment returns.	• Lending Business • Investment / Underwriting Business • Liquidity Risk	• Increase in credit losses • Impairment of credit assets • Reduction in investment return

Relation to other risks	Influence and Impact analysis to operation strategy, potential service/ product, and financial planning	Mitigation, adaptation efforts/response strategy	Forecasted period of occurrence
• Credit Risk • Market Risk • Liquidity Risk	1. Investees or borrowers may suffer damage to their operating headquarters, business locations, plants, or equipment as a result of extreme weather events or climate anomalies (such as typhoons, heavy rainfall, and landslides), causing business interruption, disrupting operations and production, and in turn impairing their financial condition and debt-servicing capacity. 2. The value of corporate assets may be significantly impaired by climate-related events, resulting in short-term valuation losses and earnings volatility. 3. Fund investees or companies receiving underwriting advisory services that are located in areas vulnerable to climate change may experience heightened revenue volatility and increased earnings uncertainty due to disasters, which may further affect the prices of the investment targets.	1. The Company and its subsidiaries have established the "Responsible Investment Management Guidelines" or relevant internal rules as guiding principles for promoting and implementing responsible investment, incorporating ESG issues into investment analysis and decision-making processes, and reviewing ESG information disclosed by investees. Under the ESG risk assessment form, high physical-risk areas (such as flood-prone areas) are incorporated into the investment assessment process; post-investment management is also conducted at least annually to review whether investees have been affected by extreme weather events such as typhoons and heavy rainfall. 2. Bank SinoPac has established the "Responsible Lending Management Guidelines" and signed the Equator Principles, incorporating ESG issues into the credit review and decision-making process, prudently assessing the environmental, social, and governance risks associated with borrowers' operations, and paying close attention to whether clients have assessed and appropriately responded to climate-related risks and opportunities. 3. The Company has established a physical risk database, which Bank SinoPac has integrated into its credit review system. The physical risk hazard ratings of the addresses of headquarters, factories, real estate, and solar power plants are disclosed in credit investigation reports, providing business and review personnel with objective information for assessment. 4. As the first line of defense, climate risk shall be incorporated into business considerations in the course of all operating activities, and appropriate identification and management procedures shall be adopted to ensure that risks are controlled at an early stage.	Long term



In 2025, two significant climate-related opportunities were identified. The potential impacts, mitigation and adaptation efforts/response strategies, and the resulting changes to the business model and resource allocation are summarized in the table below.

Types of Climate Opportunity	Item Code	Description of Climate Opportunity's Effect	Current and anticipated impacts of climate-related opportunities on the business model or value chain		Forecasted Period of occurrence
			Current Impact	Anticipated Impact	
Market	CO4	Increase investment in or underwriting of green financial products, and explore related business opportunities in the market. Opportunity Description: Increasing investment in or underwriting of green bonds and equities in green-related industries will help the Company enter new markets, capture new business opportunities in the green or circular economy, and enhance operating revenue.	Green financial products in the capital market provide issuers with funding sources for energy efficiency, renewable energy, pollution prevention, and circular economy projects. Through participation in underwriting and investment, and in accordance with the competent authorities' sustainable finance policies and the Company's internal investment guidelines, the Company has gradually increased the proportion of investment in and underwriting of green/sustainability bonds. By actively seeking green bond underwriting opportunities, increasing its green bond investment balance, and investing in targets across green-related industry value chains, the Company demonstrates its substantive actions on ESG and climate change-related issues.	As market demand for green capital continues to grow, the Company is proactively engaging with green bond issuers and closely monitoring bond issuance trends in relevant industries in order to capture green bond underwriting opportunities. It will continue to identify and develop investment targets across green industry value chains and increase its investment in green-related industries to meet business objectives. In addition, the Company will expand communication channels with clients, such as investor conferences and other engagement activities, to support clients' transition efforts and broaden business opportunities. Looking ahead, the Company expects to position green financial products as a differentiated theme in its investment and marketing activities, which will help strengthen relationships with existing clients and attract new ESG-focused clients, thereby driving growth in fee income and underwriting revenue.	Expected to occur over the short term (within 1 year), medium term (more than 1 year and less than 3 years), and long term (more than 3 years and less than 5 years).

Affected areas of own operations and the value chain		Mitigation and adaptation efforts / response strategies		Changes to the business model and resource allocation	
		Indirect Actions			
Own Operations	Value Chain	Current Actions	Expected Actions	Current	Expected
This opportunity affects the Company's capital allocation by increasing capital market exposure to green financial products, expanding the Company's market share in the green finance sector, and enhancing its brand image, thereby demonstrating the Company's forward-looking vision and execution capabilities in sustainable development and the low-carbon transition.	Green financial products in the capital market provide issuers with funding sources for energy efficiency, renewable energy, pollution prevention, and circular economy projects. Through participation in underwriting and investment, the Company strengthens its cooperative relationships with corporates and government institutions that are committed to transition, while enhancing the penetration of its financial services across the relevant industry value chains.	To capture opportunities in new markets, the Company keeps abreast of investors' and consumers' attention to climate change issues and their preferences for green financial products and services, and continues to develop green/ESG funds, bonds, loan products and related services centered on sustainable development. It also appropriately and continuously increases its investment balance in green bonds and green-related industries, thereby demonstrating the Company's substantive actions on ESG and climate change-related issues.	The Company will proactively engage with potential green bond issuers, closely monitor bond issuance trends in relevant industries, and continue to use questionnaires, communication and negotiation to guide clients or secure underwriting opportunities for green bond issuance. In addition, it will continue to monitor policies and developments related to the green economy and green energy industries in order to pursue underwriting and fundraising mandates.	The Company identifies opportunities in new markets by understanding investors' and consumers' increasing focus on climate change issues and their preferences for green financial products and services. It continues to develop green/ESG funds, bonds, loan products and related services centered on sustainable development, and appropriately and steadily increases its investment balance in green bonds and green-related industries, thereby demonstrating the Company's substantive actions on ESG and climate change-related issues.	The Company will proactively engage with potential green bond issuers, closely monitor bond issuance trends in relevant industries, and continue to guide clients or pursue underwriting opportunities for green bond issuance through questionnaires, communication, and negotiation. It will also continue to monitor policies and market developments related to the green economy and green energy industries in order to pursue underwriting and fundraising mandates, while increasing investment opportunities in green bonds and equities in the green energy sector to diversify risk and expand into new markets.

Types of Climate Opportunity	Item Code	Description of Climate Opportunity's Effect	Current and anticipated impacts of climate-related opportunities on the business model or value chain		Forecasted Period of occurrence
			Current Impact	Anticipated Impact	
Product and Service	CO3-1	Increase in green financial products and services. Opportunity Description: In line with the global trend toward low-carbon and green energy, and in response to government policies and regulations, the Company will continue to promote green financial products and services—such as green lending (including retail products such as green building mortgages), low-carbon/climate-related funds, green electricity trading trust services, green credit cards, and engagement-based support for clients' low-carbon transition—in order to enhance the Company's earnings.	By continuously enhancing its Responsible Lending and Responsible Investment policies, the Company increases investment and financing for enterprises with stronger performance in ESG, decarbonization, and sustainable economic activities, promotes green financial products and services, supports corporates' low-carbon transition, and helps consumers put green and sustainable principles into practice, thereby further enhancing the Company's brand value and earnings.	In response to domestic and international sustainability trends and related policies and regulations, the Company will provide a diversified range of green financial products and services to meet market demand. This may include green electricity trading trust services and green energy financing for corporate clients; ESG funds, low-carbon/climate-related funds, and green bonds to meet investors' diverse sustainable investment needs; and green/environmentally friendly material credit cards, carbon footprint services, and green consumption incentives to support low-carbon products and consumption among consumers. Through these financial products, the Company seeks to channel capital toward sustainable and low-carbon activities, while further strengthening its corporate brand image.	Expected to occur over the short term (within 1 year), medium term (more than 1 year and less than 3 years), and long term (more than 3 years and less than 5 years).

Affected areas of own operations and the value chain		Mitigation and adaptation efforts / response strategies		Changes to the business model and resource allocation	
		Indirect Actions			
Own Operations	Value Chain	Current Actions	Expected Actions	Current	Expected
This opportunity affects the Company's own operations, including the launch of new products and services to enter new markets and the continued expansion of its existing business scale, thereby influencing the direction of the Company's business development strategy, market competitiveness, and brand image.	The development of green financial products and services first requires coordination with the relevant responsible units to conduct regulatory research, consultation, and compliance review in relation to green finance, so as to ensure that new products meet applicable regulatory requirements. The Company can provide diversified products and services to borrowers, investors, and general consumers to meet different market needs. In addition, the Company supports clients' low-carbon transition through engagement channels and promotes the net-zero transition by directing capital flows accordingly.	- The Company has adopted the "Sustainable Finance Policy" as the guiding principle for its sustainable finance business. The "Customer Relations" working group is responsible for promoting responsible investment, responsible lending, and the development of sustainable financial products/services across subsidiaries, and for formulating short-, medium-, and long-term sustainable finance targets and annual key work plans in support of the sustainability commitment to "Mitigate and Adapt to Climate Change." By leveraging the core financial business to advance sustainable development, the Company continues to monitor the market and develop green financial products, providing relevant thematic products that meet customer needs. - In response to domestic and international sustainability trends as well as applicable policies and regulations, the Company promotes green financial products. In addition to renewable energy financing, green bonds, green building loans, and green deposits, it also promotes its green electricity trading trust platform to capture green power business opportunities, and expands investment in sustainable financial products, renewable energy, and green industries to broaden business opportunities.	The Company will continue to support clients' low-carbon transition through multiple engagement channels, including conducting decarbonization engagement with investees, transition engagement with clients covered by its decarbonization plan, strengthening climate-related engagement with clients in the lending process and encouraging disclosure of carbon emissions and transition plans, and organizing or participating in seminars/ briefings related to net-zero and green energy policies. These efforts are expected to enhance the value-added of the Company's financial services and its professional image, while also increasing Company earnings.	The Company is committed to leveraging its core financial business to advance responsible lending and investment by incorporating ESG-related indicators into its assessment processes, while actively developing green financial products and services. In addition to renewable energy financing, green bonds, green building loans, and green deposits, it also promotes its green electricity trading trust platform to capture green power business opportunities, and expands its investment in sustainable financial products, renewable energy, and green industries to broaden business opportunities.	The Company will continue to support clients' low-carbon transition through multiple engagement channels, including decarbonization engagement with investees, transition engagement with clients covered by its decarbonization plan, strengthened climate-related engagement with clients during the lending process and encouragement of disclosure of carbon emissions and transition plans, as well as organizing or participating in seminars and briefings related to net-zero and green energy policies. These efforts are expected to enhance the value-added of the Company's financial services and its professional image, while also increasing Company earnings.

2.2.2 Nature Strategies and Actions

The identification results of 2025 did not indicate any nature-related material risks. However, to better understand the nature-related risks that are relatively more material to the Company, the top three issues were listed for identification, and their potential impacts, as well as the corresponding mitigation and adaptation efforts/response strategies, are summarized in the table below. To better understand the nature-related risks and opportunities, SinoPac Holdings has, based on the historical operating performance of the relevant businesses, established corresponding metrics and formulated risk management measures and response strategies for the identified key nature-related risks and opportunities. See “5.2 Metrics and Targets” for details.

Risk Category	Risk Type	Item Code	Risk event	Risk description	Influenced Aspect	Potential Impact	Connections with Other Risks	Assessment of impacts on business strategy, potential businesses/products, and financial planning	Mitigation and adaptation efforts / response strategies	Forecasted Period of Occurrence
Transition risk	Policies and legal	NR1-2	Changes in nature-related regulations or policies, resulting in higher compliance costs.	As a result of changes or tightening in laws or policies, companies may be required to adopt relevant management measures, leading to higher compliance costs (such as those related to environmental impact assessments or nature conservation), which may in turn reduce revenue, give rise to litigation risk or fines, and adversely affect the profitability of the Company's borrowers and investees	- Lending Business - Investment / Underwriting Business	- Increase in credit losses - Reduction in investment returns - Impairment of credit assets	- Credit risk - Market risk	- As sustainability issues become an increasingly important trend, companies may need to adjust to changes in laws and regulations to remain compliant, which could increase compliance and operational management costs. Failure to proactively invest in sustainability management may expose them to environmental fines, reputational damage, and reduced business opportunities, thereby adversely affecting revenue and investment returns. - More stringent laws or policies may increase the operating costs of the Company's borrowers or investees and reduce their profitability, thereby affecting asset values and valuations, and potentially increasing credit risk and credit losses.	- The Company and its subsidiaries have established the “Responsible Investment Management Guidelines” or relevant internal rules as guiding principles for promoting and implementing responsible investment. ESG issues are incorporated into the investment analysis and decision-making process, and ESG information disclosed by investees is also reviewed. The Company continues to monitor the trends in important nature-related policies and regulations in Taiwan - Bank SinoPac has established the “Responsible Lending Management Guidelines” and signed the Equator Principles. It continues to monitor ESG-related issues and, in the course of investment and asset management activities, as well as the project finance credit decision-making process, prudently assesses the environmental, social, and governance risks associated with borrowers' business operations.	Long Term



Risk Category	Risk Type	Item Code	Risk event	Risk description	Influenced Aspect	Potential Impact	Connections with Other Risks	Assessment of impacts on business strategy, potential businesses/products, and financial planning	Mitigation and adaptation efforts / response strategies	Forecasted Period of Occurrence
Physical risk	Chronic	NR6	Changes in precipitation patterns affect the sufficiency and stability of water resources.	Long-term changes in precipitation patterns may alter the distribution of water resources, increasing water-related operating costs for water-dependent industries such as agriculture, food, and semiconductors, which may reduce revenue and adversely affect the profitability of the Company's borrowers and investees.	• Lending Business • Investment / Underwriting Business	• Increase in credit losses • Reduction in investment returns	• Credit risk • Market risk	1. Global warming may lead to changes in precipitation patterns. Enterprises with high dependence on water resources may face increased operating costs, resulting in operational difficulties, asset impairment, and adverse effects on profitability and debt-servicing capacity, which may in turn make it more difficult for the Company to recover its claims or may reduce investment returns.	1. Global warming may lead to changes in precipitation patterns. Enterprises with high dependence on water resources may face increased operating costs, resulting in operational difficulties, asset impairment, and adverse effects on profitability and debt-servicing capacity, which may in turn make it more difficult for the Company to recover its claims or may reduce investment returns. 2. Bank SinoPac has established the "Responsible Lending Management Guidelines" and signed the Equator Principles, incorporating ESG issues into the credit review and decision-making process, as well as paying close attention to whether clients have assessed and appropriately responded to risks and opportunities related to natural capital. 3. While conducting relevant business activities, the first line of defense would be the collection, identification, and assessment of impact drivers including water use and water pollution, as well as their degree of impact on the operations and production processes of various industries, as a basis for future adaptation and mitigation measures. This may include future focus on clients' development of reclaimed water, desalinated water, and water-saving technologies. 4. In the credit investigation and approval process, physical risks are reviewed on a case-by-case basis, and the Company procures reputable external databases to provide business and review personnel with objective information for physical risk assessment.	Long Term
Transition risk	Technology	NR2	Increased costs arising from the development of new technologies that are environmentally friendly.	To mitigate damage to nature, the development of new technologies or equipment may increase the research and development expenditures and operating costs of the Company's borrowers and investees, thereby affecting their profitability and, in turn, the Company's recovery of claims or investment returns.	• Lending Business • Investment / Underwriting Business	• Increase in credit losses • Reduction in investment returns • Impairment of credit assets	• Credit risk • Market risk	1. To mitigate damage to nature, the Company's borrowers or investees may need to invest substantial funds in developing new technologies or equipment as part of their transition efforts, resulting in higher research and development expenditures and operating costs, which may affect profitability and make it more difficult for the Company to recover its claims or may reduce investment returns. 2. Although the development of environmentally friendly technologies is a positive long-term initiative, it may create financial pressure and operational challenges in the short term, requiring prudent adjustments to the Company's investment and financing strategies to maintain the long-term stability of its asset portfolio.	1. The Company and its subsidiaries have established the "Responsible Investment Management Guidelines" or relevant internal rules as guiding principles for promoting and implementing responsible investment. ESG issues are incorporated into the investment analysis and decision-making process, investment targets are regularly reviewed for signs of ESG risk, and the Company continues to monitor trends in important nature-related policies and regulations in Taiwan. 2. Bank SinoPac has established the "Responsible Lending Management Guidelines" and signed the Equator Principles, incorporating ESG issues into the credit review and decision-making process, avoiding business with controversial industries, and strengthening risk analysis for sensitive industries. 3. The Company encourages its borrowers and investees to adopt environmentally friendly technologies to reduce risk and enhance the long-term stability by promoting responsible investment, responsible lending, and green finance, thereby ensuring the stability of its asset portfolio and its long-term growth potential.	Long Term

In 2025, four material nature-related opportunities were identified. Their potential impacts, as well as the corresponding mitigation and adaptation efforts/response strategies, are summarized in the table below.

Opportunity Category	Item Code	Opportunity event	Opportunity event	Influenced Aspect	Potential Opportunity	Assessment of opportunities for business strategy, potential businesses/products, and financial development	Opportunity management measures / response strategies	Likelihood of Occurrence
Capital flows and lending	NO4	Provide funding to support corporates' transition and expand nature- or green-related investment and financing.	For funding needs that can increase positive impacts on nature or mitigate negative impacts on nature, the Company provides relevant investment and financing instruments, including loans, bonds, and funds, to increase operating revenue while directing capital to support nature-positive or green activities and industries.	- Product and Merchandise Sales - Customer Services - Lending Business - Investment / Underwriting Business - Corporate Reputation	- Expand Business Opportunities / Markets - Enhance Competitiveness - Increase Operational Flexibility - Increase in Revenue - Enhance Corporate Image	- The Company will continue to optimize its lending policies, including expanding sustainability-linked loans, to direct capital toward nature-friendly industries, increase the proportion of lower-risk, more stable-yield assets, and thereby strengthen financial resilience. In addition, it will continue to assess the issuance of sustainability bonds and use the proceeds to finance industries related to renewable energy and energy technology development, pollution prevention, and pollution control. - The Company will provide advisory and underwriting services for ESG bonds, green bonds, and sustainability-linked commercial paper and participate in the issuance and subscription of sustainability bonds and fundraising for the green energy sector. By directing capital toward nature-friendly or green industries, it seeks to promote the development of the green economy, reduce negative environmental impacts, fulfill its social responsibilities, and at the same time maintain earnings.	- The Company actively promotes green energy financing and strategically allocates investments in areas such as key technologies, renewable energy, the circular economy, and low-carbon solutions. It strengthens the integration of ESG considerations into capital deployment, promotes and expands the scope of sustainability-linked loans, and actively develops underwriting opportunities related to ESG and sustainability bonds and the green energy sector. Through financing and capital market fundraising tools, the Company directs capital to support nature-positive or green activities and industries, and enhances customers' acceptance of and participation in green products through market promotion. - The Company seeks to capture opportunities in new markets by understanding investors' and consumers' growing attention to nature-related issues and their preferences for green financial products and services, and continues to develop green/ESG financial products centered on sustainable development.	Short-term, Mid-term, Long-term
Product and service	NO2	Develop or expand financial products and services that are beneficial to nature	Provide financial solutions that generate positive impacts on nature or reduce negative impacts—including nature-friendly or ecosystem service-friendly financing solutions and related green products, such as green lending and green investment—in order to increase revenue sources and enhance competitiveness.	- Product and Merchandise Sales - Lending Business - Investment / Underwriting Business	- Expand Business Opportunities / Markets - Enhance Competitiveness - Enhance brand value and social impact - Increase Operational Flexibility	- By promoting nature-positive financial products—such as green energy financing, green bonds, ESG funds, ESG trust businesses (including green electricity and carbon rights), and environmental project financing—the Company can not only expand its market share in green finance, diversify revenue sources, and enhance competitiveness, but also align its business activities with nature conservation objectives, thereby further improving portfolio resilience and earnings stability. - The Company continues to pursue business opportunities related to ESG issues and communicates to its business partners the importance it places on ESG matters, encouraging them to incorporate these considerations into their corporate governance and investment policies to fulfill corporate social responsibility. - By actively aligning with government policies and regulations and expanding investment in sustainable finance products, renewable energy, and green industries, the Company may benefit from policy support, which can help increase customer returns and accelerate the expansion of business opportunities.	- The “Customer Relations” working group is responsible for promoting responsible investment and responsible lending across subsidiaries, as well as the development of sustainable financial products and services. - Bank SinoPac has long promoted and supported renewable energy financing and the issuance of green bonds to help channel capital toward industries with positive ecological impacts. In addition to monitoring whether clients have assessed and appropriately responded to risks and opportunities related to climate change and natural capital, the Bank has established a dedicated credit review team to strengthen internal professional capabilities and enhance customers' acceptance of and participation in green products through market promotion. - In line with government policies and regulations, the Company is expanding its investment in sustainable financial products, renewable energy, and green industries to secure policy support at an early stage and broaden the provision of green and sustainable financial products and services. - In response to sustainable development goals, the Company will, over the medium to long term and in alignment with its corporate banking strategy, green electricity market regulations, and clients' business development directions, promote sustainable financial products and services, continue to support public works, infrastructure, and industries related to ESG, green development, and sustainability, and emphasize the growing importance of blended finance instruments in the future	Short-term, Mid-term, Long-term

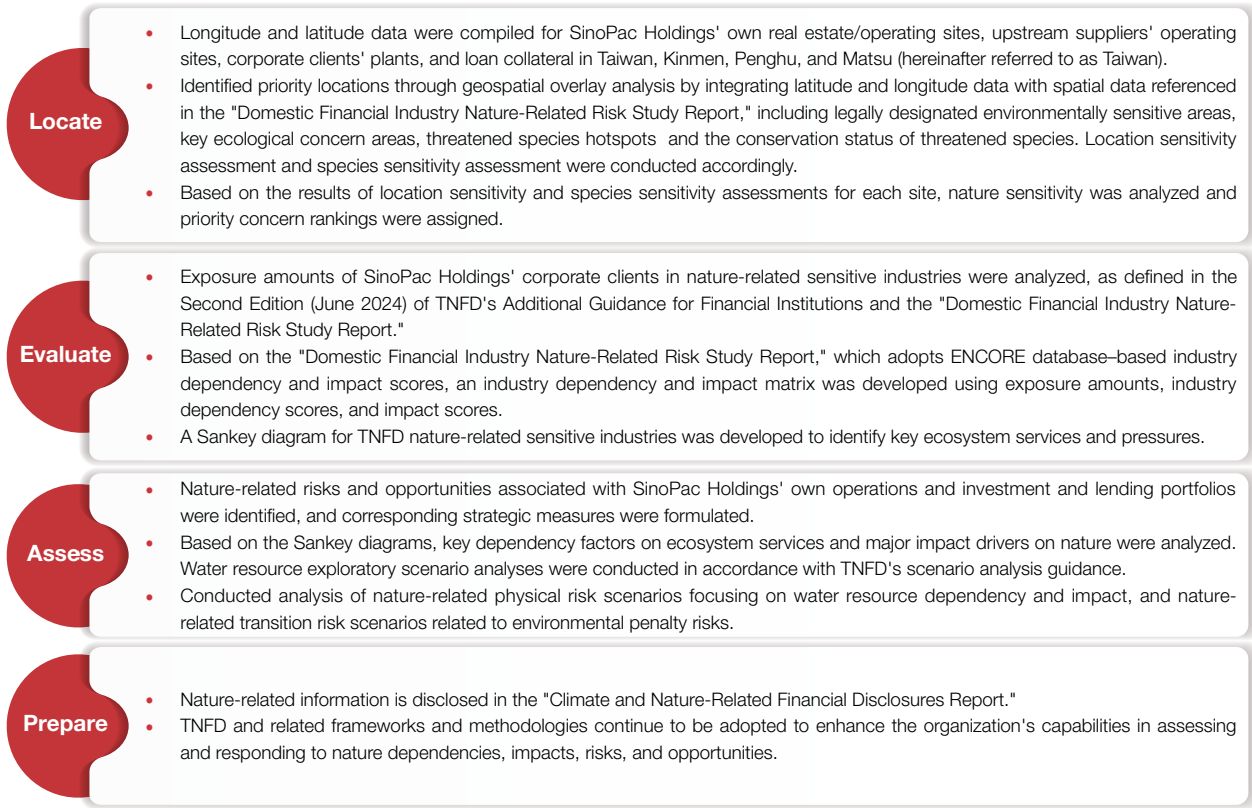
Opportunity Category	Item Code	Opportunity event	Opportunity event	Influenced Aspect	Potential Opportunity	Assessment of opportunities for business strategy, potential businesses/products, and financial development	Opportunity management measures / response strategies	Likelihood of Occurrence
Reputational Capital	NO5	Align with nature-related policies and initiatives and actively participate in and support nature-related activities.	In alignment with government and international nature-related policies and initiatives, the Company actively engages in activities related to environmental assets, ecosystem services, and sustainability assessments and ratings, thereby generating positive impacts on society and local economic development and further enhancing its corporate image and brand value.	- Corporate Reputation - Lending Business - Investment Business	- Enhance corporate image / goodwill - Enhance brand value and social impact - Reduction in operating costs	- The Company actively aligns with government and international nature-related policies and initiatives, and proactively participates in various activities to enhance corporate visibility and image. It also promotes environmental awareness among employees through internal activities and puts energy conservation and carbon reduction into practice. - The Company participates in industry associations, seminars, and related activities, supports and promotes international climate initiatives, provides policy recommendations when appropriate, and actively develops sustainable finance to leverage its financial influence and drive both its own and industry-wide low-carbon transition. At the same time, it strengthens the development of green financial products to support economic transition and the protection of natural capital, thereby generating positive impacts on society and local economic development and further enhancing its corporate image and brand value.	- The Company actively participates in sustainability initiatives launched by government agencies and international organizations in relation to nature. For example, it responded to the Business Council for Sustainable Development of Taiwan (BCSD Taiwan) by becoming one of the founding members of the "Nature and Biodiversity Initiative Platform," and supported BCSD's publication of the Chinese edition of "Connecting Finance and Natural Capital" in 2023 and the "Positive Industry Climate and Nature Actions Guidelines" in 2024. - In 2025, the Company officially joined the Taskforce on Nature-related Financial Disclosures (TNFD) as both a Forum member and an Adopter, and also became a Supporter of the Partnership for Biodiversity Accounting Financials (PBAF), demonstrating SinoPac Holdings' strong commitment to advancing natural capital disclosure and sustainable development.	Short-term, Mid-term, Long-term
Market	NO3	Promote the diversification of nature-related financial products	As governments, investors, and consumers devote increasing attention and resources to nature-related issues—including biodiversity and nature-positive practices—emerging markets are taking shape. The Company will actively develop diversified nature-related financial products and services to enhance operating revenue.	- Product and Merchandise Sales / Customer Services - Lending Business - Investment / Underwriting Business	- Expand Business Opportunities / Markets - Enhance Competitiveness - Increase Operational Flexibility - Increase in Revenue - Enhance Corporate Image	- As attention to nature-related issues—including biodiversity and nature-positive activities—continues to increase, financial products currently offered or to be launched in the future should be oriented toward supporting nature-positive or green activities and industries by providing funding and resources to help commercialize relevant technologies. This may help attract more customers and enhance the Company's corporate image. - The market for nature-related financial products has strong growth potential. Focusing on the development of financial products that support biodiversity conservation and a low-carbon economy may attract new customers and enhance the loyalty of existing customers, thereby optimizing the revenue mix, reducing the effects of climate-related risks, and strengthening the Company's competitive position in the green finance market.	- The "Customer Relations" working group is responsible for promoting responsible investment and responsible lending across subsidiaries, as well as the development of sustainable financial products and services. - The Company will strengthen its collaboration with government agencies, non-governmental organizations, and environmental institutions to ensure that its products meet market needs and regulatory requirements. It will continue to develop and promote nature-related financial products, while enhancing internal training to strengthen employees' knowledge of and professionalism in green finance, so as to support the successful promotion and operation of new products. - As investors, governments, and consumers increasingly focus on and invest in nature-related issues, such as biodiversity, nature-positive practices, and climate change, the demand for green financial products and services is growing, creating emerging markets and increasing the Bank's underwriting and related business income. The Bank will continue to develop and promote green financial products and services centered on sustainable development, including green bonds, ESG loan products, and ESG custody accounts, in order to meet market demand and create additional sources of revenue.	Short-term, Mid-term, Long-term



2.3 Strategies for Nature-Related Risks

To assess the nature-related dependencies, impacts, risks, and opportunities of SinoPac Holdings' own operations, supply chain, and investees and borrowers, the Company adopted the LEAP approach developed by TNFD. Nature-related factors were incorporated into the assessment 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:



Note: In 2026, the Financial Industry Net Zero Promotion Task Force's Data and Risk Management Working Group completed the "Demonstration Case Study Report on the Application of Nature-Related Risk Data (Draft)," which includes the "Basic Operations and Recommendation Exercises of Domestic Nature-Related Risk Data for the Financial Industry (Draft)," hereinafter referred to as the "Domestic Financial Industry Nature-Related Risk Study Report."

2.3.1 Nature-related Physical Risk 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 investment and lending corporate clients' plants in Taiwan with spatial data referenced in the "Domestic Financial Industry Nature-Related Risk Study Report," including legally designated environmentally sensitive areas, key ecological concern areas, threatened species hotspots and the conservation status of threatened species, to conduct location sensitivity and species sensitivity assessments. Based on the results of these assessments for each site, nature sensitivity was analyzed and priority concern rankings were assigned (see the table on the next page for the scoring criteria of nature sensitivity). In addition, The Company also conducted an analysis of areas within a 0.5 km buffer zone surrounding fault lines to further enhance the assessment of nature-related physical risks.



Own real estate/operating sites

Methodology

Overlay the maps to evaluate the book value of own real estate located in different priority levels and the number of operating sites located in different priority levels.

Results

As the locations of own real estate and operating sites are mostly in urban areas, indicating relatively limited dependence on ecosystems and limited environmental impact. The book value of own real estate of SinoPac Holdings located in Priority 1 areas is approximately NT\$425 million, which accounts for approximately 0.01% of the total assets of SinoPac Holdings. In addition, among the Company's operating sites in Taiwan, a total of 12 locations are situated within Priority 1 areas.

Reference date: December 31, 2025		Unit: NT\$ million
Own real estate		
Priority level	Book value	Percentage of total assets
Priority 1 ^{Note 1}	425	0.01%
Operating sites		
Priority Level	Number of sites	
Priority 1 ^{Note 1}	12	

Note 1: Own real estate and operating sites located within Priority 1 areas are primarily situated in areas with higher location sensitivity, such as water quality and quantity protection areas and national parks, or in areas with higher species sensitivity, including proximity to habitats of endangered species.



Downstream corporate clients' plants

Methodology

Overlay the maps to evaluate the investment and lending amount for downstream corporate clients' plants located in different priority levels.

Results

Downstream corporate clients' plants are mostly located in areas near the coast and rivers, indicating higher dependence on ecosystems and greater environmental impact. The risk exposure to investment and lending of downstream corporate clients' plants located in Priority 1 areas are amounts to approximately NT\$40,322 million, which accounts for approximately 1.3% of SinoPac Holdings' total investment and lending.

Reference date: December 31, 2025		Unit: NT\$ million	
Priority level	Investment and lending amount	Percentage of total investment and lending	
Priority 1 ^{Note 2}	40,322	1.3%	

Note 2: Plant sites of downstream investment and lending clients located within Priority 1 areas are primarily situated in areas with higher location sensitivity, such as water quality and quantity protection areas , or in areas with higher species sensitivity, including proximity to habitats of endangered species.

Upstream suppliers' operating sites

Methodology

Overlay the maps to evaluate the procurement amount associated with suppliers' operating sites located in different priority levels.

Results

The operating sites and headquarters of suppliers are mostly located in urban areas, indicating relatively limited dependence on ecosystems and limited environmental impact. The total procurement amount associated with supplier operating sites located in Priority 1 areas are amounts to approximately NT\$64 million , which accounts for approximately 1.9% of SinoPac Holdings' total procurement amount.

Reference date: December 31, 2025		Unit: NT\$ million	
Priority level	Procurement amount	Percentage of total procurement	
Priority 1 ^{Note 3}	64	1.9%	

Note 3: Operating sites of upstream suppliers located within Priority 1 areas are primarily situated in areas with higher location sensitivity, such as water quality and quantity protection areas, or in areas with higher species sensitivity, including proximity to habitats of endangered species.

2.3.1.2 Fault Line Impact Analysis

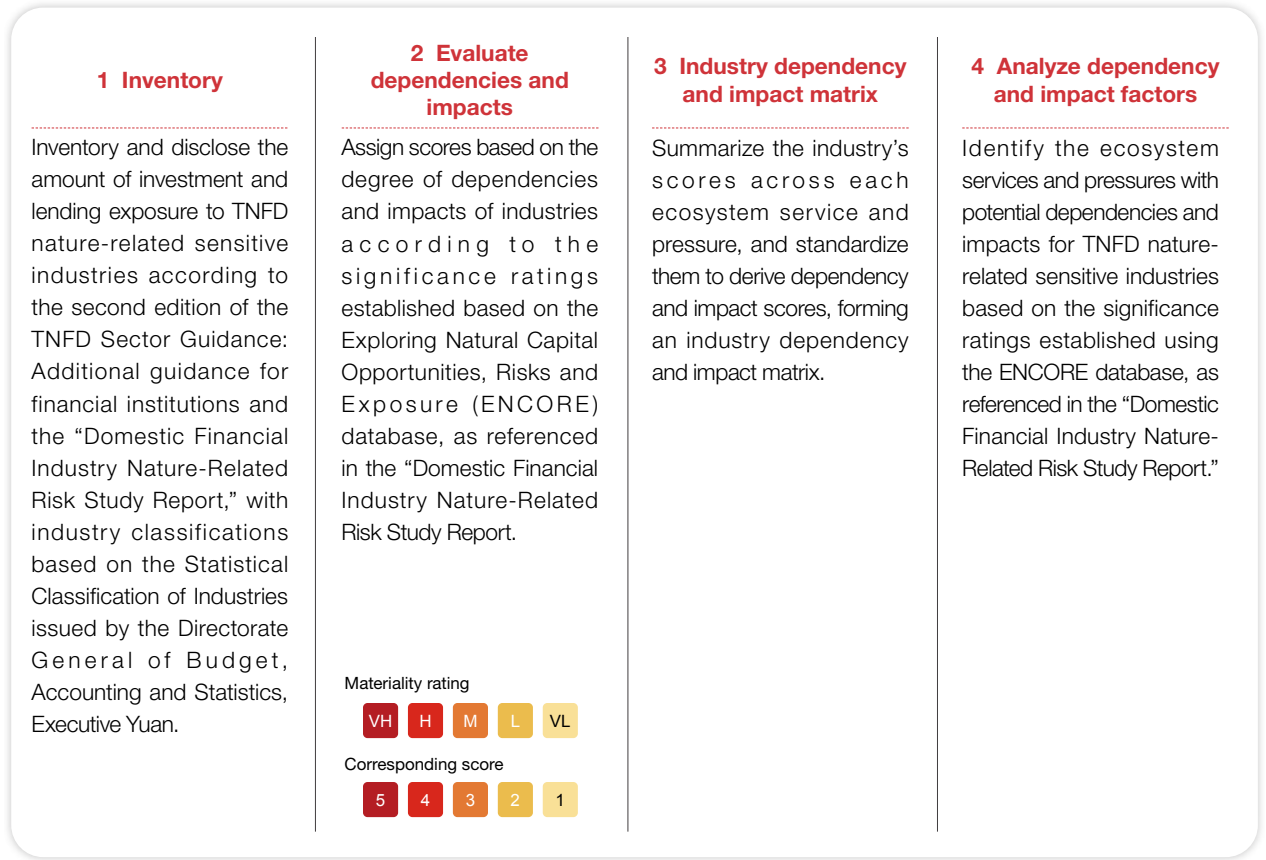
Own real estate/operating sites		
Methodology		
Overlay the maps to evaluate the book value of own real estate located within a 0.5 km buffer zone of fault lines and the number of operating sites within the same buffer zone.		
Results		
The book value of own real estate of SinoPac Holdings located within a 0.5 km buffer zone of fault lines is approximately NT\$203 million, which accounts for approximately 0.01% of the total assets of SinoPac Holdings. In addition, among the Company's operating sites in Taiwan, a total of 6 locations are situated a 0.5 km buffer zone of fault lines.		
Reference date: December 31, 2025		Unit: NT\$ million
Own real estate		
0.5 km buffer zone of fault lines	Book value	Percentage of total assets
	203	0.01%
Operating sites		
0.5 km buffer zone of fault lines	Number of sites	
	6	

Downstream corporate clients' plants		
Methodology		
Overlay the maps to evaluate the investment and lending amount for downstream corporate clients' plants located within a 0.5 km buffer zone of fault lines.		
Results		
The risk exposure to investment and lending of downstream corporate clients' plants located within a 0.5 km buffer zone of fault lines are amounts to approximately NT\$25,151 million, which accounts for approximately 0.8% of SinoPac Holdings' total investment and lending.		
Reference date: December 31, 2025		Unit: NT\$ million
0.5 km buffer zone of fault lines	Investment and lending amount	Percentage of total investment and lending
	25,151	0.8%

Upstream suppliers' operating sites		
Methodology		
Overlay the maps to evaluate the procurement amount associated with suppliers' operating sites located within a 0.5 km buffer zone of fault lines.		
Results		
The total procurement amount associated with supplier operating sites located within a 0.5 km buffer zone of fault lines are amounts to approximately NT\$0.83 million , which accounts for approximately 0.02% of SinoPac Holdings' total procurement amount.		
Reference date: December 31, 2025		Unit: NT\$ million
0.5 km buffer zone of fault lines	Procurement amount	Percentage of total procurement
	0.83	0.02%
Loan collateral		
Methodology		
Overlay the maps to evaluate the loan amount of real estate as collateral located within a 0.5 km buffer zone of fault lines.		
Results		
The total amount of real estate as collateral within a 0.5 km buffer zone of fault lines are amounts to approximately NT\$9,893 million , which accounts for approximately 0.46% of SinoPac Holdings' total real estate as collateral amount.		
Reference date: December 31, 2025		Unit: NT\$ million
0.5 km buffer zone of fault lines	Loan amount	Percentage of overall loan amount
	9,893	0.46%

2.3.2 Nature-Related Dependencies and Impacts Evaluation

SinoPac Holdings complies with the LEAP approach, including "E" (Evaluate), which identifies and evaluates nature-related dependencies and impacts. The Company Reference the second edition of the TNFD "Additional guidance for financial institutions" and the "Domestic Financial Industry Nature-Related Risk Study Report" to disclose the exposure to nature-related sensitive industries. Furthermore, the Company utilizes the industry dependency and impact scores established in the "Domestic Financial Industry Nature-Related Risk Study Report" which are based on the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tools, to construct a matrix of industry dependency and impact in the investment and lending portfolio and to assess the overall nature-related risk exposure. The Company also focuses on high-risk exposure and high-risk industries, 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

Based on Step 1 above, SinoPac Holdings summarized 12 nature-related sensitive industries. As of December 31, 2025, the investment and lending amount in TNFD nature-related sensitive industries was NT\$782,969 million, accounting for approximately 37.17% of the investment and lending portfolio on corporate clients, or 25.02% of the overall investment and lending amount of SinoPac Holdings (including personal loans).

Reference date: December 31, 2025

Unit: NT\$ million, %

TNFD nature-related sensitive industries	Total investment and lending amount	Percentage of the investment and lending portfolio on corporate clients	Percentage of overall investment and lending amount (including personal loans)
Energy	11,014	0.52%	0.35%
Materials	79,905	3.79%	2.55%
Transportation	57,659	2.74%	1.84%
Automobiles & Components	23,292	1.11%	0.74%
Consumer Durables & Apparel	37,430	1.78%	1.20%
Restaurants & Consumer Staples	27,872	1.32%	0.89%
Food, Beverage, and Tobacco (including agriculture)	23,226	1.10%	0.74%
Household & Personal Products	1,492	0.07%	0.05%
Pharmaceuticals & Biotechnology	6,249	0.30%	0.20%
Semiconductors & Semiconductor Equipment	80,448	3.82%	2.57%
Utilities (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental & facilities services)	192,684	9.15%	6.16%
Building Services & Equity Real Estate Investment Trusts(REITS)	241,699	11.47%	7.72%
Total nature-sensitive industries	782,969	37.17%	25.02%
Total non-nature-sensitive industries	1,323,707	62.83%	42.31%
Total	2,106,676	100.00%	67.33%

SinoPac Holdings Industry Dependency and Impact Matrix

Based on Steps 2 and 3 above, SinoPac Holdings classified industries into TNFD nature-related sensitive and non-sensitive industries, and mapped the top 20 industries by investment and lending balance onto an industry dependency and impact matrix based on their respective dependency and impact scores.

Description of matrix axis



Level of dependencies (Y axis)

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.



Level of impacts (X axis)

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.

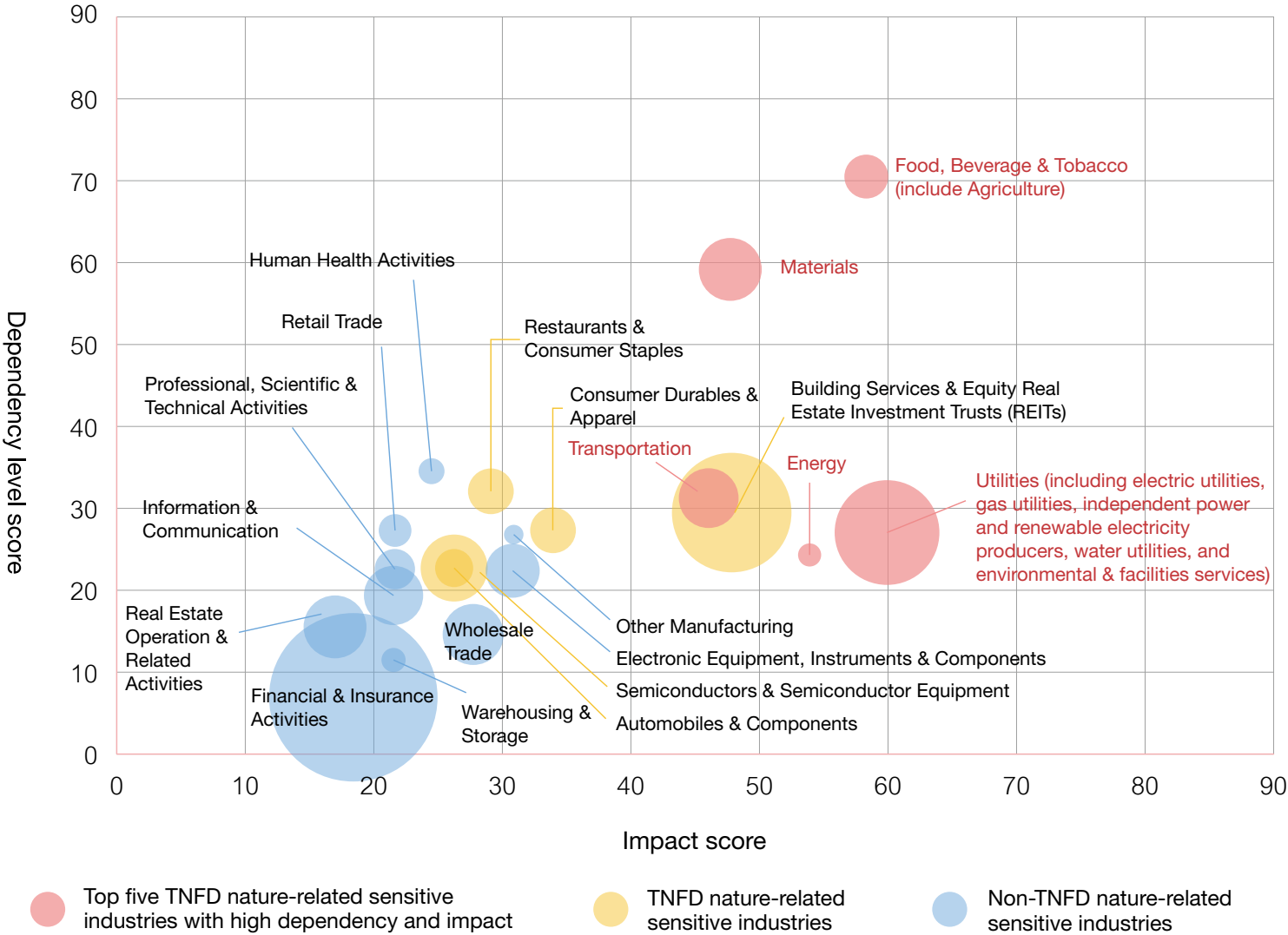


Bubble size

Investment and lending amount as of December 31, 2025



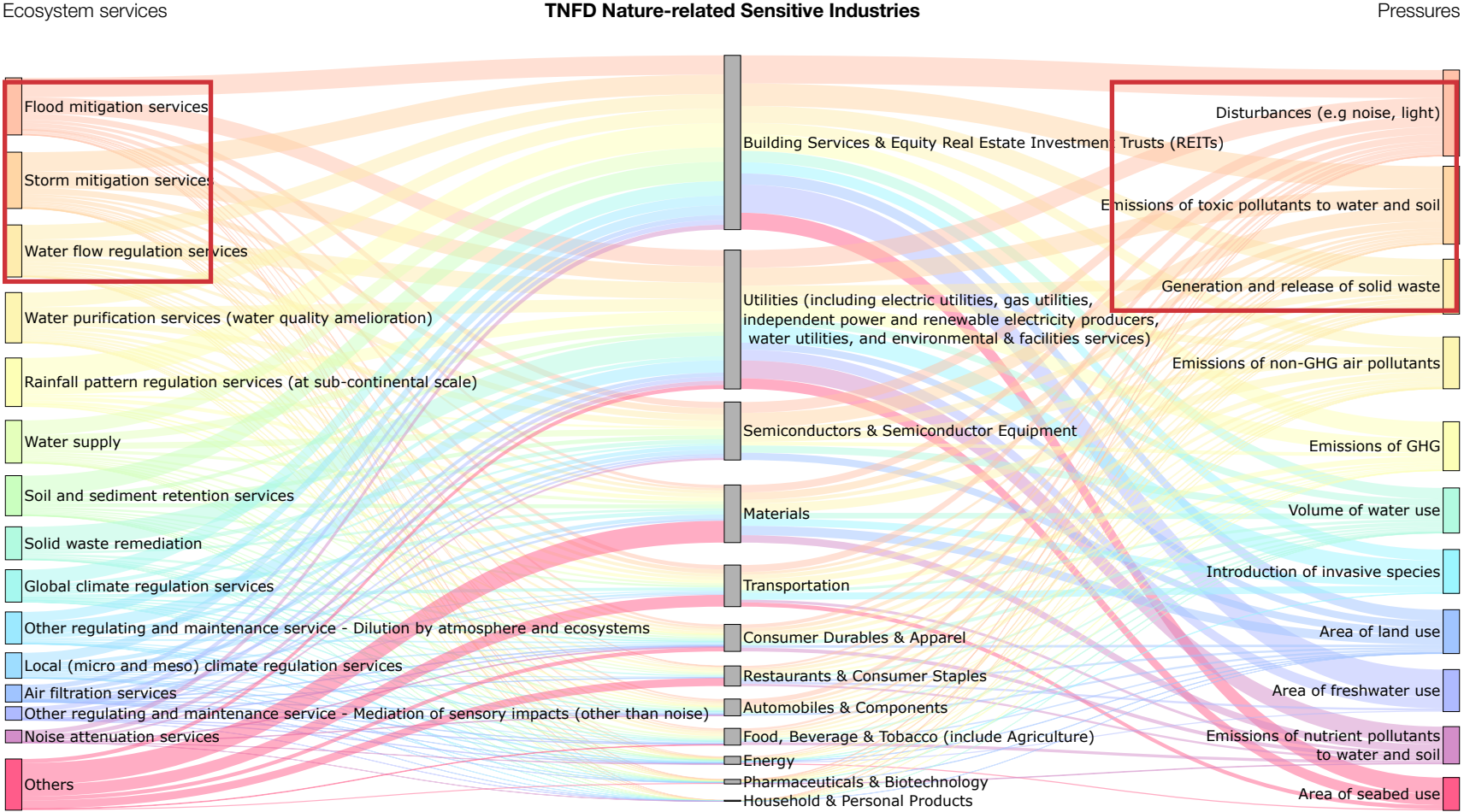
Based on the analysis, the top five TNFD nature-related sensitive industries in the overall investment and lending portfolio with high levels of dependency and impact on nature (represented by the purple bubbles in the figure) are: Food, Beverage & Tobacco (including agriculture), Materials, Utilities (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental & facilities services), Energy, and Transportation.



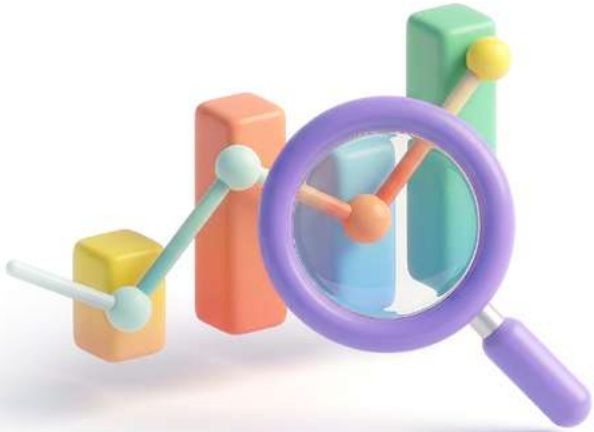
Sankey Diagram of TNFD Nature-related Sensitive Industries

To further focus on TNFD nature-related sensitive industries, SinoPac Holdings identified the potential dependencies (ecosystem services) and impacts (pressures) at the industry level based on Step 4 above. The results serve as the basis for nature-related risk scenario analysis and will support further enhancement of nature-related risk identification and the establishment of corresponding risk management processes for the overall investment and lending portfolio to mitigate potential impacts.

The results of the Sankey diagram analysis for TNFD nature-related sensitive industries are shown in the figure on the right^{Note 1}. Based on the analysis of dependencies and impacts of these industries, the top three ecosystem services in terms of dependencies are flood mitigation services, storm mitigation services, and water flow regulation services, accounting for approximately 29.29%. The top three pressures impacting nature are disturbances (e.g., noise, light), emissions of toxic pollutants to water and soil, and generation and release of solid waste, accounting for approximately 38.75%.



Note1: Due to the large number of ecosystem services related to dependencies, only items accounting for more than 2% are presented in the Sankey diagram, while items below 2% are categorized under “Others,” including: other provisioning services – animal-based energy, biomass provisioning services, soil quality regulation services, biological control services, genetic material services, nursery population and habitat maintenance services, pollination services, recreation-related services, visual amenity services, education, science and research services, and spiritual, artistic and symbolic services.



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. Since 2022, we have progressively completed ISO 14064-1:2018 greenhouse gas inventories and third-party verification across all domestic and overseas operations. In 2025, newly consolidated subsidiaries, including Amret and King's Town Bank, were further incorporated into the inventory boundary in line with business expansion. Both the inventory and verification scopes remain at 100%, aligned with the boundary of the consolidated financial report. Additionally, in 2025, 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. Based on GHG inventories results, the average cost of reducing one metric ton of CO₂e in recent years has been assessed at NT\$5,000 per tCO₂e. Accordingly, this price has been maintained as the internal carbon pricing reference and applied in the 2025 internal carbon pricing assessment. Through this mechanism, the Company aims to improve energy efficiency, strengthen carbon reduction awareness, and achieve low-carbon operations through internal behavior changes.

In 2025, SinoPac Holdings used 10.4571 million kWh of green electricity in self-owned office buildings and operational sites for operational power consumption. We obtained 10,629 renewable energy certificates and our green electricity usage accounted for 27%^{note} of total power consumption. As of year-end 2024, SinoPac Holdings has cumulatively signed Power Purchase Agreements (PPAs) to import 10.68 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 22.5 KW, which generates around 25,000 kWh each year, equivalent to a reduction of 12.1 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 2025, SinoPac Holdings participated in the CDP Climate Change Questionnaire for the sixth consecutive year and was awarded the highest honor of Leadership Level A. The company has maintained its Leadership Level status for six consecutive years.

Note: Renewable energy consumption for 2025 covers domestic and overseas operations, excluding King's Town Bank, which was merged at the end of 2025.

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. In 2025, the Songshan Building successfully completed third-party verification and obtained ISO 14001 Environmental Management Systems and ISO 50001 Energy Management certifications. In addition, verification renewal processes for the remaining six buildings (Zhonglun, Chengzhong, Jianpei, Nanjing, Taiwan Land Financial Tower, and North Kaohsiung) were also completed by the end of October

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 5.47 metric tons in 2025.

Certificate

Environmental Management

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, SinoPac Holdings completed the implementation of the ISO 14001 Environmental Management System at its seventh self-owned office building (Songshan Building), achieving 100% coverage across all self-owned office buildings. The building successfully completed its surveillance audit in October 2025. We will continue to control and reduce impacts from major environmental factors, and establish long-term and feasible measures to facilitate climate sustainable development.

Certificate

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 main subsidiaries, achieving a coverage rate of 100%. Following the acquisition of King's Town Bank and Amret in 2025, greenhouse gas inventory coverage across domestic and overseas operations will continue to be maintained at 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](#))

Certificate Certificate Certificate

Note: Beginning in 2025, SinoPac Holdings adopted the GHG Protocol for GHG inventories in response to regulatory requirements and external ratings. As King's Town Bank and Amret were newly consolidated in 2025, they continue to apply ISO 14064-1:2018 as the inventory standard for the time being. SinoPac Holdings plans to transition these subsidiaries to the GHG Protocol for future GHG inventories.

Energy Conservation and Carbon Reduction Measures and Results in 2025

Business Premise	Energy Conservation Measure	Description	Annual Electricity Saved (MWh)	GHG Reduced (metric tons CO2e)
Bank SinoPac	Air Conditioning Replacement and Upgrade	Replace chilled water air conditioning units at Sanchong, Shulin, Chongxin, and Nanmen branches to reduce electricity consumption.	49.20	23.32
Bank SinoPac	Air Conditioning Monitoring System Installation	Install air conditioning monitoring systems at the North Kaohsiung buildings to enable precise electricity usage control.	50.47	23.92
SinoPac Securities	Replaced traditional lights with LED lights	Replaced traditional lights in branches and offices with LED lights	224.29	106.31
SinoPac Securities	Replace old energy- consuming split air conditioners	Replacing split air conditioners in Pingtung and Hsinchu Science Park branches.	57.73	27.36
SinoPac Securities	Air Conditioning Replacement and Upgrad	Replace chilled water air conditioning units at Nantou branch to reduce electricity consumption.	46.80	22.18
Total			428.49	203.09



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

Proprietary sustainable (mainly green) investment products Unit:NT\$ million

Category	2024		2025	
	Year-end AUM	Ratio	Year-end AUM	Ratio
ESG Integration- SinoPac SITC: SinoPac Taiwan ESG Plus Fund	389	0.38%	376	0.35%
Best in Class- SinoPac SITC: SinoPac Taiwan Target Exposure ESG ETF	5,945	5.75%	6,092	5.68%
Thematic- SinoPac SITC: SinoPac Taiwan ESG Low Carbon High Dividend 40 ETF	8,712	8.42%	4,725	4.41%
Total sustainable investing AUM	15,046	14.55%	11,194	10.44%
Total investing AUM ^{Note}	103,429		107,189	

Note:The total net assets of Mutual funds of the SinoPac SITC.

Third-party sustainable (mainly green) investment products

Unit:NT\$ million

Category	2024		2025	
	Year-end AUC	Ratio	Year-end AUC	Ratio
ESG Integration	2,823	1.75%	3,444	1.92%
Best in Class	531	0.33%	385	0.21%
Total sustainable investing AUC	3,354	2.08%	3,829	2.14%
Total investing AUC ^{Note}	161,429		179,093	

^{Note}: Refers to the combined total amount of domestic and overseas funds of Bank SinoPac and SinoPac Securities as of the end of 2024. Refers to the combined total amount of domestic and overseas funds of Bank SinoPac, King’s Town Bank, and SinoPac Securities as of the end of 2025.



Green Financing Products and Services

Corporate Finance

Unit:NT\$ million

Category	2024		2025	
	Year-end Monetary value	Ratio	Year-end Monetary value	Ratio
Sustainability-linked loans	23,247	2.57%	42,331	3.56%
Green Energy Financing ^{Note1}	147,512	16.30%	200,622	16.89%
SinoPac Leasing: Financing for Green Energy Equipment and its Supply Chain	1,834	0.20%	2,613	0.22%
Bank SinoPac: Green Building Civil Engineering Financing Projects	42,400	4.68%	41,098	3.46%
Bank SinoPac: Loans to the Eco-friendly Textiles Industries	3,264	0.36%	3,745	0.32%
Bank SinoPac: Replacement of Large Diesel Vehicles	315	0.03%	84	0.01%
Bank SinoPac: Loan Program for Low-Carbon and Smart Transformation and Targeted Factories under Supervision	352	0.04%	185	0.02%
Total sustainable value	218,924	24.18%	290,678	24.47%
Total corporate finance value ^{Note2}	905,209		1,188,102	

^{Note 1}: For product details, please refer to Section 3.2.1.1, "Promoting the Development of the Green Energy Industry," under the table “Products and Services of SinoPac Holdings Related to Green Energy Development” of the SinoPac Holdings [2025 Sustainability Report](#).

^{Note 2}: In 2024, the balance includes Bank SinoPac and SinoPac Leasing's (including overseas operations) total corporate loan/financing outstanding (including Nonaccrual Loans). In 2025, the balance includes the total corporate financing outstanding of Bank SinoPac (including overseas operations), Bank SinoPac (China), King’s Town Bank, and SinoPac Leasing (including overseas operations), including non-performing loans.

Consumer Finance

Unit:NT\$ million

Category	2024		2025	
	Year-end Monetary value	Ratio	Year-end Monetary value	Ratio
Bank SinoPac: Green Mortgage	4,940	0.65%	5,770	0.74%
Bank SinoPac: Financing for Household Solar Energy Equipment	211	0.03%	173	0.02%
Bank SinoPac: Electric Vehicle Loans	36	0.005%	16	0.002%
Total sustainable value	5,187	0.68%	5,959	0.76%
Total consumer finance value ^{Note}	765,024		783,912	

Note: In 2024, the 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. Outstanding amount of Bank SinoPac's overall retail banking business (including non-performing loans) in 2025, which includes the balance of mortgages, car loans, credit loans, 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 medium-risk suppliers every 2-3 years to assess their risks, and conducts risk identification procedures and on-site audits for key sustainability issues. Suppliers are required to avoid, to the extent possible, operating in or near globally or nationally significant biodiversity areas, comply with applicable international and local laws and regulations, and commit to biodiversity protection. Through green procurement and sustainable supplier management mechanisms, SinoPac Holdings aims to support suppliers that provide low-carbon and sustainable products.

SinoPac Holdings Achievements in Green Procurement

Unit:TWD

Indicator	2023		2024		2025	
	Total procurement	Green procurement amount	Total procurement	Green procurement amount	Total procurement	Green procurement amount
Construction services	394,791,791	59,898,204	660,738,169	72,896,171	592,959,213	24,157,106
Computer and information services	1,534,304,028	15,824,758	1,438,964,442	55,407,597	1,955,981,637	218,054,544
Office supplies	69,168,348	44,903,745	99,249,126	46,954,823	83,301,428	49,357,526
Property management and security	116,729,307	0	191,096,869	0	227,236,306	0
Printed materials	86,295,076	5,529,389	102,511,690	6,773,110	114,093,978	18,617,444
Advertising and Marketing	229,791,992	40,980,458	283,186,439	52,989,729	412,301,597	125,595,291
Total procurement amount	2,431,080,542	167,136,554	2,775,746,735	235,021,430	3,385,874,159	435,781,911
Green procurement ratio	6.87%		8.5%		12.9%	

Climate and Nature Scenario Analyses



3.1 Climate Physical Risks

3.1.1 Heavy Rainfall and Floods

3.1.2 Droughts

3.1.3 Landslide Disasters

3.1.4 Rising Sea Levels

3.1.5 Wildfires

3.2 Climate Transition Risks

3.2.1 Carbon Cost Payment

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 Water Resource Exploratory Scenarios

3.4.2 Nature-related Physical Risk- Water Resource Dependency Assessment

3.4.3 Nature-related Physical Risks- Water Resources Impact Assessment

3.4.4 Nature-related Transition Risk- Environmental Penalty Impact Assessment

3.5 Scenario Analyses for Climate Opportunities

3.1 Climate Physical Risks

SinoPac Holdings has conducted five scenario analyses for physical risks: Heavy rainfall and floods, droughts, landslide disasters, rising sea levels, and wildfires. Heavy rainfall and floods 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. As Taiwan is an island, rising sea levels over the long term may impact real estate in low-lying coastal areas and around rivers worldwide. Wildfires have become more frequent and widespread in recent years due to the impacts of global climate change, including rising temperatures, intensified drought conditions, and changes in precipitation patterns. These developments increase the likelihood and extent of wildfires, potentially affecting real estate assets and corporate operations. Heavy rainfall and floods, droughts, landslide disasters, and wildfires are acute physical risks, while rising sea levels are a chronic physical risk.

In 2025, SinoPac Holdings expanded the scope of its climate physical risk scenario analysis to include overseas locations of entire value chain for the first time. The analysis factors included heavy rainfall and floods, droughts, wildfires, and rising sea levels. Due to the lack of global projection data for landslide disasters, this specific factor remains limited to domestic locations. While warming scenario projections for wildfires are currently unavailable, a global wildfire risk assessment was conducted based on the baseline period (annual average from 1981 to 2010). For heavy rainfall and floods, droughts, landslide disasters, and rising sea levels, the scenarios are based on the Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6) published by Intergovernmental Panel on Climate Change (IPCC). These analyses evaluate three scenarios—low warming, medium warming, and high warming scenarios, the assumptions for which are detailed in the table on the following page.

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\$2.4 (inclusive) billion	Around NT\$2.4-4.8 (inclusive) billion	Around NT\$4.8-8.4 (inclusive) billion	Around NT\$8.4-11.9 (inclusive) billion	Above NT\$11.9 billion



Items		Low Warming Scenario	Medium Warming Scenario	High Warming Scenario
Scenario Description		A global sustainable transition pathway. Countries actively pursue energy efficiency improvements and the transition to green energy, resulting in significant gains in resource efficiency. Although achieving net-zero emissions by 2050 remains challenging, strong international cooperation helps keep climate risks within manageable levels, representing the most favorable mitigation pathway.	Divergent or regionally fragmented development pathways. Development patterns largely follow historical trends, but progress in global decarbonization policies is slow and uneven. Differences in development stages and regional competition hinder energy transition efforts in certain regions, leading to a gradual increase in physical risks as greenhouse gas emissions rise.	An energy-intensive, fossil fuel-driven pathway. Rapid economic growth and maximization of resource utilization result in heavy reliance on fossil fuels. Despite strong technological and engineering capacity for adaptation, extremely high greenhouse gas emissions will result in the most severe climate change impacts and physical risks by the end of the century.
Heavy Rainfall And Floods	Domestic	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
	Overseas	AR5 RCP4.5	AR5 RCP4.5	AR5 RCP8.5
Droughts	Domestic	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
	Overseas	AR6 SSP1-2.6	AR6 SSP3-7.0	AR6 SSP5-8.5
Landslide Disasters	Domestic	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
Wildfires	Domestic and Overseas	Baseline period ^{Note1}		
Rising Sea Levels	Domestic and Overseas	AR6 SSP1-2.6	AR6 SSP3-7.0	AR6 SSP5-8.5
Macroeconomic Trends		Economic growth remains relatively stable across most regions globally. Growth patterns gradually shift away from carbon- and resource-intensive activities toward pathways emphasizing sustainability, efficiency improvements, and human well-being. With stronger international cooperation and more consistent policy support, the economic structure transitions in an orderly manner, and disruptions from climate-related disasters are relatively limited.	Global economic development generally follows historical trends, with uneven growth across countries. Differences in regional development and ongoing geopolitical conflicts contribute to increased economic volatility.	Global economic activity and income levels remain high; however, under higher warming conditions, costs related to disaster response, technological investment, and infrastructure maintenance increase significantly. Highly exposed regions and vulnerable industries are more susceptible to economic volatility.
National- or Regional-level Variables		Development emphasizes sustainability, with slow population growth and high levels of education. Land use shifts toward higher efficiency and ecological conservation, and dependence on natural resources is significantly reduced. This pathway is characterized by low carbon emissions and stronger environmental resilience and adaptive capacity.	Development largely follows historical trends, with steady growth in population, economy, and technology but uneven progress across regions. Land use and resource management remain largely unchanged, and infrastructure development and decarbonization ambition stay close to current levels, resulting in moderate mitigation and adaptation challenges.	Rapid economic and technological growth is accompanied by high urbanization and intensive resource and energy consumption. In pursuit of maximizing economic growth, land and natural resources are heavily exploited, and infrastructure relies heavily on fossil fuels. Despite strong engineering capacity, this pathway faces the most severe climate conditions and mitigation challenges.
Energy Usage and Mix		The energy system transitions in an orderly manner toward decarbonization and improved efficiency. The share of renewable energy and the adoption of energy efficiency measures increase progressively, while reliance on fossil fuels declines, resulting in lower resource and energy intensity.	The overall pace of energy transition generally follows current trends. The share of renewable energy increases but remains limited, and fossil fuels continue to account for a significant proportion. Differences in policy development across countries result in variations in regional energy mixes.	Supported by rapid technological advancement, energy use remains highly dependent on fossil fuels, with high overall energy demand and resource intensity.
Developments in Technology		Technological development progresses gradually.	The level and pace of technological development vary across regions globally.	Rapid technological advancement.

Note1: Due to the lack of warming scenario projections for wildfires, the global wildfire risk assessment was conducted based on the baseline period (annual average from 1981 to 2010).

Note2: The parameters and projection inputs for physical risk scenario analysis are based on information developed by an external expert, Formosa Climate Smart Service Limited (FCS).

Overview of Physical Risks and Scenario Analysis Results

Risk Factors			Acute Physical Risk: Heavy Rainfall and Floods		Acute Physical Risk: Droughts	
			Domestic	Overseas	Domestic	Overseas
Parameters			Rainfall volumes and inundation potential maps loss ratios for real estate values, revenue impact ratios	Rainfall volumes loss ratios for real estate values, revenue impact ratios	Standardized Precipitation Index threshold values and water conservation alert levels revenue impact ratios	Water pressure index revenue impact ratios
Climate Scenarios			Low warming, medium warming, and high warming scenarios		Low warming, medium warming, and high warming scenarios	
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		2030, 2050	
Scenario Analysis Methods			Obtained latitude and longitude values for real estate addresses to assess heavy rainfall and flooding risk levels.		Obtained latitude and longitude values for real estate addresses to assess drought risk levels.	
Value Chain Analysis	Upstream suppliers' operating sites ^{Note4}		Operational risks	Low impact ⓘ	Low impact ⓘ	
	Own operating sites ^{Note4}		Operational risks	Low impact ⓘ	Low impact ⓘ	
	Own real estate ^{Note4}		Operational risks	Low impact ⓘ	-	
	Downstream	Loan collateral ^{Note4}	Credit risks	Low impact ⓘ	-	
		Corporate clients' plants ^{Note5}	Credit risks and market	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.	



Risk Factors			Acute Physical Risk: Landslide Disasters	Acute Physical Risk: Wildfires	Chronic Physical Risk: Rising Sea Levels
			Domestic ^{Note1}	Domestic and Overseas	Domestic and Overseas
Parameters			Rainfall volumes and landslide susceptibility index loss ratios for real estate values, revenue impact ratios	Fire weather index loss ratios for real estate values, revenue impact ratios	Rising sea levels loss ratios for real estate values, revenue impact ratios
Climate Scenarios			Low warming, medium warming, and high warming scenarios	Baseline period ^{Note 2}	Low warming, medium warming, and high warming scenarios
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	Baseline period ^{Note 2}	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 ^{Note 3}
Scenario Analysis Methods			Obtained latitude and longitude values for real estate addresses to assess landslide disaster risk levels.	Obtained latitude and longitude values for real estate addresses to assess wildfire risk levels.	Obtained latitude and longitude values for real estate addresses to assess rising sea levels risk levels.
Value Chain Analysis	Upstream suppliers' operating sites ^{Note4}		Operational risks	Low impact ⓘ	Low impact ⓘ
	Own operating sites ^{Note4}		Operational risks	Low impact ⓘ	Low impact ⓘ
	Own real estate ^{Note4}		Operational risks	Low impact ⓘ	Low impact ⓘ
	Downstream	Loan collateral ^{Note4}	Credit risks	Low impact ⓘ	Low impact ⓘ
		Corporate clients' plants ^{Note5}	Credit risks and market	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.	Under the baseline wildfire scenario, 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.	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.

Note1: Conducted individual assessments for real estate assets located both domestically and overseas for heavy rainfall and floods, droughts, wildfires, and rising sea levels; assessments were only conducted on real estate assets located on the island of Taiwan and Penghu, Kinmen, and Matsu for landslide disasters.

Note2: Due to the lack of warming scenario projections for wildfires, the global wildfire risk assessment was conducted based on the baseline period (annual average from 1981 to 2010).

Note3: The scenario for rising sea levels was updated from IPCC AR5 to IPCC AR6, and the timeline were adjusted to 2030 and 2050 based on the original data sources.

Note4: The scope of assessment is aligned with the consolidated financial reporting boundary of SinoPac Holdings.

Note5: The assessment scope for overseas corporate clients' plants is defined based on the materiality thresholds of SinoPac Holdings and its subsidiaries. Data were collected for clients with investment and lending exposures exceeding TWD 300 million (inclusive) for SinoPac Holdings, exceeding TWD 300 million (inclusive) for Bank SinoPac, and exceeding TWD 100 million (inclusive) for SinoPac Securities, as well as all investment and lending clients of other subsidiaries.

Note6: The parameters and projection inputs for physical risk scenario analysis are based on information developed by an external expert, Formosa Climate Smart Service Limited (FCS).

Physical Risks-Mitigation and Adaptation Measures

Risk Factors	Analysis Target	Mitigation and Adaptation Measures
① Acute Physical Risk: Heavy Rainfall and Floods	Upstream suppliers' operating sites	Continue to strengthen supplier awareness of climate change issues and organize regular supplier communications and exchanges themed around climate issues. In 2025, one briefing session was held to present the on-site audit results of suppliers with high ESG risks. The audit findings for seven audited suppliers were communicated and engagement was conducted via written correspondence. ①②③④⑤
② Acute Physical Risk: Droughts	SinoPac Holdings operating sites and own real estate	- In addition to 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. ①③④⑤ - 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. ①④⑤ - 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 100% of self-owned buildings located in high-risk areas in Taiwan as of 2025 (excluding King's Town Bank). ① - Continue to track physical risks identified under scenario analyses and use the results as a reference when purchasing own real estate and entering into new lease agreements for operating sites. ①⑤
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. ①③⑤ - Avoid lending on real estate targets prone to flooding, landslides, faults, soil liquefaction, tsunamis, and nuclear disasters. ①③⑤ - 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. ①③④⑤ - 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. ①③④⑤ - 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. ①③⑤ - The Company has 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. ①③④⑤ - Added systemic registration and disclosure mechanisms incorporating potential risks from rising sea levels and landslide disaster risk information to real estate appraisal processes. ③⑤ - The Company has established domestic climate change physical risk database in 2024 and applied the information in real estate collateral appraisal processes in 2025. ①③⑤ - The Company has established overseas climate change physical risk database in 2025 and plan to integrate the information in real estate collateral appraisal processes. ①③④⑤
④ Acute Physical Risk: Wildfires	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). ①②③⑤ - 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. ①②③⑤ - 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. ①②③⑤ - 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." ①②③⑤ - 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. ①②③④⑤ - The Company has established domestic climate change physical risk database in 2024 and applied the information in physical risk assessment processes in 2025. ①②③⑤ - The Company has established overseas climate change physical risk database in 2025 and plan to integrate the information in physical risk assessment processes. ①②③④⑤
⑤ Chronic Physical Risk: Rising Sea Levels		

3.1.1 Heavy Rainfall and Floods

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 from suppliers located in areas ranked as "high risk" of climate sensitivity to heavy rainfall and floods under all scenarios and timepoints.

Results

Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and floods under all scenarios and timepoints ranged from NT\$16-47 million, amounting to 0.42%-1.25% of total procurement of SinoPac Holdings, and expected losses amounted to NT\$0.38-0.98 million.

Acute Physical Risk: Heavy Rainfall and Floods				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	16	0.42%	0.38	47	1.25%	0.98		
Medium Warming Scenario	16	0.42%	0.38	47	1.25%	0.98		
High Warming Scenario	16	0.42%	0.38	47	1.25%	0.98		

Note1: Domestic expected losses = Total procurement amount x Probability of flooding under climate change physical risks from heavy rainfall and floods x Inundation potential x Ratio of costs of asset damage repairs; Overseas expected losses = Total procurement amount x Probability of flooding under climate change physical risks from heavy rainfall and floods 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, from own operating sites located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and floods under all 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 floods under all scenarios and timepoints ranged from NT\$2-5 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Heavy Rainfall and Floods			Reference date: December 31, 2025		Unit: NT\$ million	
Scenario	2030		2050			
	Expected losses		Expected losses			
Low Warming Scenario	2		5			
Medium Warming Scenario	3		5			
High Warming Scenario	3		5			

Note1: 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) Domestic "Costs of asset damage repairs" were calculated as the annual revenue for said operational location in 2025 x Probability of flooding under climate change physical risks from heavy rainfall and floods x Inundation potential x Ratio of costs of asset damage repairs; Overseas "Costs of asset damage repairs" were calculated as the annual revenue for said operational location in 2025 x Probability of flooding under climate change physical risks from heavy rainfall and floods x Ratio of costs of asset damage repairs ;(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

Calculated book values and expected losses^{Note1} from own real estate located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and floods under all 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 floods under all scenarios and timepoints ranged from NT\$29-158 million, around 0.001-0.004% of the total assets of SinoPac Holdings; expected losses ranged from NT\$9-69 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

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^{Note1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and floods under all 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 floods under all scenarios and timepoints ranged from NT\$12,365-16,400 million, around 0.57%~0.76% of overall loan amounts of SinoPac Holdings; incremental expected losses ranged from NT\$7-15 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Heavy Rainfall and Floods

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	29	0.001%	9	158	0.004%	69
Medium Warming Scenario	29	0.001%	9	158	0.004%	69
High Warming Scenario	29	0.001%	9	158	0.004%	69

Note1: Domestic expected losses = Book values of own real estate x Probability of flooding under climate change physical risks from heavy rainfall and floods x Inundation potential x Median of expected values of loss ratios for real estate value; Overseas expected losses = Book values of own real estate x Probability of flooding under climate change physical risks from heavy rainfall and floods x Median of expected values of loss ratios for real estate value

Acute Physical Risk: Heavy Rainfall and Floods

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	12,365	0.57%	7	16,380	0.76%	14
Medium Warming Scenario	12,373	0.57%	7	16,400	0.76%	14
High Warming Scenario	12,373	0.57%	7	16,400	0.76%	15

Note1: 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 heavy rainfall and floods under all scenarios and timepoints to estimate potential impacts on interest income^{Note1} 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\$16-402 million under all scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

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^{Note1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for heavy rainfall and floods under all 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 floods under all scenarios and timepoints are shown as follows. The expected losses ranged from NT\$26-29 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Heavy Rainfall and Floods

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	-5.0%	Average interest rates for past five years for each loan type	11,255	16	14,991	20
	Rejected loan applications			324		402
Medium Warming Scenario	-5.0%		11,264	16	15,012	20
	Rejected loan applications			324		402
High Warming Scenario	-5.0%		11,264	16	15,012	20
	Rejected loan applications			324		402

Note1: Impacted on interest income = Assumed impact on loan-to-value ratio x Average interest rate x Loan amount.

Acute Physical Risk: Heavy Rainfall and Floods

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	10,113	0.32%	26	10,725	0.34%	28
Medium Warming Scenario	10,113	0.32%	26	10,725	0.34%	28
High Warming Scenario	10,113	0.32%	26	10,754	0.34%	29

Note1: 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^{Note1} from suppliers located in areas ranked as "high risk" of climate sensitivity to droughts under all scenarios and timepoints.

Results

Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for droughts under all scenarios and timepoints ranged from NT\$202-203 million, around 5.36%~5.38% of total procurement at SinoPac Holdings, and expected losses ranged from NT\$0.20 -0.21 million.

Acute Physical Risk: Droughts				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	202	5.36%	0.20	203	5.38%	0.21		
Medium Warming Scenario	202	5.36%	0.20	203	5.38%	0.21		
High Warming Scenario	202	5.36%	0.20	203	5.38%	0.21		

Note1: Expected losses = Total procurement amount x Revenue impact ratios under 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^{Note1} 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 scenarios and timepoints amounted to NT\$7 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Droughts			Reference date: December 31, 2025		Unit: NT\$ million	
Scenario	2030		2050			
	Expected losses		Expected losses			
Low Warming Scenario	7		7			
Medium Warming Scenario	7		7			
High Warming Scenario	7		7			

Note1: Expected losses = Annual revenues from operational locations in 2025 x Revenue impact ratios under 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^{Note1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for droughts under all 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 scenarios and timepoints are shown as follows. The expected losses ranged from NT\$130-132 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Droughts				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	38,679	1.24%	130	39,921	1.28%	130		
Medium Warming Scenario	38,679	1.24%	130	39,921	1.28%	130		
High Warming Scenario	39,229	1.25%	130	40,015	1.28%	132		

Note1: 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^{Note1} 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 scenarios and timepoints amounted to NT\$82 million, around 2.18% of total procurement of SinoPac Holdings, and expected losses amounted to NT\$3 million.

Acute Physical Risk: Landslide Disasters				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	82	2.18%	3	82	2.18%	3		
Medium Warming Scenario	82	2.18%	3	82	2.18%	3		
High Warming Scenario	82	2.18%	3	82	2.18%	3		

Note1: Expected losses = Total procurement amount x Probability of 350 mm/24 hr rainfall for all scenarios under 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^{Note1} from own operating sites located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all 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 scenarios and timepoints ranged from NT\$367-368 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Landslide Disasters			Reference date: December 31, 2025	Unit: NT\$ million
Scenario	2030	2050		
	Expected losses	Expected losses		
Low Warming Scenario	367	368		
Medium Warming Scenario	367	368		
High Warming Scenario	367	368		

Note1: 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; (2) "Costs of asset damage repairs" were calculated as the annual revenue from said operational location in 2025 x Probability of 350 mm/24 hr rainfall for all scenarios under 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^{Note1} from own real estate located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all 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 scenarios and timepoints amounted to NT\$123 million, around 0.003% 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.

Acute Physical Risk: Landslide Disasters				Reference date: December 31, 2025		Unit: NT\$ million
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
Low Warming Scenario	123	0.003%	11	123	0.003%	12
Medium Warming Scenario	123	0.003%	11	123	0.003%	12
High Warming Scenario	123	0.003%	11	123	0.003%	12

Note1: Expected losses = Book value of own real estate x Probability of 350 mm/24 hr rainfall for all scenarios under 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^{Note1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all 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 scenarios and timepoints ranged from NT\$19,258-21,179 million, around 0.89-0.98% of overall loan amounts of SinoPac Holdings; incremental expected losses ranged from NT\$18-19 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

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 scenarios and timepoints to estimate the potential impacts on interest income^{Note1} 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\$20-443 million under all scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Landslide Disasters

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	19,258	0.89%	18	21,179	0.98%	19
Medium Warming Scenario	19,258	0.89%	18	21,179	0.98%	19
High Warming Scenario	19,258	0.89%	18	21,179	0.98%	19

Note1: Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Acute Physical Risk: Landslide Disasters

Reference date: December 31, 2025 Unit: NT\$ million

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
Low Warming Scenario	-5.0%	Average interest rates for past five years for each loan type	17,239	20	19,019	22
	Rejected loan applications			401		443
Medium Warming Scenario	-5.0%		17,239	20	19,019	22
	Rejected loan applications			401		443
High Warming Scenario	-5.0%		17,239	20	19,019	22
	Rejected loan applications			401		443

Note1: 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^{Note1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for landslide disasters under all 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 scenarios and timepoints are shown as follows. The expected losses amounted to NT\$0.66 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Landslide Disasters				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	391	0.01%	0.66	391	0.01%	0.66		
Medium Warming Scenario	402	0.01%	0.66	402	0.01%	0.66		
High Warming Scenario	402	0.01%	0.66	402	0.01%	0.66		

Note1: Expected losses = Probability of default x Loss given default x investment and lending amount (for higher internal credit rating risk).

3.1.4 Rising Sea Levels

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^{Note1} from suppliers located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all scenarios and timepoints.

Results

Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all scenarios and timepoints amounted to NT\$6 million, around 0.15% of total procurement of SinoPac Holdings, and expected losses amounted to NT\$2 million.

Chronic Physical Risk: Rising Sea Levels				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	6	0.15%	2	6	0.15%	2		
Medium Warming Scenario	6	0.15%	2	6	0.15%	2		
High Warming Scenario	6	0.15%	2	6	0.15%	2		

Note1: Expected losses = Total procurement amounts x Probability of flooding for all scenarios under climate change physical risks from rising sea levels 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

Calculate expected losses^{Note1} from own operating sites located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all 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 scenarios and timepoints ranged from NT\$7-70 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Chronic Physical Risk: Rising Sea Levels			Reference date: December 31, 2025	Unit: NT\$ million
Scenario	2030	2050		
	Expected losses	Expected losses		
Low Warming Scenario	7	7		
Medium Warming Scenario	7	70		
High Warming Scenario	7	70		

Note1: 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 2025; (2) "Costs of asset damage repairs" were calculated as the annual revenue from said operational location in 2025 x Probability of flooding under climate change physical risks from rising sea levels x Ratio of costs of asset damage repairs; (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

Calculate book values and expected losses^{Note1} from own real estate located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all 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 amounted to NT\$0, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Chronic Physical Risk: Rising Sea Levels				Reference date: December 31, 2025		Unit: NT\$ million
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
Low Warming Scenario	0	0	0	0	0	0
Medium Warming Scenario	0	0	0	0	0	0
High Warming Scenario	0	0	0	0	0	0

Note1: Expected losses = Book value of own real estate x Probability of flooding under climate change physical risks from rising sea levels x Median of expected value of loss ratio 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^{Note1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all 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 scenarios and timepoints are shown in the following table. The incremental expected losses amounted to NT\$1 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Chronic Physical Risk: Rising Sea Levels				Reference date: December 31, 2025		Unit: NT\$ million
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
Low Warming Scenario	1,806	0.08%	1	1,806	0.08%	1
Medium Warming Scenario	1,806	0.08%	1	1,864	0.09%	1
High Warming Scenario	1,806	0.08%	1	1,864	0.09%	1

Note1: 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 scenarios and timepoints to estimate potential impacts on interest income^{Note1} 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\$3-55 million under all scenarios and timepoints, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Chronic Physical Risk: Rising Sea Levels				Reference date: December 31, 2025		Unit: NT\$ million
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
Low Warming Scenario	-5.0%	Average interest rates for past five years for each loan type	1,800	3	1,800	3
	Rejected loan applications			54		54
Medium Warming Scenario	-5.0%		1,800	3	1,857	3
	Rejected loan applications			54		55
High Warming Scenario	-5.0%		1,800	3	1,857	3
	Rejected loan applications			54		55

Note1: 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^{Note1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for rising sea levels under all 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 scenarios and timepoints are shown as follows. The expected losses ranged from NT\$22-23 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Chronic Physical Risk: Rising Sea Levels				Reference date: December 31, 2025			Unit: NT\$ million	
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		
Low Warming Scenario	6,370	0.20%	22	6,370	0.20%	22		
Medium Warming Scenario	6,370	0.20%	22	6,395	0.20%	23		
High Warming Scenario	6,370	0.20%	22	6,395	0.20%	23		

Note1: Expected losses = Probability of default x Loss given default x Investment and lending amount (for higher internal credit rating risk).

3.1.5 Wildfires

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^{Note1} from suppliers located in areas ranked as "high risk" of climate sensitivity to wildfires under the baseline scenario.

Results

Procurement amounts from suppliers located in areas ranked as "high risk" of climate sensitivity for wildfires amounted to NT\$0, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires		Reference date: December 31, 2025		Unit: NT\$ million
Scenario	Procurement amounts from "high risk" climate sensitivity	Proportion of total procurement of SinoPac Holdings	Expected losses	
Baseline period	0	0	0	

Note1: Expected losses = Total procurement amount x Revenue impact ratios under climate change physical risks from wildfire (assuming complete damage from wildfires, with a loss rate of 100%)

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^{Note1}, from own operating sites located in areas ranked as "high risk" of climate sensitivity for wildfires under the baseline scenario. 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 wildfires amounted to NT\$0, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires		Reference date: December 31, 2025	Unit: NT\$ million
Scenario	Expected losses		
Baseline period	0		

Note1: 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; (2) "Costs of asset damage repairs" were calculated as the annual revenue for said operational location in 2025 x Revenue impact ratios under climate change physical risks from wildfires (assuming complete damage from wildfires, with a loss rate of 100%); (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

Calculated book values and expected losses^{Note1} from own real estate located in areas ranked as "high risk" of climate sensitivity for wildfires under the baseline scenario.

Results

Expected losses from own real estate located in areas ranked as "high risk" of climate sensitivity for wildfires amounted to NT\$0, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires		Reference date: December 31, 2025	Unit: NT\$ million
Scenario	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
Baseline period	0	0	0

Note1: Expected losses = Book value of own real estate x Expected value of loss ratio for real estate value under climate change physical risks from wildfires (assuming complete damage from wildfires, with a loss rate of 100%)

Loan collateral

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

Method	Results
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 ^{Note1} from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for wildfires under the baseline scenario.	The total amount of loans from real estate as collateral located in areas ranked as "high risk" of climate sensitivity for wildfires under the baseline scenario amounted to NT\$315 million, around 0.01% of overall loan amounts of SinoPac Holdings; incremental expected losses amounted to NT\$6 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires				Reference date: December 31, 2025	Unit: NT\$ million
Scenario	Loan amounts from "high risk" of climate sensitivity	Proportion of overall loan amounts of SinoPac Holdings	Incremental expected losses		
Baseline period	315	0.01%	6		

Note1: 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	Results
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 wildfires under the baseline scenario to estimate the potential impacts on interest income ^{Note1} when the loan-to-value ratios were reduced from at least -5.0% to exclusion from underwriting based on opinions from internal experts.	Potential financial impacts from interest income ranged from NT\$0.5-9.2 million, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires					Reference date: December 31, 2025	Unit: NT\$ million
Scenario	Reduction of loan- to-value ratio based on opinions of internal experts	Average interest rate	Loan amounts from "high risk" of climate sensitivity	Impacts on interest		
Baseline period	-5.0%	Average interest rates for past five years for each loan type	315	0.5		
	Rejected loan applications			9.2		

Note1: 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^{Note1} from investment and lending clients with plants located in areas ranked as "high risk" of climate sensitivity for wildfires under the baseline scenario.

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 wildfires are shown as follows. The expected losses amounted to NT\$0, with low potential impacts on the capital adequacy ratio of SinoPac Holdings.

Acute Physical Risk: Wildfires			
Reference date: December 31, 2025		Unit: NT\$ million	
Scenario	Investment and lending amounts from "high risk" of climate sensitivity	Proportion of overall investment and lending amounts of SinoPac Holdings	Expected losses
Baseline period	1,945	0.06%	0

Note1: Expected losses = Probability of default x Loss given default x investment and lending amount (for higher internal credit rating risk).



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:

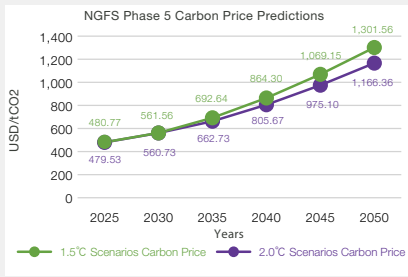
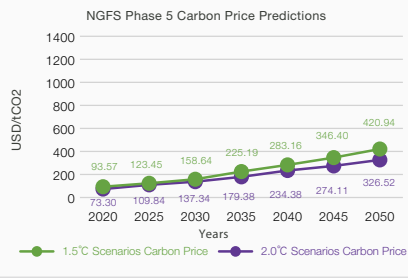
Potential Impact Level	Low	Moderately Low	Moderate	Moderately High	High
Capital adequacy ratio reduction (A)	0%<A<1%	1%<A<2%	2%<A<3.5%	3.5%<A<5%	A>5%
Equivalent amount (NTD)	Under NT\$2.4 (inclusive) billion	Around NT\$2.4-4.8 (inclusive) billion	Around NT\$4.8-8.4 (inclusive) billion	Around NT\$8.4 -11.9 (inclusive) billion	Above NT\$11.9 billion

The scenario assumptions adopted for the three risk factors are set out in the table below:

Risk Factors	Carbon Cost Payments				Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Electricity Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations
Climate Scenarios	NGFS: Net Zero 2050	NGFS: Below 2°C	IEA: NZE	IEA: SDS	Nationally Determined Contributions (NDC)	Achieve net zero emissions in own operations by 2030
Descriptions of Scenarios	Through stringent climate policies and innovation, global warming is limited to within 1.5°C, with global net zero CO2 emissions achieved around 2050.	Climate policies gradually become more stringent over time. Countries with net-zero emissions targets achieve approximately 80% of their targets, resulting in a 67% probability of limiting global warming to below 2°C.	Achieve net zero CO2 emissions by 2050.	With the objective of achieving sustainable development and aligning with the goals of the Paris Agreement, global net zero is projected to be achieved by 2070	In line with Taiwan's Nationally Determined Contribution (NDC) targets, the national energy mix is being transformed to increase the share of renewable energy	With reference to SinoPac Holdings' target of achieving net zero emissions from its own operations by 2030, the potential financial impacts of low-carbon transition risks on its own operations are assessed.

Risk Factors	Carbon Cost Payments			Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Electricity Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations
Macroeconomic Trends	The NGFS scenario assumes, as an initial condition, that economic development and population growth remain consistent with SSP2. Over the long term, this pathway assumes moderate global GDP growth, a moderate degree of economic convergence between high-income and low-income countries, and medium-level trends in fertility and population ageing. It also assumes that global inequality changes only moderately, with neither extreme divergence nor rapid convergence.	Energy trade is increasingly affected by geopolitics. Despite undesirable conditions from geopolitical instability and uncertainty over tariffs, upward revisions to global growth forecasts continue to underscore the resilience of the global economy.	It is assumed that, by 2050, the global economy will grow at an average annual rate of approximately 3%, although growth rates will vary significantly across countries, regions, and time periods.	It is assumed that domestic macroeconomic development trends will remain unchanged from the current trajectory.	
National- or Regional-level Variables	GDP and population are key upstream assumptions that drive projections of energy demand and technological development.	GDP growth, population growth, energy prices, carbon prices, and technology costs, etc.		Estimates are based on parameters for the installation of renewable energy equipment and applicable tariff rates announced by the relevant authorities.	It is assumed that the domestic costs of energy-efficient equipment, the procurement of green electricity, renewable energy certificates, and engagement of external consultants remain unchanged from current levels.
Energy Use and Mix	The energy system is undergoing an orderly transition toward decarbonization and improved efficiency. Dependence on fossil fuels is declining, while greater use of renewable energy and electrification is expected to improve energy efficiency. Rapid changes in energy use and technologies will also be accompanied by transition risks.	The energy transition under the NZE scenario is built on four pillars: deploying low-emissions electricity sources and electrification to reduce end-user emissions; improving energy efficiency; using low-emissions fuels such as hydrogen, biofuels, and carbon capture, utilization and storage (CCUS); and reducing methane emissions. These strategies are expected to reduce emissions rapidly under the scenario and drive a demand-led energy transition, gradually reducing reliance on fossil fuels.	It is assumed that substantial growth in clean energy policies and investment places the energy system on a pathway toward achieving key Sustainable Development Goals (SDGs).	For users subject to renewable energy obligations, the required installed capacity is calculated as 10% of the user's average contracted capacity in the previous year.	Estimates are made based on the renewable energy usage ratio set under the Group's decarbonization targets.
Technology Development	Rapid technological change is required to accelerate decarbonization, including technologies such as carbon capture and storage, although the level and pace of technological development vary globally.	Progress in deploying low-emissions technologies and improving energy efficiency is very rapid, but uneven across industries and countries. In addition to the need for a rapid transition in the energy sector, broad deployment of carbon dioxide removal technologies is also required, although these technologies have not yet been proven at scale.	The latest cost data for all technologies have been incorporated, considering the impact on costs of continued research and development, economies of scale, and improvements in manufacturing and installation processes through practical experience.	It is assumed that the level of domestic technological development remains unchanged from the current situation.	

Overview of the 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 Electricity 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 ^{Note2} .	Equipment replacement costs, green electricity costs, renewable energy certificate costs ^{Note4} , 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)	NGFS Phase 5 Carbon Price Predictions  <table><caption>NGFS Phase 5 Carbon Price Predictions (USD/tCO2)</caption><tr><th>Year</th><th>1.5°C Scenario</th><th>2.0°C Scenario</th></tr><tr><td>2025</td><td>480.77</td><td>479.53</td></tr><tr><td>2030</td><td>561.56</td><td>560.79</td></tr><tr><td>2035</td><td>692.64</td><td>662.73</td></tr><tr><td>2040</td><td>864.30</td><td>805.67</td></tr><tr><td>2045</td><td>1,069.15</td><td>975.10</td></tr><tr><td>2050</td><td>1,301.56</td><td>1,166.96</td></tr></table> <td rowspan="2">Nationally Determined Contributions (NDC)</td> <td rowspan="2">Achieve net zero emissions in own operations by 2030</td>	Year	1.5°C Scenario	2.0°C Scenario	2025	480.77	479.53	2030	561.56	560.79	2035	692.64	662.73	2040	864.30	805.67	2045	1,069.15	975.10	2050	1,301.56	1,166.96	Nationally Determined Contributions (NDC)	Achieve net zero emissions in own operations by 2030
	Year	1.5°C Scenario	2.0°C Scenario																						
2025	480.77	479.53																							
2030	561.56	560.79																							
2035	692.64	662.73																							
2040	864.30	805.67																							
2045	1,069.15	975.10																							
2050	1,301.56	1,166.96																							
International Energy Agency (IEA): 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). Predicted carbon prices disclosed by the "World Energy Outlook 2025" 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><caption>NGFS Phase 5 Carbon Price Predictions (USD/tCO2)</caption><tr><th>Year</th><th>1.5°C Scenario</th><th>2.0°C Scenario</th></tr><tr><td>2020</td><td>93.57</td><td>73.30</td></tr><tr><td>2025</td><td>123.45</td><td>109.84</td></tr><tr><td>2030</td><td>158.64</td><td>137.94</td></tr><tr><td>2035</td><td>225.19</td><td>179.38</td></tr><tr><td>2040</td><td>283.16</td><td>234.38</td></tr><tr><td>2045</td><td>346.40</td><td>274.11</td></tr><tr><td>2050</td><td>420.94</td><td>326.52</td></tr></table>	Year	1.5°C Scenario	2.0°C Scenario	2020	93.57	73.30	2025	123.45	109.84	2030	158.64	137.94	2035	225.19	179.38	2040	283.16	234.38	2045	346.40	274.11	2050	420.94	326.52
Year	1.5°C Scenario	2.0°C Scenario																							
2020	93.57	73.30																							
2025	123.45	109.84																							
2030	158.64	137.94																							
2035	225.19	179.38																							
2040	283.16	234.38																							
2045	346.40	274.11																							
2050	420.94	326.52																							
Timeline	2025-2050 (analysis conducted for every five-year period) [Expected average asset holding period is 1-7 years].		2025 ^{Note 3} [Expected average asset holding period is 1-7 years].	Conducted analysis for each year from 2026-2030 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 Electricity 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 analysis 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 ^{Note6}	Operational risks	- Low potential impacts on the capital adequacy ratio of SinoPac Holdings at all timepoints under all scenarios. - Analysis results revealed that only 2 suppliers were listed as high-carbon-emission corporations by the Ministry of Environment, with low impacts on SinoPac Holdings.	Analysis results revealed that only 4 suppliers were major electricity users, with low impacts on SinoPac Holdings.	-
	Downstream corporate clients ^{Note7}	Credit risks and market risks	Under the NGFS (1.5°C) scenario, the potential impact on the decline in the financial holding company's capital adequacy ratio in 2045 and 2050 is assessed as low-to-moderate risk, while all other scenarios at each time point are assessed as having a low impact.	Low potential impacts on the capital adequacy ratio of SinoPac Holdings 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 indicates a low-to-moderate potential impact on the decline in the financial holding company's capital adequacy ratio in 2045 and 2050 under the NGFS (1.5°C) scenario, while for all other scenarios and time points, the potential impact remains low.	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 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.

Note2: "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\$36,400/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 Electricity 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 Electricity 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."

Note3: The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Electricity 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%.

Note4: "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.

Note5: Please refer to [the SinoPac Holdings official](#) website for more details on our net zero commitment.

Note6: Assessment scope encompassed all domestic and overseas suppliers of subsidiaries within the same boundary as the consolidated financial statements.

Note7: 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 at 96.6% of procured items are government-certified green procurement and finance items. The usage ratio of green building materials for renovation and decoration has exceeded 94.38%. - 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 Electricity 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	- In line with its Scope 1 and Scope 2 science-based targets (SBTs) and its target of achieving net zero emissions from its own operations by 2030, the Company seeks to achieve this through energy conservation and carbon reduction in its own operations, as well as through the use of renewable energy and renewable energy certificates. - 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 Payment

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^{Note1}.

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.

Risk Factor: Carbon Cost Payments				Reference date: December 31, 2025 Unit: NT\$ million					
Scenario	Data Source	Business Scope	Procurement Costs	Carbon Costs Transferred From Suppliers					
				2025	2030	2035	2040	2045	2050
< 2° C	IEA	Procurement	3,781	24	31	40	52	61	73
	NGFS	Procurement		107	125	147	179	217	259
1.5° C	IEA	Procurement		27	35	50	63	77	94
	NGFS	Procurement		107	125	154	192	238	289

Note1: 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 "2024 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](#))

- 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.
- 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^{Note1} to analyze incremental changes in incremental expected losses^{Note2} from climate risks on loan, bill, and bond positions, and incremental losses from price declines^{Note3} in equity investment positions from climate risks.

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).

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. Under the NGFS (1.5°C) scenario, the potential impact on the decline in the financial holding company's capital adequacy ratio in 2045 and 2050 is assessed as low-to-moderate risk, while the impact at all time points under all scenarios remains low.

Risk Factor: Carbon Cost Payments				Reference date: December 31, 2025				Unit: NT\$ million	
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)	194,829	232	237	245	249	257	266
		Market risks (equity investments) (B)	19,492	14	98	212	346	455	586
		Overall investment and lending portfolios (=A+B)	214,322	246	335	457	595	712	852
	NGFS	Credit risks (loans, bills, and bonds) (A)	194,829	238	256	279	304	333	355
		Market risks (equity investments) (B)	19,492	63	399	784	1,189	1,608	2,031
		Overall investment and lending portfolios (=A+B)	214,322	301	655	1,063	1,493	1,941	2,386
1.5° C	IEA	Credit risks (loans, bills, and bonds) (A)	194,829	236	246	260	276	292	306
		Market risks (equity investments) (B)	19,492	25	172	406	649	911	1,118
		Overall investment and lending portfolios (=A+B)	214,322	261	418	666	925	1,202	1,424
	NGFS	Credit risks (loans, bills, and bonds) (A)	194,829	241	272	310	357	391	407
		Market risks (equity investments) (B)	19,492	96	609	1,248	1,941	2,606	3,087
		Overall investment and lending portfolios (=A+B)	214,322	337	882	1,558	2,298	2,998	3,495

3.2.2 Energy Transition

Upstream suppliers

Procurement amounts from suppliers that are major electricity users.

Method

Compiled a list of SinoPac Holdings suppliers for 2025 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 4.95% of total procurement at SinoPac Holdings.

Risk Factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Electricity Users above a Certain Contract Capacity"

Reference date: December 31, 2025
Unit: NT\$ million

Major electricity users	Procurement amounts	Proportion of total procurement at SinoPac Holdings
4	187.03	4.95%



Downstream corporate clients

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

- 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.
- 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^{Note1} from corporate clients listed as major electricity users to determine incremental changes in expected losses^{Note2} on loan, bill, and bond positions from climate risks and incremental losses from price declines^{Note3} 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.

Risk Factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Electricity Users above a Certain Contract Capacity"

Reference date: December 31, 2025
Unit: NT\$ million

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 2025	Renewable energy electricity and certificates purchased in 2025	Monetary substitutions paid in 2025
Credit risks (loans, bills, and bonds) A)	40,430	0.5	0.5	0.6
Market risks (equity investments) (B)	21,975	2.7	7.4	14.9
Overall investment and lending portfolios (=A+B)	62,405	3.2	7.9	15.4

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

Risk Factor: Net Zero Emissions in Own Operations		Reference date: December 31, 2025					Unit: NT\$ million
Business Scope	Transition Risk Scenario	Potential Financial Impacts					
		2026	2027	2028	2029	2030	
Own operations	Achieve net zero emissions in own operations by 2030.	123	147	171	224	261	

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. The additional burden that clients may need to bear in response to the climate transition is the corresponding potential financing needs, which may constitute a source of business opportunities for the company in supporting industrial transformation. SinoPac Holdings will continue to develop green financial products and services in connection with low-carbon transition, alternative energy, and related sustainable development activities, and will further assess the estimated funding costs involved in capturing climate-related opportunities.
- Environmental changes:** Climate change may lead to more extreme weather events such as typhoons, heavy rainfall, droughts, landslide disasters, wildfires 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.

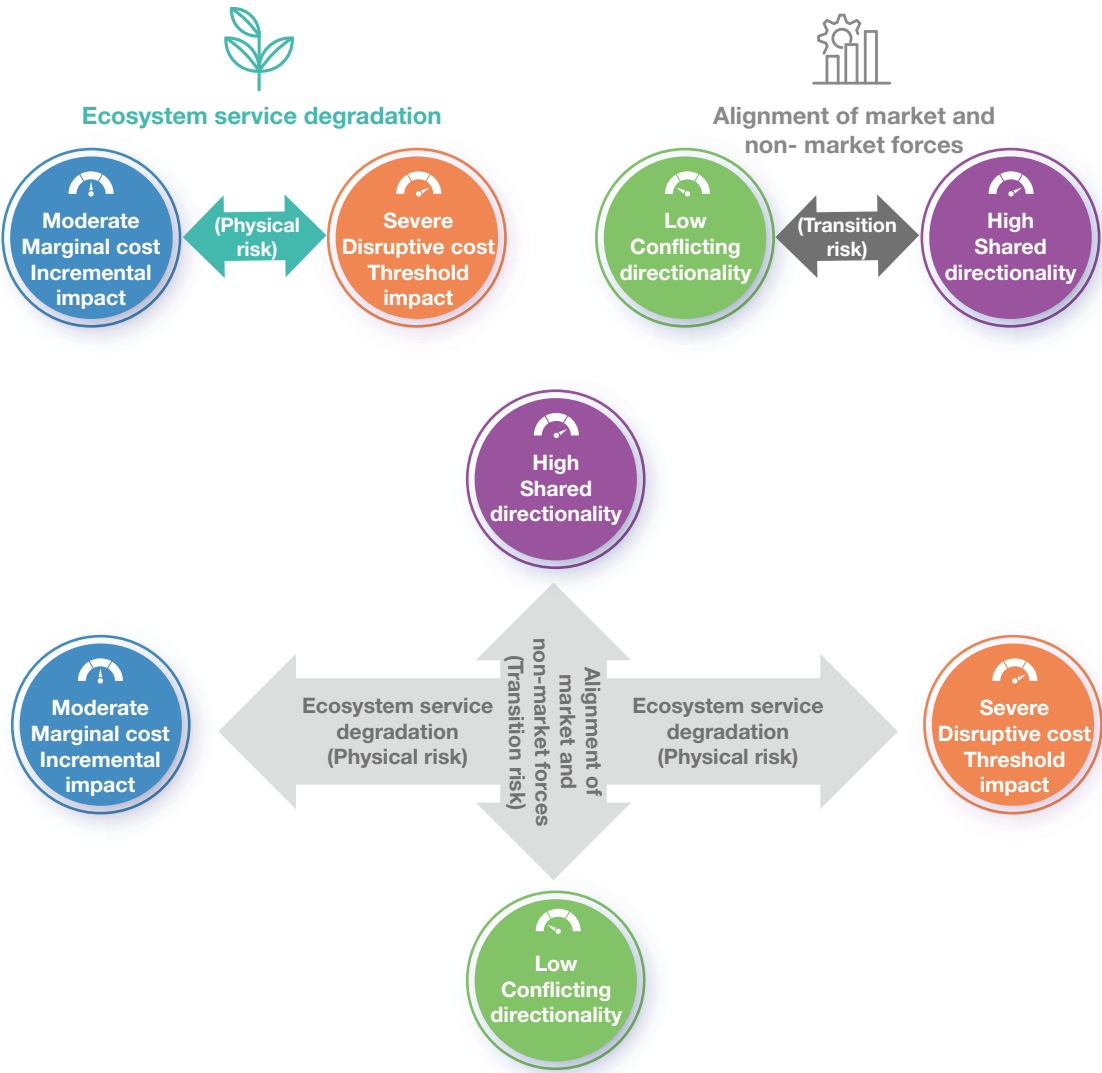
3.4 Nature Scenario Analysis

In the face of uncertainties in the natural environment, SinoPac Holdings conducted nature-related scenario analysis for domestic positions based on TNFD nature-related sensitive industries. The Company analyzed the Sankey diagram and identified water resources as the nature capital of particular concern for TNFD nature-related sensitive industries. Therefore, the Company analyzed the potential risks of these industries and water resources as the main targets of the scenario analysis.

3.4.1 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 Utilities Industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services)

Among TNFD nature-related sensitive sectors, the Company selected utilities—with the largest investment and lending exposure—for analysis, including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services. With reference to the TNFD Additional Sector Guidance-Electric Utilities and Power Generators, the TNFD Additional Sector Guidance - Water Utilities and Services, and the dependency and impact assessment under ENCORE, the Company identify the potential water resource risks and conduct scenario analyses.



Dependencies

Utilities industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services) depend on water resources provided by ecosystems. For the power generation sector, sufficient water is required for cooling systems, equipment cleaning, and day-to-day operations. Industries related to waste treatment also depend on clean water resources in the course of treating wastewater and waste.



Impacts

Untreated or inadequately treated effluent generated by utilities industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services)—such as high-temperature wastewater or wastewater containing pollutant residues—may cause significant impacts if discharged into the natural environment.



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.

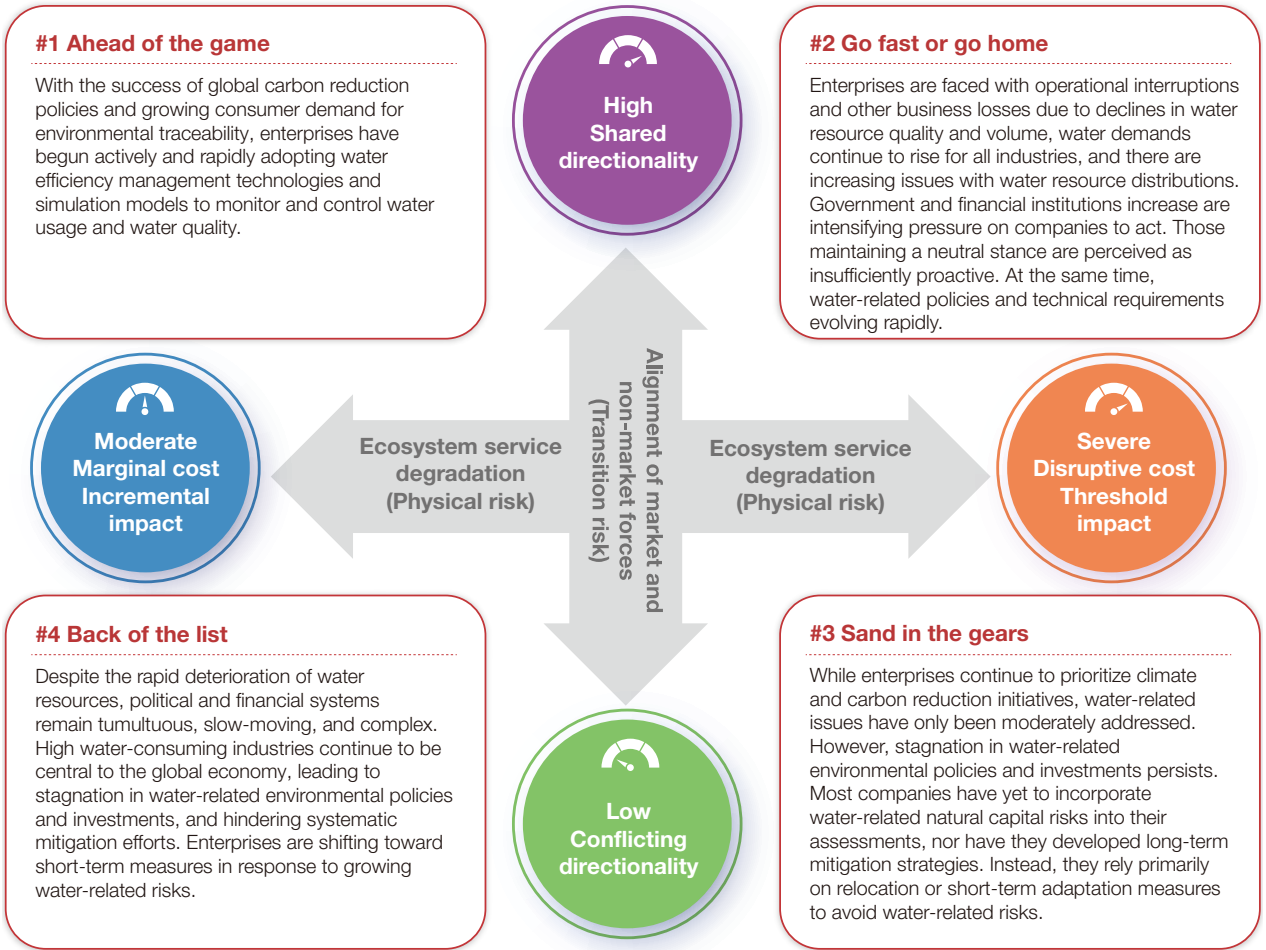


Transition risks (related to water resources)

- 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. Utilities Industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services) - Water Resource Exploratory Scenarios

Considering the resource dependencies and impacts of the utilities industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services), 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 in the utilities Industries (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental and facilities services) under different scenarios for future management and to formulate response measures.

Scenario #1

Ahead of the game

- 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.
- 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.

Scenario #2

Go fast or go home

- 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.
- Failure to offer financial products and services in a timely manner may cause the Company to lose market share and customers and decrease revenue.
- 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.

Scenario #4

Back of the list

- 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.

Scenario #3

Sand in the gears

- 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.
- 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 Nature-related Physical Risk- Water Resource Dependency Assessment

Through the analysis of the TNFD nature-related sensitive industries Sankey diagram, the dependency on ecosystem services is mainly derived from "water resources." For instance, the food, beverage, and tobacco (including agriculture) industries rely on water resources for production and water quality regulation; casting, cooling, and dust emission control in the metal manufacturing processes of the materials industry require water. We therefore used the "drought risk factor" to conduct a scenario analysis of "water resource dependency" for the domestic investees and borrowers of these TNFD nature-related sensitive industries (12 industries in total).

SinoPac Holdings analyzed investment and lending risks, and evaluated the potential impact on capital adequacy ratio based on possible expected losses, setting five degrees of potential impact levels:

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\$2.4 billion	NT\$2.4-4.8 (inclusive) billion	NT\$4.8-8.4 (inclusive) billion	NT\$8.4-11.9 (inclusive) billion	NT\$11.9 billion



Methodology

The Company assessed the expected loss related to water resource dependency^{Note 1} for the plant locations of investees and borrowers in the TNFD nature-related sensitive industries 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\$24million, and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.

Reference date: December 31, 2025

Unit: NT\$ million

Scenario	2030			2050		
	Investment and lending amount with high dependency on water resources	Percentage of total investment and lending	Expected loss	Investment and lending amount with high dependency on water resources	Percentage of total investment and lending	Expected loss
SSP1-2.6	25,328	0.81%	24	25,328	0.81%	24
SSP2-4.5	25,328	0.81%	24	25,328	0.81%	24
SSP5-8.5	25,328	0.81%	24	25,328	0.81%	24

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



3.4.3 Nature-related Physical Risks- Water Resources Impact Assessment

Sinopac Holdings analyzed the Sankey diagram for the TNFD nature-related sensitive industries and identified water resources as the key impact item. The top three impact pressure factors include "toxic soil and water pollution emissions," as corporate water withdrawal or discharge may affect water availability, water quality, impact freshwater ecosystems, or alter hydrological characteristics. The Company therefore checked whether the plant locations of investees and borrowers are located within "Water Quality and Quantity Protection Areas" to conduct a scenario analysis of "water resource impacts" for the domestic investees and borrowers of these TNFD nature-related sensitive industries (12 industries in total).



Methodology

The Company used the Water Quality and Quantity Protection Areas map data from the Water Resources Agency, Ministry of Economic Affairs to assess the exposure amount of investees and borrowers in the TNFD nature-related sensitive industries whose plant locations are located within Water Quality and Quantity Protection Areas.

Results

For investees and borrowers in the TNFD nature-related sensitive industries whose plants are located within "Water Quality and Quantity Protection Areas," the total exposure amounted to NT\$25,290 million, accounting for proximately 0.808% of SinoPac Holdings' total investment and lending.

Reference date: December 31, 2025

Unit: NT\$ million

TNFD nature-related sensitive industries	Exposure amount in water quality and quantity protected areas	Percentage of total investment and lending
Semiconductors & Semiconductor Equipment	23,742	0.759%
Materials	1,231	0.039%
Energy	200	0.006%
Pharmaceuticals & Biotechnology	42	0.001%
Restaurants & Consumer Staples	39	0.001%
Food, Beverages & Tobacco (including agriculture)	21	0.001%
Consumer Durables & Apparel	12	0.0004%
Building Services & Equity Real Estate Investment Trusts (REITs)	4	0.0001%
Automobiles & Auto Components	0.45	0.00001%
Transportation	0	0%
Household & Personal Products	0	0%
Utilities (including electric utilities, gas utilities, independent power and renewable electricity producers, water utilities, and environmental & facilities services)	0	0%
Total	25,290	0.808%

3.4.4 Nature-related Transition Risk- Environmental Penalty Impact Assessment

To assess nature-related transition risks, the Company compiled environmental penalty cases disclosed by the Ministry of the Environment for 2025 and cross-referenced them with the list of investees and borrowers in TNFD nature-related sensitive industries to identify whether any sensitive industry clients incurred environmental penalties in 2025. The Company also referenced SinoPac Bank's Responsible Lending Management Guidelines and set an accumulated penalty amount of NT\$1 million as the threshold for materiality. Clients reaching this threshold are deemed to pose environmental regulatory compliance risks, which serves as the basis for quantifying potential financial impacts.

Methodology

The Cpmpany utilized open-source environmental penalty case information from the Ministry of the Environment and cross-referenced whether investees and borrowers in TNFD nature-related sensitive industries incurred environmental penalties within the year 2025 with an accumulated penalty amount of NT\$1 million or above, thereby calculating the expected loss^{Note1} for clients carrying environmental penalty risks.

Results

Within the TNFD nature-related sensitive industries, the investment and lending amount for clients carrying environmental penalty risks totaled NT\$18,197 million, accounting for approximately 0.58% of SinoPac Holdings' overall investment and lending amount. The expected loss amount was approximately NT\$41 million, and the potential level of impact on the capital adequacy ratio of SinoPac Holdings was low.

Reference date: December 31, 2025

Unit: NT\$ million

TNFD Nature-related sensitive industries	Investment and lending amount	Percentage of total investment and lending	Expected loss
Clients with environmental penalty risks	18,197	0.58%	41

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



3.5 Scenario Analyses for Climate Opportunities

Climate change risk management and net-zero emissions continue to be global trends in 2025. The challenges arising from climate change—including the increasing frequency of extreme weather events, rising sea levels, and ecosystem degradation—have prompted the incorporation of such risks into national decarbonization policies, with related measures being progressively introduced. Internationally, the EU Carbon Border Adjustment Mechanism (CBAM) concluded its transitional phase in 2025, took effect on January 1, 2026, and carbon charges will be levied starting in February 2027, with significant implications for global supply chains. In Taiwan, the Climate Change Response Act was passed by the Legislative Yuan in January 2023 after three readings. The “three supporting regulations” for the carbon fee were formally implemented in 2024. Carbon fees are levied on major emitters—primarily in the power generation, gas supply, and manufacturing sectors-with annual greenhouse gas emissions exceeding 25,000 metric tons of CO₂e, at a rate of TWD 300 per ton, meaning that net-zero challenges are imminent. As a key driver of sustainable development, the financial sector plays a critical role in facilitating this transition. In October 2024, the Financial Supervisory Commission (FSC) promulgated the "Green and Transition Finance Action Plan" to support corporate net-zero transition. In addition, listed and OTC companies are required to disclose sustainability reports by 2025, promoting the integration of financial resources and enhancing the transparency of corporate sustainability information in response to growing investor focus on environmental issues.

SinoPac Holdings actively promotes net-zero actions and assists collaborating vendors in establishing carbon reduction strategies. SinoPac Holdings' multifaceted efforts include the following:

Net-zero service conferences

In response to increased supply chain carbon management demands, SinoPac Holdings collaborated across industries with external institutions to provide internal training, support employees in obtaining professional certifications, organize sustainability exhibitions and large-scale forums, and offer sustainable finance services.

Emerging Renewable Energy Financing

Taiwan is making every effort to promote renewable energy and aims to achieve net-zero transition goals by 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 energy sources to provide corporations with renewable energy options and energy plans.

Green Energy Electricity Trading Trust Platform

To align with RE100 international net-zero trends and support corporate energy transitions, the Company leveraged its advantages in solar energy site financing to become the first in the industry to launch the Green Energy Electricity Trading Trust Platform, which 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 and acquisitions, SinoPac Holdings continues to develop capabilities and facilitate connections between buyers and sellers of green energy assets in the market. The Company provides professional green financial advisory services to support corporate sustainable development.

Sustainability-Linked Loans

Sustainability has become a central driver of global economic transitions. By providing sustainability-linked loans, SinoPac Holdings provides enterprises with incentives and guides clients in fulfilling their corporate sustainability responsibilities to facilitate the collective achievement of sustainable development across the corporate and financial sectors.

Global climate change risk management and net-zero trends are continuing to accelerate. Following Taiwan's announcement of the "Taiwan's 2050 Net-Zero Emissions Pathway" in March 2022, the draft amendments to the "Climate Change Response Act" were also passed by the Legislative Yuan in January 2023. Key contents include the formal codification of the 2050 net-zero emissions target into law, and the introduction of carbon fees in 2024 targeting major emitters with annual carbon emissions exceeding 25,000 metric tons of CO₂e. Enterprises not only face domestic carbon fee risks, but exporters also face carbon tariff and carbon verification pressures brought by the CBAM. For the nine high-emission industries identified as hotspots in the industry climate risk heatmap and the high-emission enterprises regulated by the Ministry of Environment, Bank SinoPac, the main subsidiary of SinoPac Holdings, conducts scenario setting. From the perspective of its investee and borrower enterprises, the Bank assesses the additional costs these enterprises may incur when transitioning in response to climate change risks, and accordingly evaluates the potential financial impacts. On the other hand, the additional burdens that clients bear in responding to the climate transition are regarded as potential funding needs and as a source of business opportunities in supporting industrial structural transformation. Building on this, the Bank continues to develop green financial products and services that integrate low-carbon transition, alternative energy, and related sustainable development activities. When focusing on potential credit demand driven by the aforementioned climate transition activities, the Bank incorporates the financial impacts of changes in funding costs and net interest margins into its strategy formulation and resource allocation considerations when providing financing support.

Aim of analysis

Additional costs for climate transition by investees and borrowers belonging to high-emission industries and high-emissions enterprises listed by the Ministry of Environment, as well as continued development of financing services for green electricity and renewable energy, which are considered to be potential capital requirement scenarios for Bank SinoPac. Our analysis enables us to determine the capital costs required for loans to realize climate opportunities.

Analysis method

Referenced the indicators listed in Financial Statistics Monthly on the Central Bank of the Republic of China (Taiwan)'s website. Bank SinoPac uses historical average quarterly deposit interest rates during 2023Q1 to 2025Q4 as an indicator of future funding cost estimations for our credit-related businesses.

Analysis Results

In recent years, global economic and market uncertainties have increased due to factors such as geopolitical tensions, inflation, interest rate hikes, and shifts in U.S. policies. An analysis of the Bank's historical data from Q1 2023 to Q4 2025 shows that quarterly deposit rates ranged from approximately 1.74% to 2.13%, while the net interest margin (NIM, including FX swaps) ranged from approximately 1.18% to 1.44%, with no fixed or clear trend observed. These results reflect only the characteristics of funding fluctuations under historical conditions and do not constitute any form of forecast or projection of future financial performance.

Reference date: December 31, 2025



Risk Management

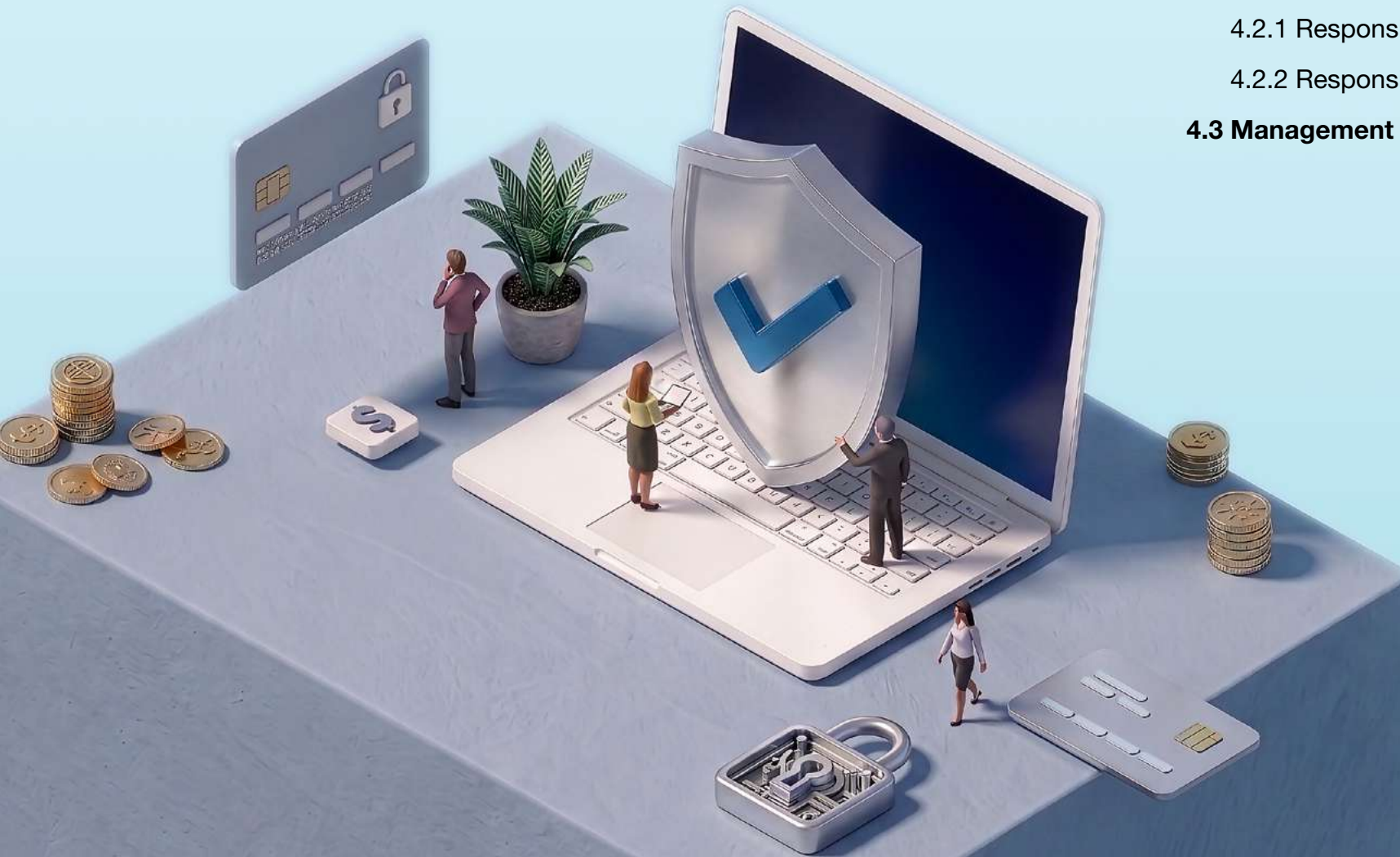
4.1 Risk Policy Framework

4.2 Management of Investment and Lending Risks

4.2.1 Responsible Investment

4.2.2 Responsible Lending

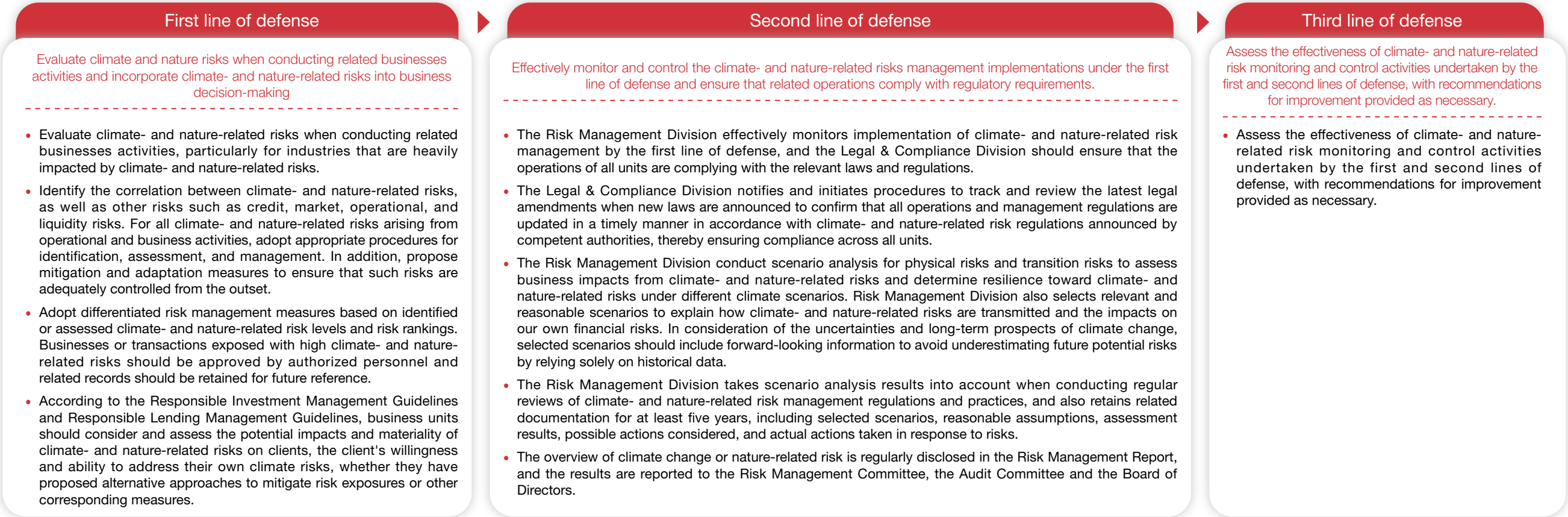
4.3 Management of Operational Risks



4.1 Risk Policy Framework

SinoPac Holdings has revised the existing “Guidelines for the Management of Climate-related Risks and Opportunities” with reference to the International Financial Reporting Standards S2 “Climate-related Disclosures” (IFRS S2) and the Recommendations of the Task Force on Nature-related Financial Disclosures (TNFD), and has renamed it the “Guidelines for the Management of Climate and Nature-related Risks and Opportunities” to enhance the management framework for climate- and nature-related risks and opportunities. 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.

SinoPac Holdings has adopted three lines of defense framework in internal controls to clearly define the roles, responsibilities, and governance mechanisms for climate- and nature-related risk management across each line of defense.



SinoPac Holdings has adopted three lines of defense framework in internal controls to clearly define the roles, responsibilities, and governance mechanisms for climate- and nature-related risk management across each line of defense. The Company uses risk and opportunity identification processes to determine the impacts of climate- and nature-related risks and opportunities on our businesses, strategies, and finances over different periods (please refer to 2 Strategy). The Company conducts scenario analysis 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 and nature resilience (please refer to 3 Scenario Analysis for Physical and Transition Risks).



4.2 Management of Investment and Lending Risks

SinoPac Holdings formulated a group-level sustainable finance statement in 2022 and has incorporated ESG factors into its corporate banking, retail banking, asset management and investment, wealth management or private banking, investment banking and brokerage businesses. The Board of Directors approved the "Sustainable Finance Policy" in July 2023, as the highest guiding principle 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 (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) or industries with high physical risks (agriculture, forestry, fishing, and animal husbandry, and other public utilities). - 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. This policy will continue to be progressively enhanced on an annual basis and expanded to cover investments, financing, and fixed-income underwriting related to thermal coal mining, power generation, and unconventional oil and gas. Starting from July 2025, the scope of decarbonization is defined to include investments, financing, and fixed-income underwriting activities involving stranded assets—namely thermal coal and unconventional oil and gas—without transition actions. The scope of thermal coal activities is further expanded to include infrastructure, and has established a standardized phase-out schedule with 2030 as the final deadline. Please refer to SinoPac Holdings' Decarbonization Policy for detailed information.
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. - 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: Bank SinoPac 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: Bank SinoPac, King's Town Bank and Bank SinoPac(China) 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 Second Edition of Taiwan Sustainable Taxonomy into the "Responsible Lending Management Guidelines" to guide fund toward in sustainable economic activities. - Equity investment: Include entities with any non-compliance with the criteria in the Taiwan Sustainable Taxonomy of the FSC and no concrete transition plan or schedule as part of the equity investment ESG risk screening assessment.

Engagement and Management Guidelines

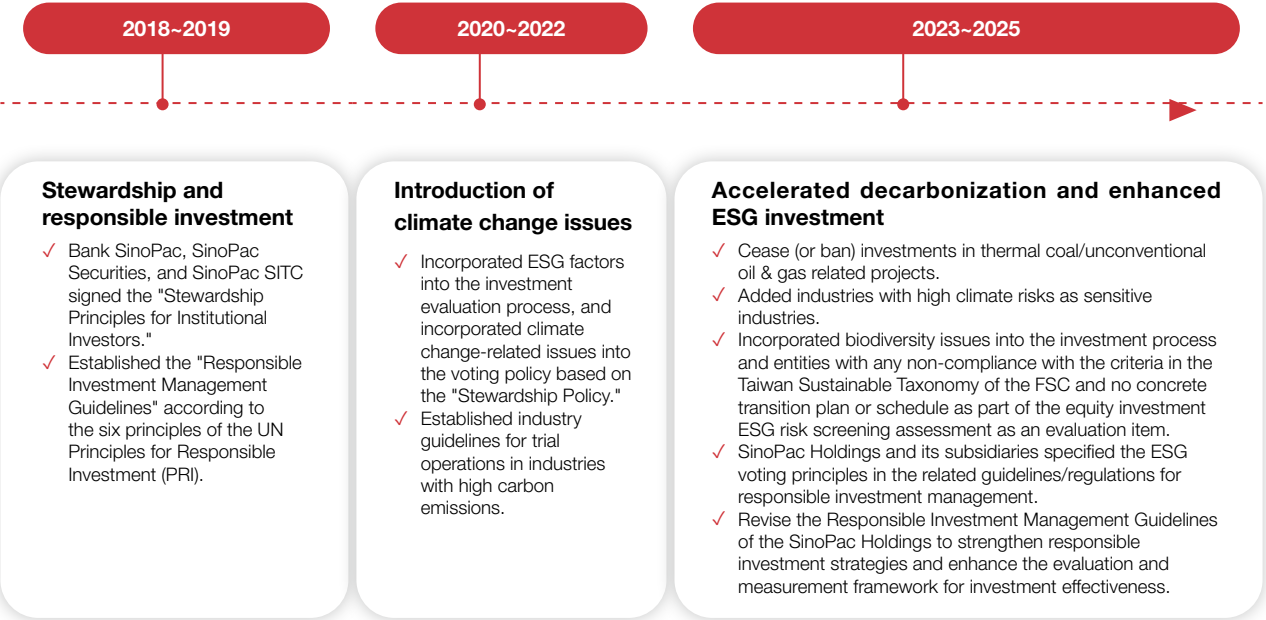
Voting principles	- Support sustainability-related proposals proposed by the company to achieve environmental, social, governance or sustainable business goals, including.(Environmental issues: Support proposals that promote or disclose reasonable and comprehensive plans for climate transition, reducing operational and supply chain greenhouse gas emissions, strengthening the protection of natural resources, and preserving biodiversity and ecosystems ; Social issues: Support proposals that promote or disclose initiatives to enhance occupational health and safety, value workplace diversity and inclusion, uphold human rights, and establish fair and reasonable remuneration policies ; Governance issues : Support proposals that promote or propose the deepening of a sustainable governance culture, strengthening director performance, competence and independence, enhancing gender diversity in the board of directors, implementing a nomination system for director election, and ensuring a reasonable dividend payout). - If the management of the investee company involves in unsound business practices that could harm the rights and interests of the company or shareholders, or if there are significant concerns regarding the violations of environmental (including significant climate-related issues, major environmental pollution from investment/expansion, and permanent impacts on the overall natural environment and ecosystem), social (including illegal employment of child labor, forced labor, major occupational accidents), and corporate governance aspects of sustainable business, it shall be evaluated to abstain or vote against such proposals.
Policy for third-party managed assets	- Bank SinoPac, SinoPac Securities and SinoPac SITC’s “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 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	- Investment: Bank SinoPac, SinoPac Securities, SinoPac SITC and King’s Town Bank 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 and continue to advocate for and monitor sustainability initiatives and concrete carbon reduction actions, including progress in setting carbon reduction targets and the extent to which such targets are achieved. In addition, 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. - Lending: Bank SinoPac, and King’s Town Bank reference the Taiwan Sustainable Taxonomy for credit businesses and advise enterprises to review the applicability of their economic activities and their alignment with the reference guidelines, and assist clients in formulating carbon reduction and transition plans. The Company 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 sustainable economic activities.

4.2.1 Responsible Investment

SinoPac Holdings actively complied with the six principles of United Nations "Principles for Responsible Investment (PRI)" in 2019 and established the "Responsible Investment Management Guidelines" as the highest guiding principle for the group's investment and asset management business. SinoPac Holdings promotes thematic investments that support ESG development, including net-zero, sustainable development, enabling activities, and transition finance. Investment targets include, but are not limited to, renewable energy, circular economy, critical technologies, low-carbon or climate-focused startups, and other sustainable industries or economic activities, as well as investments in sustainable bonds or other sustainability-related financial products. In 2025, SinoPac Holdings revised its “Responsible Investment Management Guidelines” to strengthen its responsible investment strategies and enhance the evaluation and measurement framework for investment effectiveness. Subsidiaries are required to set specific and measurable targets based on their operational practices, such as the amount of investments in or underwriting of sustainable development–related assets, the scale of ESG funds, and the number of ESG engagement activities with investees. Relevant outcomes are continuously tracked to assess the effectiveness of responsible investment.

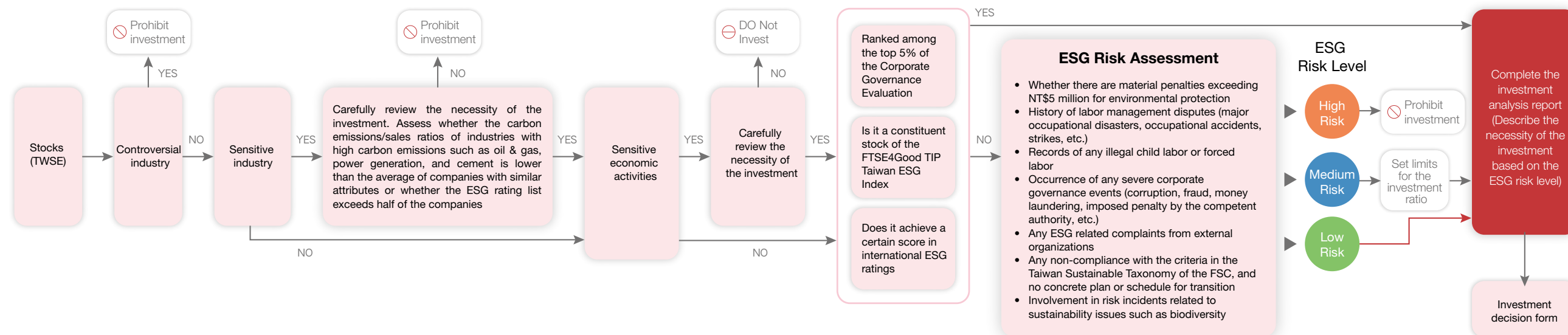
Bank SinoPac, SinoPac Securities, and SinoPac SITC have signed the "Stewardship Principles for Institutional Investors," and established "Stewardship Policy." They enhance the value of their investments by monitoring the operating conditions of the investee companies and carrying out stewardship actions.

Development of Responsible Investment by SinoPac Holdings

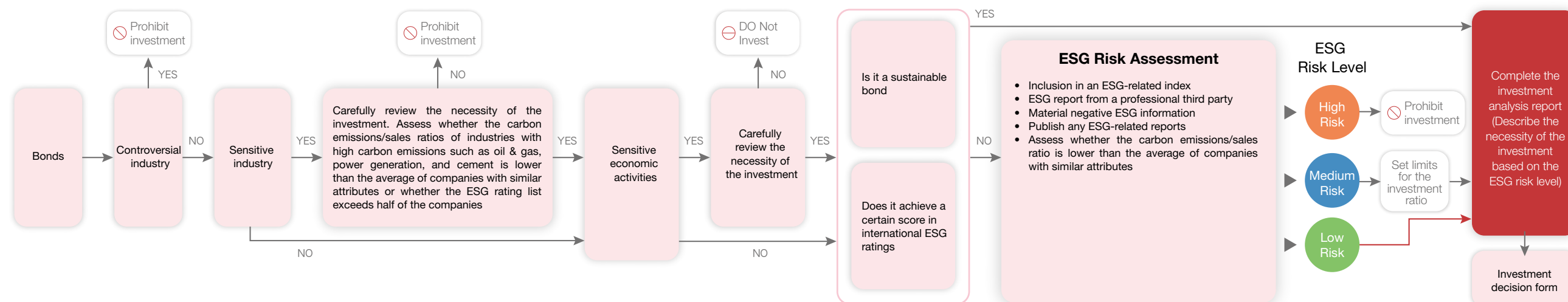


Note: The development context described above does not includes Amret and King's Town Bank.

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



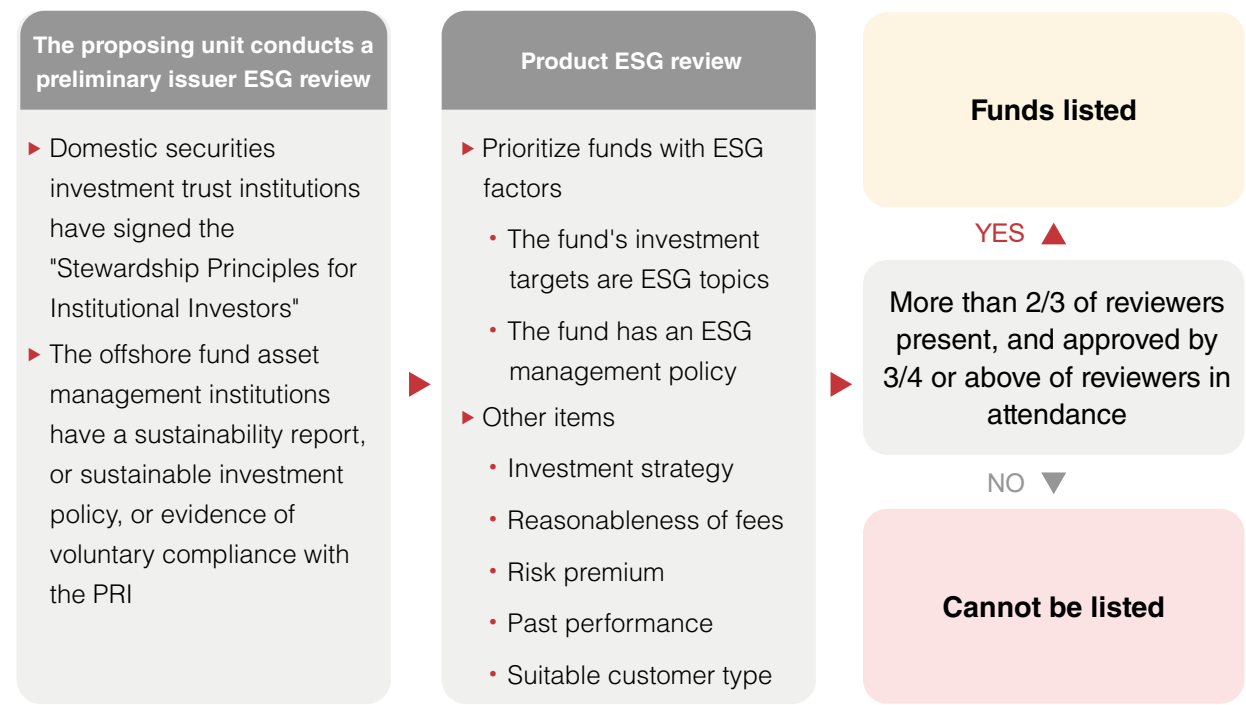
SinoPac Holdings Responsible Investment Process (SinoPac SITC as an example) – Bonds



Note: For SinoPac Securities Investment Trust Company's "Climate Risk Management Information" and its "Disclosures on the operating procedures and management measures adopted to incorporate ESG factors into the investment management process", please refer to the [official website of SinoPac Securities Investment Trust](#).

Incorporating ESG Factors into the Wealth Management Product Review Process

Bank SinoPac and SinoPac Securities Wealth Management Product Review Process (fund as an example)



Note: King's Town Bank has established a product review committee, and the listing of funds is conducted in accordance with its existing product review process. At present, no mechanism has been established to prioritize the selection of ESG-focused funds. A total of 21 domestic securities investment trust companies partnering with the Bank have signed statements of compliance with the "Stewardship Principles for Institutional Investors".

- All the 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 2025. Furthermore, all of the offshore fund asset management institutions that are working with are following the Principles for Responsible Investment (PRI).
- SinoPac SITC specified in the "SinoPac SITC ESG Investment and Risk Management and Information Disclosure Policy" that it supports thematic investments that contribute to the development of ESG-related issues, as well as the public offering of ESG or sustainability topics funds. 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, all of its ESG theme funds have obtained approval from the Securities and Futures Bureau for ESG information disclosure, and the Company regularly discloses important ESG information on the official website of SinoPac SITC.

Post-investment Stewardship Process

For post-investment management, SinoPac Holdings and its subsidiaries complies with the voting principle of the "Responsible Investment Management Guidelines" and 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 examine 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	• Opposes in principle or abstains from voting in cases where the investee company's management has improper and unsound operations, which may potentially harm the company's 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 or abstain 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 is imposed fines by the competent authority for material violations of ESG -related sustainable operations, including environmental, social, and corporate governance matters. • For proposals of directors' election in which the corporate governance's 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 2025 Stewardship Report	SinoPac Securities 2025 Stewardship Report	SinoPac SITC 2025 Stewardship Report

Note: King's Town Bank has established and signed up to the "Stewardship Principles for Institutional Investors ". The 2025 Stewardship Report is scheduled to be published in September 2026.

Engagement Status

Engagement with investees

SinoPac Holdings and subsidiaries have continued to send questionnaires on climate change issues to investee companies since 2020. In 2025, the "Sustainability Questionnaire on Environment, Social and Corporate Governance (ESG) of SinoPac Holdings and Subsidiaries" was updated in response to domestic and international sustainability trends, the latest sustainability assessments, and relevant guidance issued by regulatory authorities. The environmental, social, and governance-related questions were refined on a rolling basis to better align with corporate practices and market developments. This approach enables the Group to better understand the current status and needs of investee companies' sustainability governance, thereby strengthening the promotion of sustainable finance and enhancing professional insights into responsible investment.In 2025, SinoPac Holdings distributed survey questionnaires through its subsidiaries that have signed and committed to compliance with the Stewardship Principles for Institutional Investors, the questionnaires were sent to 194 companies, and 85 responses were received with a response rate of 43.81%.

Method	Bank SinoPac	King's Town Bank ^{Note2}	SinoPac Securities	SinoPac SITC	Total (number of times)
Onsite visits / Phone calls / Email and other forms of communication ^{Note1}	13	-	6	276	295
Attendance in shareholders' meetings	30	-	1,371	151	1,552
Participation in institutional investors' conferences	74	-	115	185	374
Sending questionnaires on sustainability issues	46	20	28	100	194

Note1: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 focuses its engagement efforts on carbon emissions management, occupational safety incident response, and gender equality. The Bank actively promotes carbon inventories and carbon reduction measures, enhances occupational safety emergency response procedures, and advances diversity and inclusion to strengthen corporate sustainability and safety governance. Meanwhile, SinoPac Securities engages with investee companies on ESG issues through on-site visits, email communications, and participation in shareholders' meetings and investor conferences. Engagement topics include the setting and implementation of net-zero targets, the identification and management of climate change-related risks and opportunities, the use of renewable energy, and the adoption of circular materials in packaging. SinoPac Securities Investment Service also participates in joint institutional investor engagement meetings organized by SinoPac Inv. Service, focusing on issues such as greenhouse gas emissions reduction, human rights, and sustainable economic activities. The asset management business of SinoPac SITC engaged investees to enhance communication and discuss their ESG policies and implementation status.

Note2: In 2025, King's Town Bank only recorded the number of sustainability survey questionnaires distributed; no data is available for other engagement activities with investee companies.

4.2.2 Responsible Lending

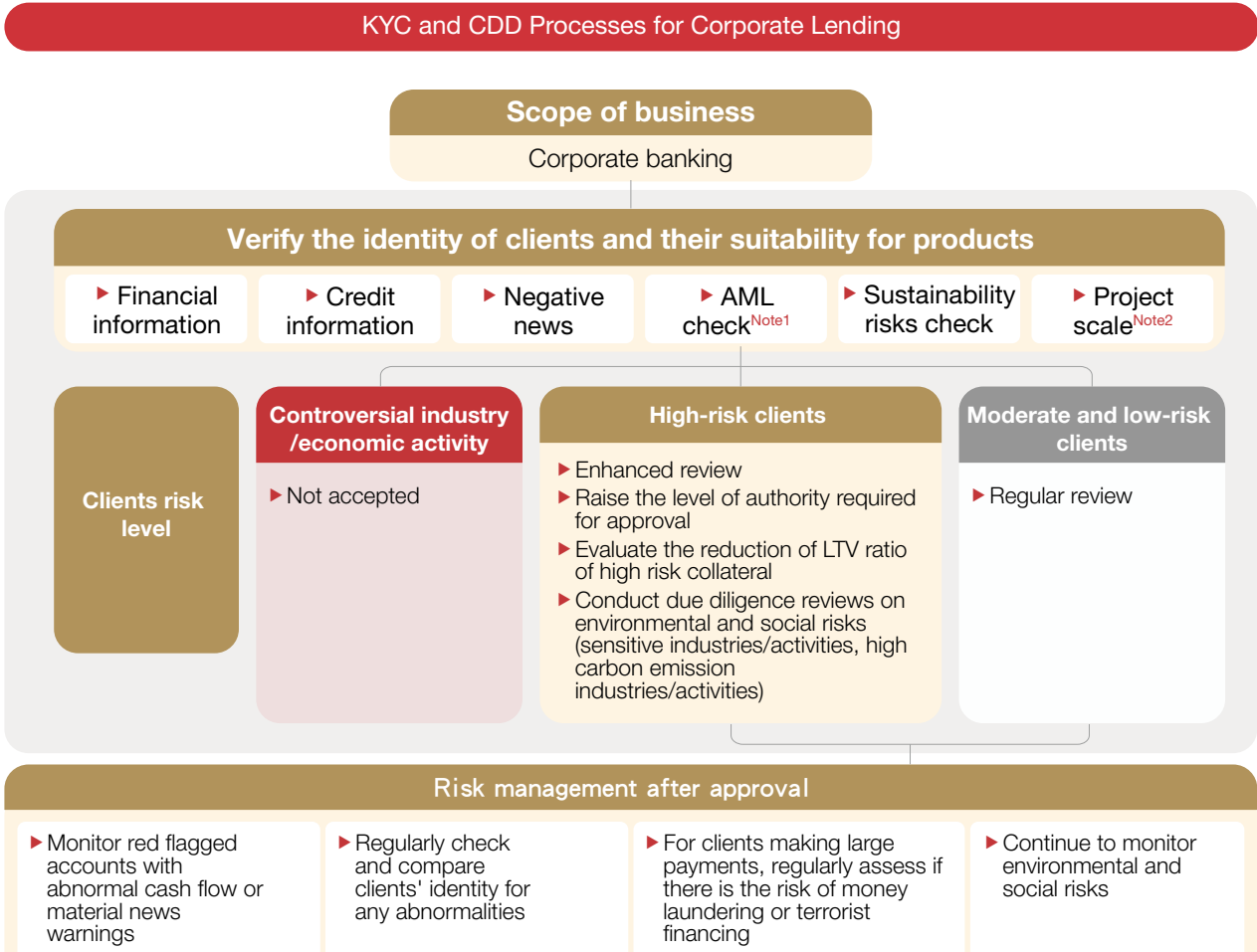
Bank SinoPac and King's Town Bank formulated management guidelines related to responsible lending, while Bank SinoPac (China) formulated working guidelines for green credit lending. When conducting corporate banking lending operations, they assessed the environmental, social, and governance performance of borrowing clients on a case-by-case basis, incorporated ESG factors in the credit extension procedures, and provide sustainable products such as green credits, social responsibility credits, and sustainability-linked loans for positive financing.

Both Bank SinoPac and King's Town Bank implement KYC and CDD mechanisms for corporate banking lending cases. When establishing business relationships with borrowers, the business units explain SinoPac's ESG philosophy to clients and establish active engagement. During the credit extension and lending process, they established ESG checklists and assessments to conduct ESG risk assessment verifications and due diligence on requirements for clients. They established the exclusion list of controversial industries with high ESG risks (e.g., pornography, controversial arms). For sensitive industries/enterprises/economic activities such as gambling, food safety concerns, harmful radioactive materials, genetic engineering non-medical or harmful to human development, non-bonded asbestos fiber and PCB manufacturing, oil and gas mining exploitation and wholesale, tobacco manufacturing related industries, tropical rainforest logging/driftnet manufacturing, fishing using driftnets, and high climate risk industries (including high carbon emission industries, etc.), they conduct due diligence and prudent assessments, and strengthened ESG risk analysis to serve as responses and strategies for credit reviews. If a client still fails to propose concrete response strategies (including avoidance, minimization, mitigation, and compensation) or relevant transition plans, they prudently evaluate whether to reduce or continue providing funds. 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.

ESG and Climate change risks include the following factors:

1. Environmental risks: Risks involving the natural environment such as air, soil, and water pollution, waste treatment, biodiversity and ecosystem protection, energy management, and compliance with environmental regulations.
2. Social risks: Occupational safety and health, human rights issues, supplier management, community relations, etc.
3. Governance risks: Corporate governance, ethical corporate management, compliance, risk management, etc.
4. 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.
5. Nature-related risks: Physical risks refer to asset impairment and business interruption resulting from short-term degradation of the natural environment and the consequent long-term loss of ecosystem services. Transition risks arise from the failure to protect, restore, or reduce negative impacts on nature, as well as changes in the external environment. Systemic risks occur when a large-scale imbalance in natural capital or ecosystem services leads to shifts or collapse of the ecosystem and instability in the financial system.

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.



Engagement Status

Engagement with Financing Targets

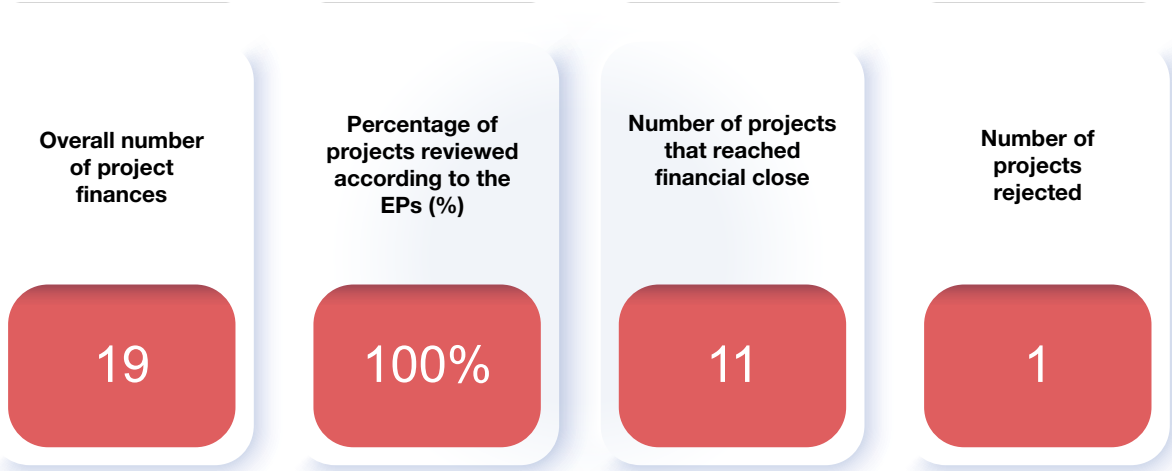
Both Bank SinoPac and King's Town Bank implement KYC and CDD mechanisms for corporate banking lending cases. When establishing business relationships with borrowers, the business units explain SinoPac's ESG philosophy to clients and establish active engagement.

Project Finance

Bank SinoPac complies with EP4 and the eight Performance Standards (PS1-8) of International Finance Corporation (IFC), and includes climate change and biodiversity risks as necessary items for risk assessment. For high-risk cases, the team seeks assistance from a third-party external consultant according to the EPs. 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. Bank SinoPac has also incorporated Equator Principles cases into the self-inspection items starting from December 2022 and a third party from head office regularly inspects the process of Equator Principles cases.

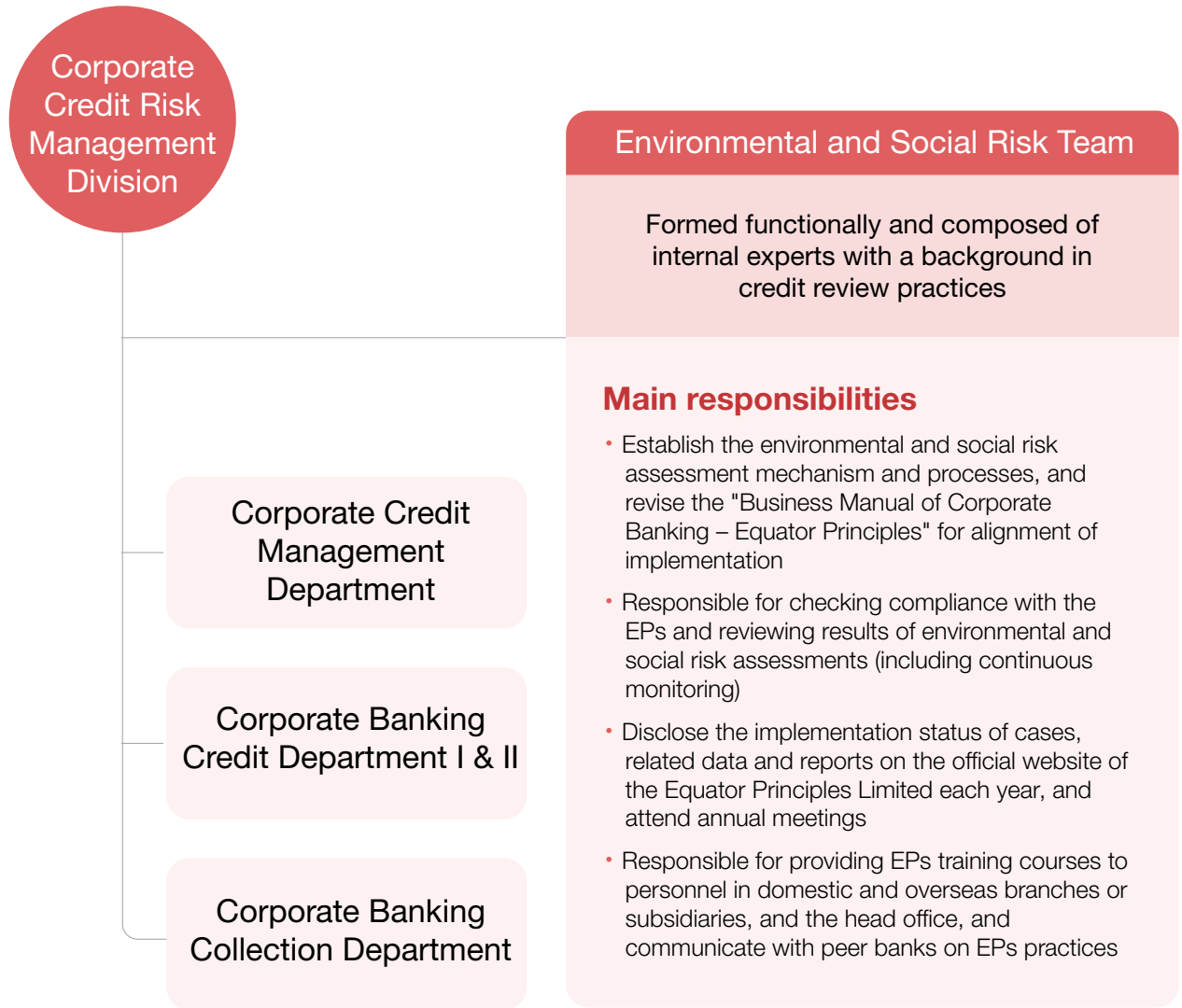
Bank SinoPac reviewed a total of 19 financing projects in line with the EPs in 2025. 11 cases have reached financial close, and the remaining are still ongoing.

Results of Project Finance Review

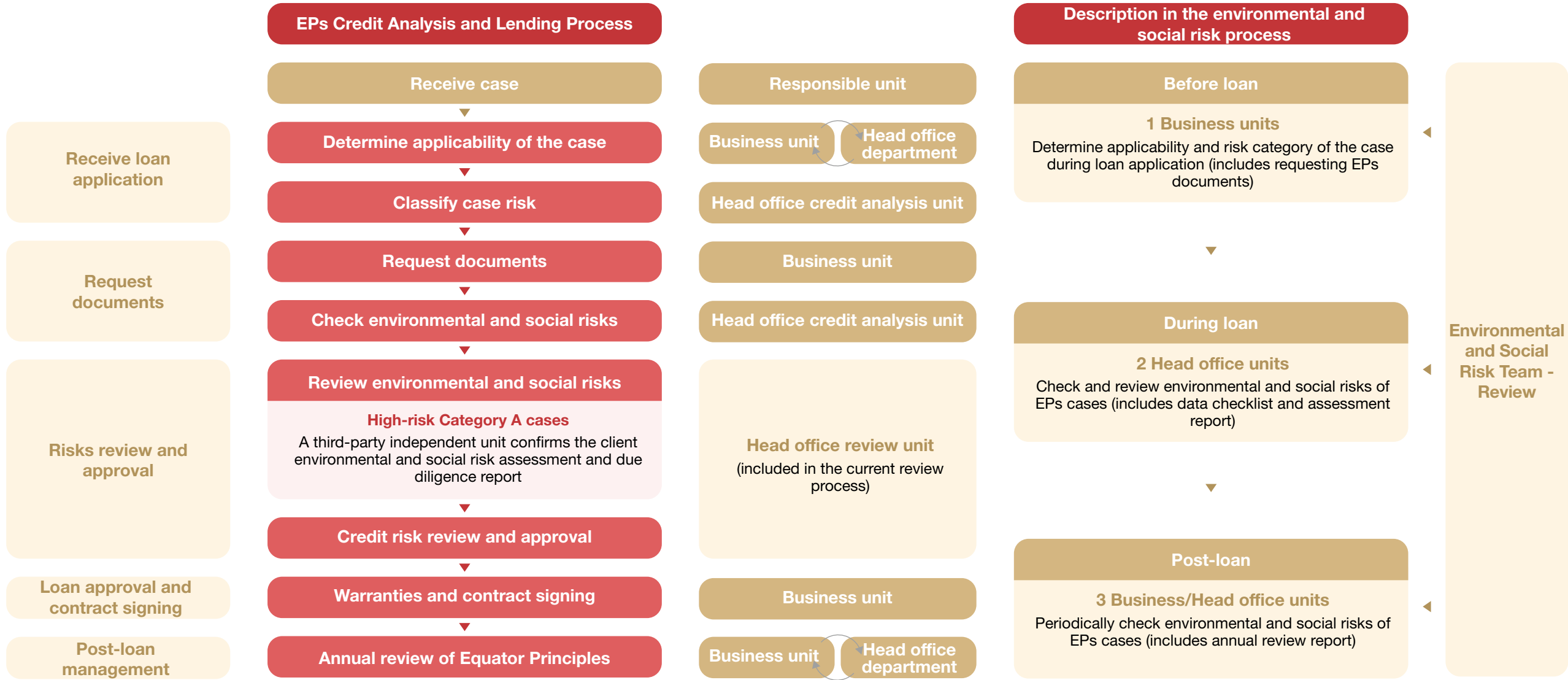


In addition, King's Town Bank signed the Equator Principles in December 2022, and promulgated the " KTB Equator Principles Financing Guidelines " in November 2023. When accepting corporate financing applications, the applicability of the Equator Principles must be determined based on the loan amount and purpose of each case. Bank SinoPac (China) established the Equator Principles Operating Manual to require reviews of large-scale project financing within its corporate banking lending business in accordance with relevant principles.

Organization and Duties of the Environmental and Social Risk Team (Bank SinoPac as an example)



EPs Credit Analysis and Lending Process(Bank SinoPac)



Retail Banking Lending-Incorporating ESG Factors into Product Review Processes

The subsidiary banks of SinoPac Holdings incorporated ESG factors into their 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 severe hazard or pollution and concrete improvement measures were not proposed, then the loan application will be rejected.

For details on incorporating ESG factors into retail banking lending, such as review process considerations, exclusion or rejection criteria, and post-lending management, please refer to the [official website of SinoPac Holdings](#).



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

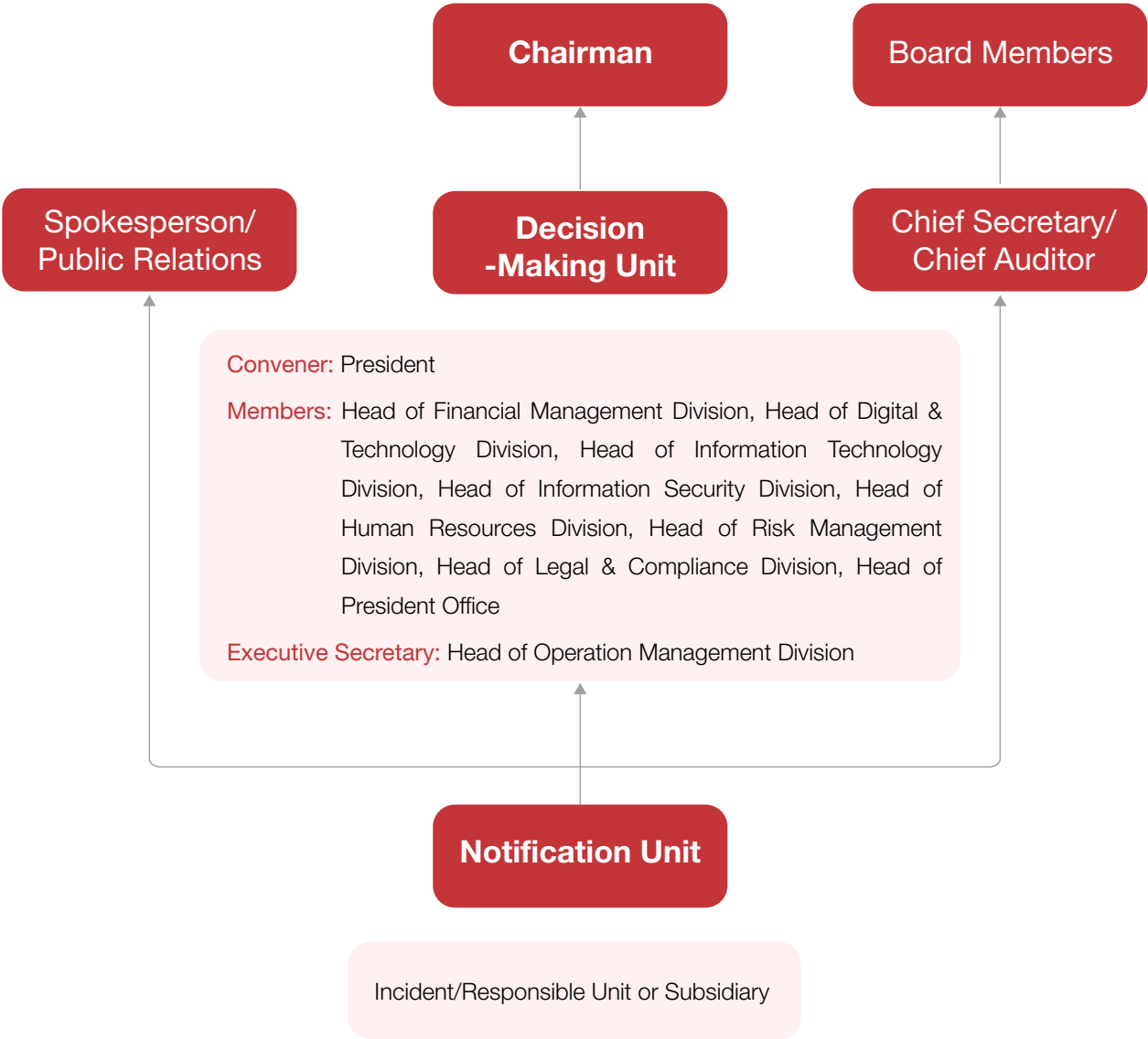
Responsible Unit	Indicator	Implementations
Operations Management Division	Self-owned operating sites and real estate	1. We obtained "commercial fire insurance" and "comprehensive electronics insurance" (including typhoon and flood insurance) to transfer losses. 2. We identified offices in high-risk areas. 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. In 2025, a total of 8 sites were assessed as high-risk locations for flooding caused by heavy rainfall (including 2 self-owned properties). As of December, flood barriers had been installed at 5 branches (including the 2 self-owned properties).
	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: Two external supplier training programs were organized in June and November 2025, respectively, based on the themes of "Low-Carbon Transition and Greenhouse Gas Inventory" and " Corporate Sustainability Information Disclosure and Development Trends and Regulations ." In September, the third supplier conference was held with a total of 109 suppliers in attendance. It helped partner suppliers learn about SinoPac Holdings' supply chain management strategies and targets. 3. Continued to strengthen sustainable supply chain management by improving management measures, reviewing and updating supplier-related policies, the Company completed on-site audits of 7 suppliers identified as having high ESG risks in 2024. In 2025, based on the findings from the on-site interviews, the Company provided supplier-specific improvement recommendations to the audited suppliers. Across all climate scenarios and time horizons, 5 suppliers within the Group's overall supplier base were identified as located below sea level and therefore classified as having high climate risk. Our procurement amount with said supplier is around NT\$6 million, and we determine 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 2025

5.2 Metrics and Targets

5.3 Performance and Remuneration Systems

5.4 Greenhouse Gas Emissions

5.4.1 Carbon Credit

5.5 Exposure to Industries with High Climate Risks

5.6 Financed/Facilitated Emissions

5.6.1 Financed emissions of investment and lending portfolios

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



Faced with challenges from climate-related risks and opportunities, SinoPac Holdings is committed to operational net zero emissions by 2030 and full-portfolio net zero emissions by 2050. SinoPac has conducted organization-wide greenhouse gas inventories annually since 2018 (please refer to [5.4 Greenhouse Gas Emissions](#)). In parallel, through setting SBTs, gradually increasing use of green energy, expanding financing for alternative energies, and issuing green bonds, SinoPac gradually adjusted its investment and financing strategies (for example, by 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. SinoPac Holdings has reviewed achievements for 2025 (please refer to [5.1 Targets Achieved in 2025](#)) and formulated short, medium, and long-term climate-related targets.(please refer to [5.2 Metrics and Targets in 2025](#))

5.1 Targets Achieved in 2025

Related Indicators		2025 targets	Achievement Status
Climate Governance	Establishment of performance/remuneration linkage mechanisms	Establish links between sustainability targets and performance of executives at SinoPac Holdings and first-tier subsidiaries.	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 ^{Note1}	Bank SinoPac's balance of loans for green energy financing	NT\$162 billion	Achieved
	Bank SinoPac's cumulative installed capacity for wheeling on the Green Energy Electricity Trading Trust Platform	400MW	Achieved
	Bank SinoPac promotes green energy financing and services	1. Continuous development of financing solutions 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.Conduct relevant internal training programs. 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 not less than 15% of the total new investment amount of the year.	Unachieved ^{Note2}
	SinoPac Securities Venture Capital's investments in green industries	2 projects/investment amount not less than 30 million	Achieved

Related Indicators		2025 targets	Achievement Status
Climate Opportunities ^{Note1}	SinoPac Leasing's (including overseas) amount of loans to green energy equipment and its supply chain	1.6 billion	Achieved
	Underwriting amount for green energy stock as the lead or co-underwriter by SinoPac Securities	1 billion	Achieved
	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 green energy trading trust.	Achieved
Capital Allocation	Green, Social and Sustainability Bonds	Bank SinoPac issuance of NT\$1 billion in Sustainability bonds	Achieved
Green Procurement		1. Increase the scope of green procurement and reached 95 % of the purchasing items aligned with the government's green procurement and financial policies. 2. Continue to win the "Corporate Green Procurement Excellence Award" of the Ministry of Environment or other related awards (e.g., Buying Power). 3. Increase the utilization rate of green building materials for renovation to more than 70%.	Achieved (achieved 28 items, 96.6%) Achieved Achieved (utilization rate of green building materials: 94.38%)
Green Operations	SBT	Achieve our target of reducing Scope 1 + Scope 2 emissions by 21%	Achieved ^{Note3}
	Power-saving, water-saving, and carbon reduction targets (using 2021 as base year)	- Decrease Scope 3 fuel and energy related activities by 20%. - Reduce electricity and water consumption by 3.5%.	Achieved ^{Note3} Unachieved ^{Note4}

Related Indicators		2025 targets	Achievement Status
Green Operations	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.	Achieved
	CDP	Complete the 6th CDP response.	Achieved
Energy Usage		Increase to 25% based on the total energy usage after consolidating Company Armet.	Achieved ^{Note5}
Internal Carbon Pricing		Review/adjust internal carbon pricing mechanisms.	Achieved
Greenhouse Gas Emissions	Incorporate greenhouse gas inventories and verification scope into domestic and overseas operating sites	Achieve 100% greenhouse gas inventory and verification coverage rate at domestic and overseas operating sites after consolidating Company Armet.	Achieved
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.	Achieved
	Ratio of waterproof floodgate set up in own premises in high-risk sites	100%	Achieved (Achievement rate: 100%) ^{Note6}
Raise Climate Awareness (Employees)	Encourage all employees to commit to sustainability	100% employee signing rate of the "I DO commitment" activity for all SinoPac Holdings employees (scope consistent with consolidated financial statements).	Achieved (Signing rate: 100%)
	Incorporate ESG, net-zero, and climate change-related courses into orientation training for new employees and management training programs	ESG, net-zero, and climate change-related courses are incorporated into orientation training for new employees and management training programs, with implementation covering SinoPac Holdings and its domestic subsidiaries	Achieved
	Obtain sustainable finance certificates	Obtain a cumulative total of 500 sustainable finance certificates.	Achieved
	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.	Achieved

Related Indicators		2025 targets	Achievement Status
Raise Climate Awareness (Customers)	Number of sustainability/climate seminars/forums	4	Achieved
	Number of ESG evaluation training courses for Institutional investors arranged by SinoPac Securities	20	Achieved
	Number of participants in climate awareness related seminars for wealth management customers organized by Bank SinoPac	331	Achieved
	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.	Achieved
	Engagement with investees	12 sessions organized by Bank SinoPac 10 sessions organized by SinoPac Securities	Achieved
	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.	Achieved
	Bank SinoPac promotes its sustainable financial services to raise client 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).	Achieved
	Bank SinoPac promotes green loans	Promote green loans by leveraging funding, services, and engagement to support business transformation.	Achieved
	Bank SinoPac strengthened sustainable/green products and marketing for retail customers	Ongoing promotion of sustainable/green products and campaigns (e.g., Carbon Calculator function, Green Deposits, Green Mortgages).	Achieved
	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.	Achieved
	Bank SinoPac issues credit cards (including replacements) with "Environmental Label Certified" (including credit and debit cards)	80,000 cards	Achieved
	Engagement services provided by SinoPac Securities Investment Service for listed companies	20 sessions	Achieved

Related Indicators		2025 targets	Achievement Status
Raise Climate Awareness (general public)	Number of people reached by “Sustainable Ocean ” and “SinoPac Life - A Million Acts of Green” campaign	23 million	Achieved
	Sponsorships for research on ocean carbon sink by academic institutions and associations dedicated to whale and dolphin conservation	Continuous investment	Achieved
Enhance sustainable supply chain management	Supplier Sustainability Commitment	Maintain signing rates of Supplier Sustainability Commitment at 100% for domestic suppliers.	Achieved
	Engagement with suppliers with high ESG risks (high GHG emissions and human rights)	1. Continue to implement ESG management documents; 30% of construction and maintenance projects over NT\$2 million have adopted 2. Conduct 1–2 supplier training sessions. 3. Host the 3rd Supplier Conference.	Achieved

- Note 1:** The scope of the 2025 target includes Bank SinoPac (including overseas operations), SinoPac Securities (including SinoPac Securities Venture Capital and SinoPac Inv. Service), SinoPac Leasing (including overseas operations), and SinoPac Venture Capital.
- Note 2:** The achievement rate of SinoPac Venture Capital's investment portfolio in green industries reached 73.03%. In response, investment cases have been actively evaluated, and funds continue to be allocated to green-related industries.
- Note 3:** As the baseline figures did not include subsidiaries, King's Town Bank and Amret, which were consolidated in 2025, all targets were achieved after excluding these two entities.
- Note 4:** Due to the expansion of operational sites and a 19.18%(excludes King's Town Bank and Amret). increase in the number of employees compared to the baseline year, electricity consumption decreased by only 2% compared to the baseline, while water consumption increased by 9,200 cubic meters compared to the baseline year.
- Note 5:** Renewable energy usage in 2025 covers both domestic and overseas locations. However, as King's Town Bank was only consolidated at the end of 2025, it is not included.
- Note 6:** Includes only domestic self-owned premises; however, as King's Town Bank was only consolidated at the end of 2025, it is not included.

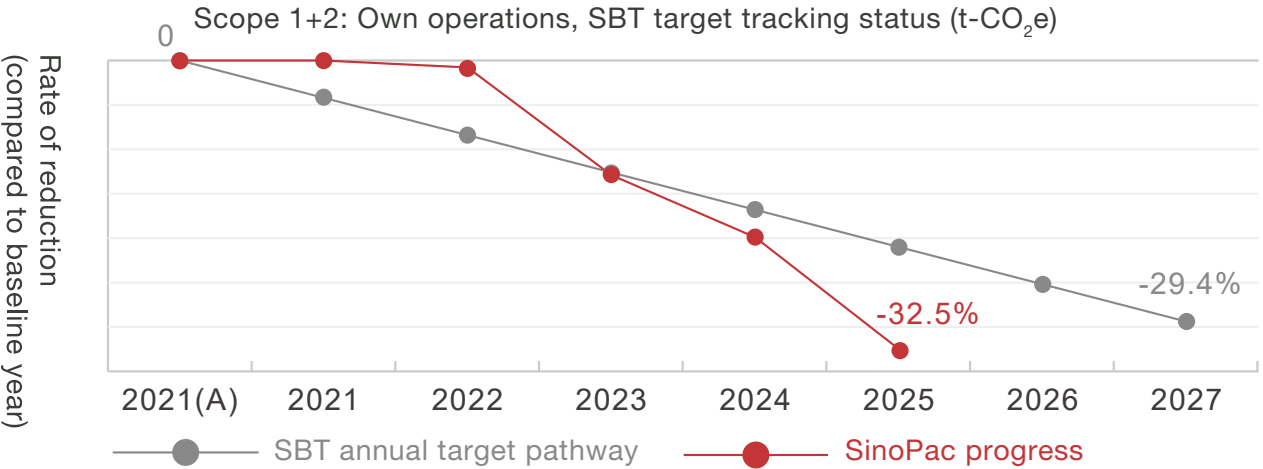
Science Based Target (SBT) Implementation Status in 2025

SinoPac Holdings is actively progressing toward its net-zero goals of achieving net-zero emissions from its own operations by 2030 and net-zero emissions across its entire asset portfolio by 2050. Using 2021 as the base year, the Company continuously monitors progress against its science-based targets to track overall decarbonization performance. However, following the acquisitions of King's Town Bank and Amret in 2025, these newly acquired entities were not included within the organizational boundary used for target setting in the base year. Accordingly, their greenhouse gas emissions were not included in the assessment of progress toward the Company's science-based targets presented in this report. Following the completion of the acquisitions, SinoPac Holdings has been progressively compiling greenhouse gas emissions data for the newly acquired entities and will, in accordance with the relevant principles of the SBTi and the GHG Protocol, assess whether a base-year recalculation is required or whether these entities should be incorporated into future target management and disclosures. As of the end of 2025, the Company's progress in achieving its science-based targets is 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 32.5% ^{Note} in 2025 as compared to the base year, which met targets for 2025. Please refer to 5.4 Greenhouse Gas Emissions in this Report and 5.1 Green Operations in our 2025 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.

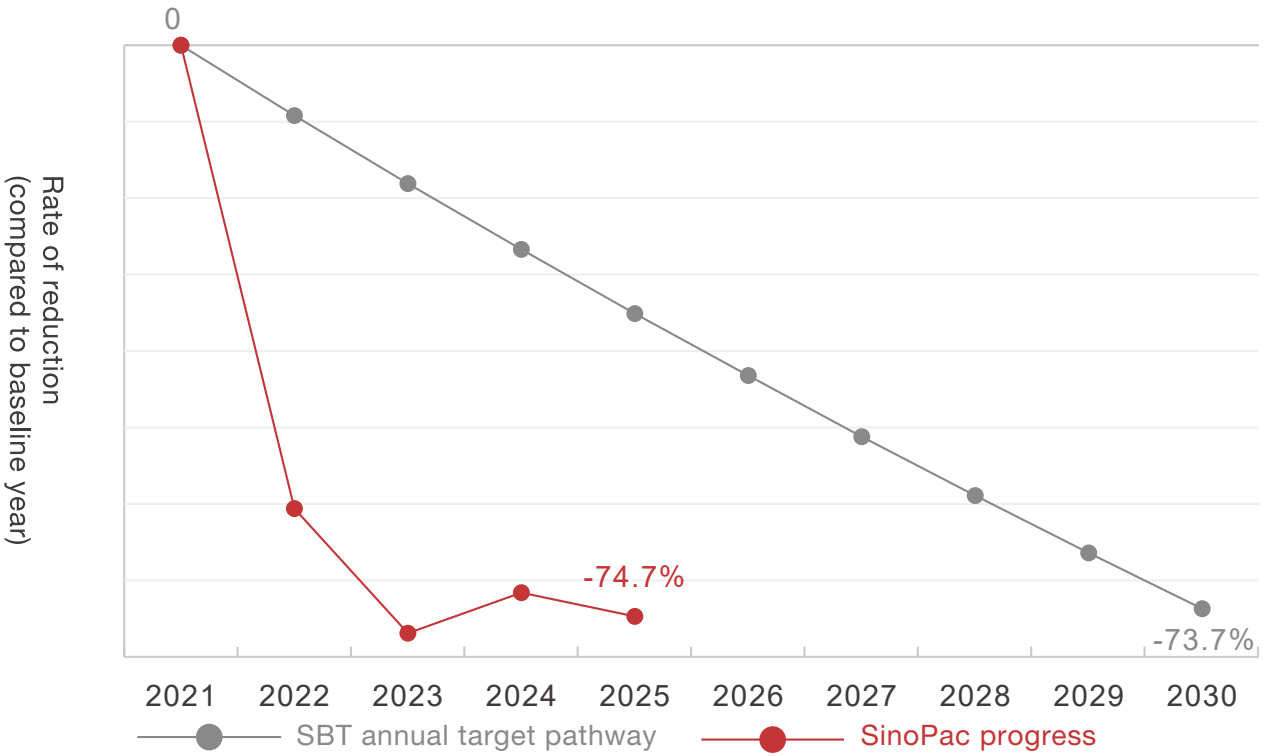


Investment and Financing Portfolio

1. 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 74.7% in 2025 as compared to the base year, which met targets for 2025. Please refer to 3.2.1 Green Finance in our 2025 Sustainability Report for detailed implementation and actions regarding renewable energy.

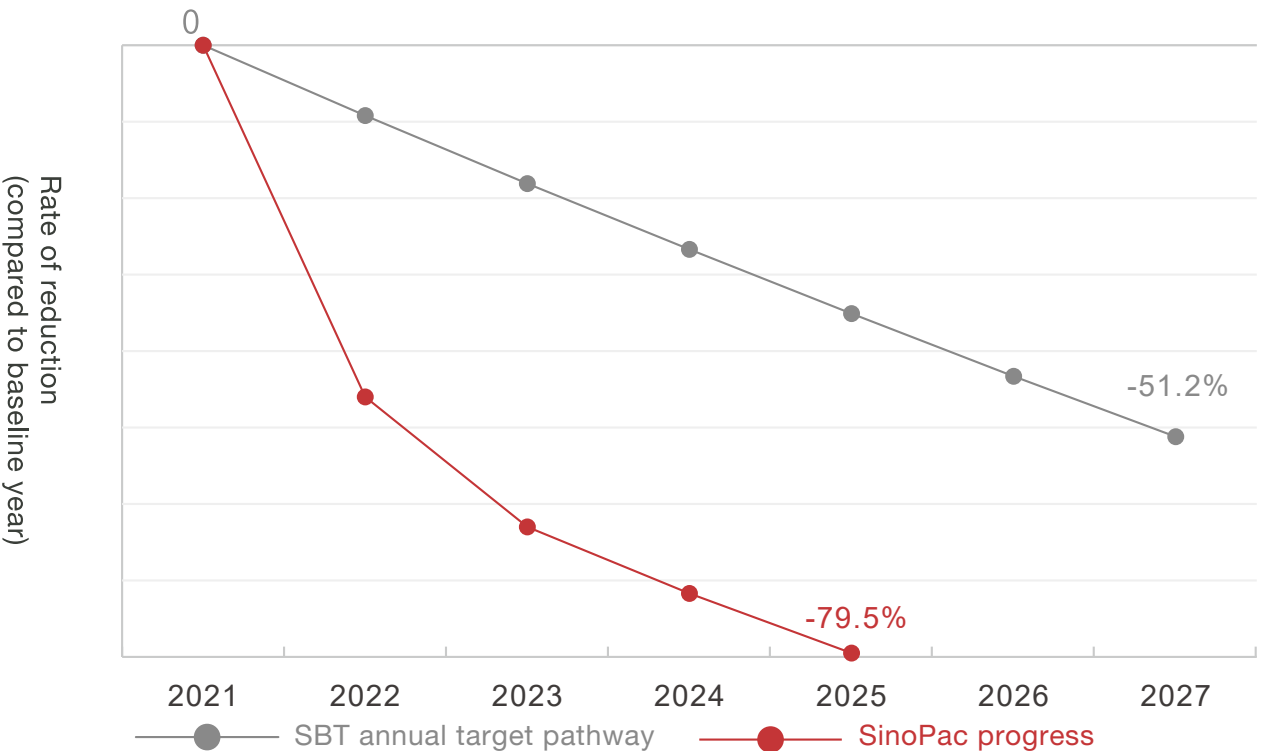
Project financing: electricity generation project finance SBT target tracking status



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 79.5% in 2025 as compared to the base year, which met targets for 2025. Please refer to 3.2.1 Green Finance in our 2025 Sustainability Report for detailed implementation and actions regarding renewable energy.

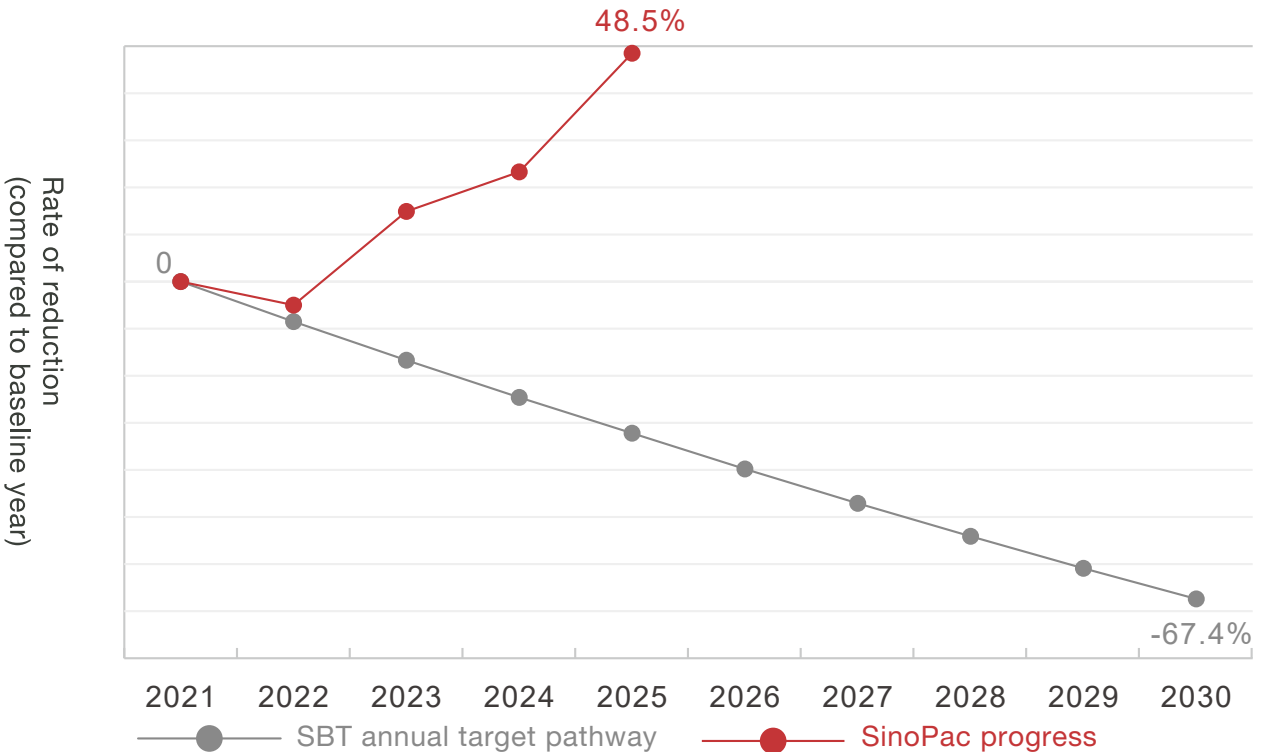
Corporate loans: electricity generation SBT target tracking status



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 GHG emissions intensity per square meter of the commercial real estate financing portfolio within the corporate loan portfolio increased by 48.5% in 2025 compared with the base year, and the 2025 target was not achieved. Financed emissions associated with commercial real estate financing are primarily estimated using reference values for similar building types within the same region, as well as GRESB coefficients. Compared with the base year, there has been no significant change in the composition of the commercial real estate financing portfolio as of the end of 2025. Therefore, the increase in emissions intensity is mainly attributable to the year-on-year increase in the referenced emission factors rather than any material change in portfolio composition. Going forward, SinoPac Holdings will continue to enhance the collection of actual energy use and emissions data for commercial real estate financing and will regularly review the coefficients and methodologies applied to improve the quality and comparability of emissions data.

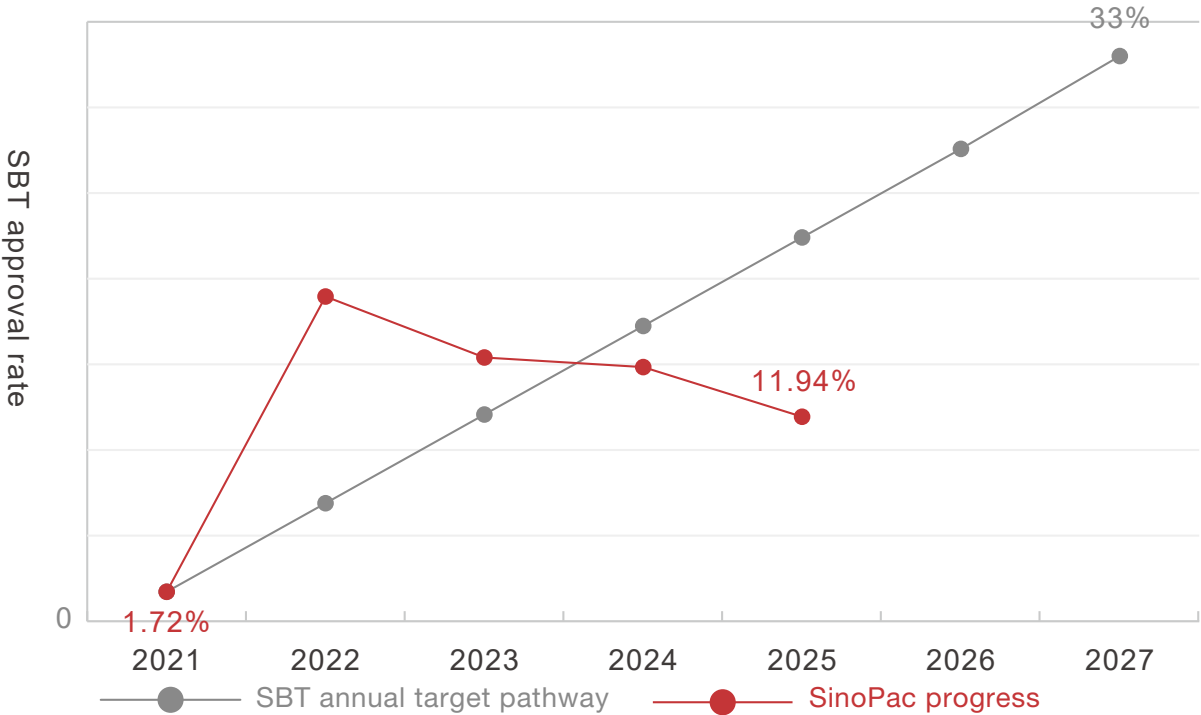
Corporate loans: commercial real estate SBT target tracking status



4. Corporate loan: other long-term debt

Targets language	Reach 33% of other long-term corporate loan portfolios by invested value setting SBTi validated targets by 2027 from 2021 base year. This target covers the 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 2025, clients in covered industries that passed SBTi validation accounted for 11.94% of SinoPac Holdings' long-term corporate loan portfolio in those covered industries, which did not meet the 2025 target. When including clients that have committed to SBTs but have not yet been validated, the proportion reaches 17.6%, which is still not aligned with the SBT target pathway.

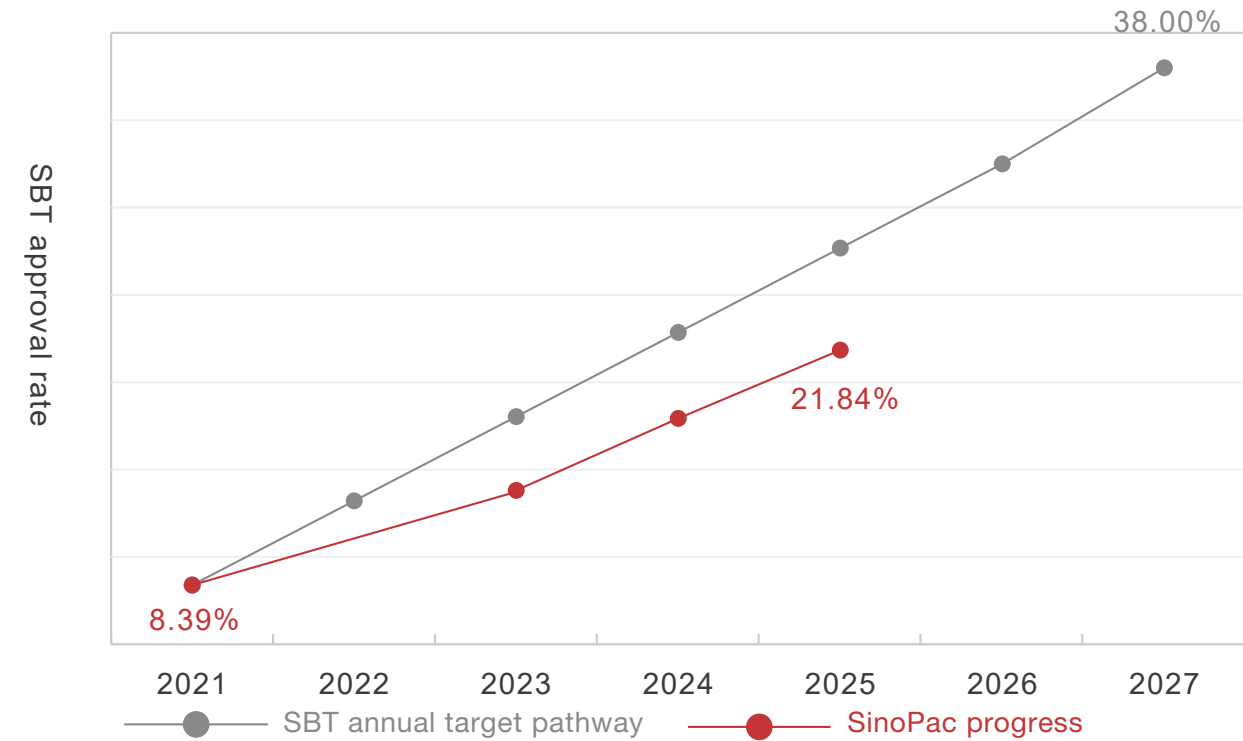
Corporate loan: other long-term debt SBT target tracking status



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 2025, 21.84% of the total balance of listed equity and corporate bond passed SBTi validation, and the 2025 target was not met. However, when including investment positions with SBT commitments that have not yet been validated, the portion accounted for 35.67%, aligning with the SBT target pathway.

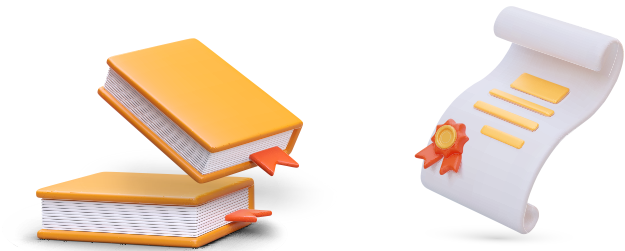
Listed equity and corporate bond portfolio SBT target tracking status



5.2 Metrics and Targets

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Climate Governance	Establishment of performance/ remuneration linkage mechanisms	Expand the implementation of links between sustainability targets and performance of executives at SinoPac Holdings and its domestic subsidiaries.	Expand the implementation of links between sustainability targets and performance of executives at SinoPac Holdings and its domestic subsidiaries.	Expand the implementation of links between sustainability targets and performance of executives at the entire SinoPac Holdings.
	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 3 hours of annual climate education and training each year.
Climate Opportunities	Bank SinoPac and King's Town Bank's balance of loans for green energy financing	Increase of 16.65 billion, with Bank SinoPac(China) loan balance reaching CNY 2.35 billion.	Increase of 16.65 billion/year, with Bank SinoPac(China) loan balance growing by 10% annually.	
	Bank SinoPac's cumulative installed capacity for wheeling on the Green Energy Electricity Trading Trust Platform	700MW	800MW	900MW
	SinoPac Leasing's (including overseas) Financing for Green Energy Equipment and its Supply Chain	1.7 billion	2027: 1.7 billion 2028: 1.8 billion	1.8 billion/year
	SinoPac Venture Capital and SinoPac Securities Venture Capital 's investment in green industries	New investment amount no less than 15% of the annual investment budget of the year		
	Underwriting amount and projects for green energy stock as the lead or co-underwriter by SinoPac Securities	1.0 billion	Underwriting amount of 1.0 billion in 2027 Undertake at least 2 green energy and environmental protection cases in 2028	Undertake at least 2 green energy and environmental protection cases annually

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Climate Opportunities	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, agricultural/fishery and electricity symbiosis projects. 2. Adhere to the government's promotion policies for emerging renewable energies, expand financing for small hydropower, geothermal power, bioenergy, and other emerging renewable energies. 3. In response to government policies on energy storage technologies, continue to promote the development of the behind-the-meter energy storage market. 4. Promote green energy trading trust.	1. Strengthen industry, government, and academic communication channels, and collect market information on agricultural/fishery and electricity symbiosis, emerging renewable energies, behind-the-meter energy storage, and other new renewable energy financing models to improve financing processes. 2. Organize internal 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 green 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 green energy trading trust businesses.



		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Green Procurement		• Increase the scope of green procurement and reach 100% of the purchasing items aligned with the government's green procurement and financial policies. • Participate in the selection for "Excellence Award for Corporate Green Procurement " and obtain at least 1 award. • Increase the utilization rate of green building materials for renovation to more than 80%. • Summer uniforms are made entirely from environmentally certified materials; the use of recycled or eco-friendly paper for printed materials reaches 30% of the total items.	• Increase the scope of green procurement and reach 100% of the purchasing items aligned with the government's green procurement and financial policies. • Participate in the selection for "Excellence Award for Corporate Green Procurement " and obtain at least 2 awards. • Increase the utilization rate of green building materials for renovation to more than 85%. • Summer uniforms are made entirely from environmentally certified materials; the use of recycled or eco-friendly paper for printed materials reaches 50% of the total items.	• Increase the scope of green procurement and reach 100% of the purchasing items aligned with the government's green procurement and financial policies. • Participate in the selection for "Excellence Award for Corporate Green Procurement " and obtain at least 2 awards. • Increase the utilization rate of green building materials for renovation to more than 90%. • Uniforms are made entirely from environmentally certified materials; the use of recycled or eco-friendly paper for printed materials reaches 70% of the total items.
Green Operations	SBT	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% by 2027	Achieve our target of reducing Scope 1 + Scope 2 emissions by 33.6% by 2028, and resubmit target application incorporating the consolidation of Amret.
	Power-saving, water-saving, and carbon reduction targets (using 2021 as base year)	1. Decrease Scope 3 fuel and energy related activities by 30%. 2. Achieve a 6% reduction in per capita electricity consumption at domestic locations; achieve a 4% reduction in per capita water consumption at domestic locations.	1. Decrease Scope 3 fuel and energy related activities by 50%. 2. 2. Achieve an 8% reduction in per capita electricity consumption at domestic locations; achieve a 5% reduction in per capita water consumption at domestic locations.	1. Decrease Scope 3 fuel and energy related activities by 90%. 2. Achieve a 10% reduction in per capita electricity consumption at domestic locations; achieve a 6% reduction in per capita water consumption at domestic locations.
	Number of Scope 3 inventory items verified by a third party	Complete verification of 11 Scope 3 inventory items, and complete integrity and materiality evaluations for Scope 3 items.	Align the inventory boundary with the consolidated financial reporting boundary based on the results of the 2026 Scope 3 completeness and materiality assessment.	Set targets for inventory items based on the prior year's assessment results on the completeness and materiality of Scope 3 categories.
Energy Usage		Increase renewable energy use in own operations to 35%.	Increase renewable energy use in own operations to 55%.	Increase renewable energy use in own operations to 100%.

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Greenhouse Gas Emissions	Incorporate greenhouse gas inventories and verification scope into domestic and overseas operating sites	Verification coverage reach 100%. GHG inventories and verification for King's Town Bank and Amret follow ISO 14064-1, while all other domestic and overseas locations adopt the GHG Protocol.	Verification coverage reach 100%. GHG inventories while all other domestic and overseas locations adopt the GHG Protocol.	Verification coverage reach 100% for all domestic and overseas locations.
Climate Risk Management	Introduce and continue to strengthen management of climate/nature risks	1. Continue to build the climate change database and automated system: 1) Integrate overseas physical climate risk databases and establish automated overseas physical risk scenario analysis. 2) Continuously integrate SBT targets and PCAF Scope 3 financed emissions data into an investment and financing portfolio database, and develop an automated PCAF calculation system. 2. Continue to improve TNFD: Introduce third-party verification aligned with the TNFD framework and, in accordance with the "Operational Manual for Nature-related Physical Risk Data in the Financial Industry" issued by the Bankers Association, enhance disclosures under the LEAP framework, particularly in the Locate and Evaluate phases.	1. Continue to build the climate change database and automated system: 1) Integrate a decarbonized investment and financing portfolio database. 2) Establish an integrated dashboard covering climate (physical risk), decarbonization, PCAF, and SBT targets to manage and monitor climate risk resilience metrics and targets. 2. Continue to improve TNFD: 1) Continue to enhance the "nature impacts and dependencies/risks and opportunities" framework and scenario analysis in accordance with TNFD guidance. 2) Discuss the incorporation of TNFD investment and lending risk management mechanisms.	1. Continue to build the climate change database and automated system: Continue to establish an integrated dashboard covering climate (transition risk), decarbonization, PCAF, and SBT targets to manage and monitor climate risk resilience metrics and targets. 2. Continue to improve TNFD: 1) ontinue to enhance the "nature impacts and dependencies/risks and opportunities" framework and scenario analysis in alignment with TNFD guidance. 2) Introduce TNFD investment and lending risk management mechanisms.
Climate Risk Management	Ratio of waterproof floodgate set up in own premises in high-risk sites	Continue to collaborate with the Risk Management Department to refine methods for identifying high-risk domestic offices and to track risk transmission processes; initiate an assessment of King's Town Bank's offices exposed to high risks of heavy rainfall flooding, and develop a plan for the installation of waterproof floodgates.	Continue to refine methods for identifying high-risk domestic offices, track risk transmission processes, and maintain 100% installation of waterproof floodgates for self-owned offices in high-risk domestic areas.	Continue to refine methods for identifying high-risk offices, track risk

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Raise Climate Awareness (Employees)	Encourage all employees to commit to sustainability	Promote 100% employee signing rate of the "I DO commitment" activity for all SinoPac Holdings employees.		
	Obtain sustainable finance certificates	Obtain a cumulative total of 1,550 basic and advanced sustainable finance certificates.	Obtain a cumulative total of 1,600 basic and advanced sustainable finance certificates.	Obtain a cumulative total of 1,700 basic and advanced sustainable finance certificates.
	Cultivate professionals with expertise in sustainable transition	Promote advanced training programs for personnel engaged in sustainability-related businesses at SinoPac Holdings and its domestic subsidiaries.	Formulate advanced training enhancement plans based on regulatory requirements and market trends.	Implement advanced training enhancement plans.
	Promote sustainability knowledge quiz	Organize sustainability (including net-zero-related topics) knowledge quiz at SinoPac Holdings and tier one subsidiaries to enhance employees' sustainability awareness.	Organize sustainability (including net zero related topics) knowledge quiz at SinoPac Holdings and its domestic subsidiaries to enhance employees' sustainability awareness.	Organize sustainability (including net zero related topics) knowledge quiz at the entire SinoPac Holdings to enhance employees' sustainability awareness.
Raise Climate Awareness (Customers)	Number of sustainability/climate seminars/forums	At least 4 each year		
	SinoPac Securities arranged for institutional investors to share ESG trends and regulations. Provide corporate clients engagement services	At least 5 ESG trend and regulatory sharing sessions Engagement services for 25 clients.	At least 8 ESG trend and regulatory sharing sessions per year. Engagement services for 25 clients.	At least 10 ESG trend and regulatory sharing sessions per year. Engagement services for 25 clients.
	Number of individuals reached through sustainability/net-zero concept and product communications by Bank SinoPac	Reach at least 5 million people through EDM and the LINE App annually, with a click-through rate of 10%.		
	Engagement with investee companies to enhance net-zero and climate awareness	At least 34 sessions	At least 36 sessions in 2027 At least 37 sessions in 2028	At least 41 sessions in 2029 At least 42 sessions in 2030

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Raise Climate Awareness (Customers)	Bank SinoPac promoted sustainable finance solutions for corporate clients	At least 250 participants reached per year.		
	Bank SinoPac issues (including replacements) debit and credit cards with "Environmental Label Certification"	Cumulative 200,000 cards, with an active card ratio reaching 21%.	Cumulative 250,000 cards, with an active card ratio reaching 23%.	Cumulative 300,000 cards, with an active card ratio reaching 25%.
	Bank SinoPac promotes the “Carbon Calculator function”	Cumulative 210,000 cards using the “Carbon Calculator function,” with active card ratio reaching 54%.	Cumulative 230,000 cards using the “Carbon Calculator function,” with active card ratio reaching 56%.	Cumulative 250,000 cards using the “Carbon Calculator function,” with active card ratio reaching 58%.
Raise Climate Awareness (general public)	Number of people reached by "Sustainable Ocean " and "SinoPac Life - A Million Acts of Green" campaign	Number of participants reached 250,000.	Number of participants reached 300,000.	Number of participants reached 350,000.
		Percentage of participants expressing willingness to participate again or recommend to others in feedback surveys more than 50%.	Percentage of participants expressing willingness to participate again or recommend to others in feedback surveys more than 60%.	Percentage of participants expressing willingness to participate again or recommend to others in feedback surveys more than 80%.
	Support for Kuroshio Ocean Education Foundation - Ocean Oasis Project	Underwater acoustic recording hours and implementation of cetacean acoustic data analysis project		
		1. Accumulate at least 200 hours of underwater acoustic data. 2. Detect at least three indicator cetacean species and other biological acoustic signatures.	1. Accumulate more than 600 hours of acoustic data and complete cetacean acoustic data analysis. 2. Plans are underway to establish an underwater acoustic database platform, which is expected to serve as a reference resource for research institutions and support future marine conservation and biodiversity research.	1. Collaborate with NGOs or academic institutions to establish a long-term underwater acoustic monitoring platform, accumulating more than 1,200 hours of acoustic data. 2. Establish a sharable underwater acoustic database to support research applications.
		Underwater Acoustic Analysis Capacity-Building Program		

		Short-Term Goals (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Raise Climate Awareness (general public)	Support for Kuroshio Ocean Education Foundation - Ocean Oasis Project	Complete a seed training program for underwater acoustic analysis, including equipment operation, maintenance, and data processing and analysis	Develop training courses and materials for underwater acoustic analysis and jointly train a team with practical capabilities (at least 5 members) with the Kuroshio Ocean Education Foundation.	Collaborate with NGOs or academic institutions to advance talent development programs in underwater acoustic research, expanding the team size and deepening database application development.
	“Ocean Oasis Project” themed exhibition held through Bank SinoPac and SinoPac Securities operational locations ^{Note 1}	Planning and outreach of ocean sustainability action exhibitions		
		Plan to establish more than 5 exhibition sites, reaching over 5,000 participants.	Plan to establish a cumulative total of more than 10 exhibition sites, support the Kuroshio Ocean Education Foundation in developing an online ocean soundscape interactive platform, with total reach exceeding 15,000 participants.	Collaborate with academic institutions to develop ocean sustainability action programs, inviting NGOs and the public to participate in conservation actions; expected to attract more than 1,000 participants annually.
		Assess improvements in participants' knowledge of ocean conservation through interactive feedback mechanisms		
		At least 50% of survey responses indicate improved knowledge of ocean conservation.	At least 70% of survey responses indicate improved knowledge of ocean conservation.	At least 80% of survey responses indicate positive feedback.
Enhance sustainable supply chain management	Signing rate of Supplier Sustainability Commitment	Maintain a 100% signing rate among domestic suppliers	70% signing rate among domestic and overseas suppliers	90% signing rate among domestic and overseas suppliers
	Strengthen ESG awareness and capabilities among domestic suppliers	1. Continue to implement ESG management documents; 40% of construction and maintenance projects over NT\$2 million have adopted them 2. Set carbon reduction targets for 30% of high-emission domestic suppliers (3 companies)	1. Expand the scope of suppliers to use of ESG management documents. 50% of construction and maintenance projects over NT\$2 million have adopted them 2. Set carbon reduction targets for 40% of high-emission domestic suppliers (4 companies)	1. Expand the scope of suppliers to use of ESG management documents. 60% of construction and maintenance projects over NT\$2 million have adopted them 2. Set carbon reduction targets for 50% of high-emission domestic suppliers (5 companies)

Note 1: The scope of targets for the “Ocean Oasis Project” exhibition held across bank and securities operating locations does not include Amret.

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 management and promotion of climate change-related risks and targets into the performance evaluation indicators for senior executives. Performance assessment results, conducted in accordance with the “Employee Evaluation Guidelines,” serve as a key basis for determining executive bonus allocations. This approach ensures a strong linkage between senior executives’ individual performance and compensation in advancing climate-related initiatives, further strengthening the integration of climate governance, sustainability objectives, and corporate governance, and demonstrating the Company’s strong commitment to corporate social responsibility and sustainable development.

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	President of SinoPac Holdings	Deepen sustainable finance and create new sustainability-driven business opportunities.	25%
Climate change mitigation and adaption	Director, Risk Management Division of SinoPac Holdings	Achievement rate of continued climate and nature risk management implementations and enhancements	10%
	Director, Human Resources Division of SinoPac Holdings	Cultivate sustainable finance talent and enhance the achievement rate of sustainability awareness among all employees.	10%
	Director, Operation Management Division of SinoPac Holdings	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 progressively plan a comprehensive greenhouse gas emissions inventory for 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 19.18% in 2025 (with 2021 as the base year, Amret and King’s Town Bank excluded), increased its operating locations, and has added new air-conditioning equipment subject to carbon emissions, total emissions still decreased by 32.5% compared to the base year. This reduction surpasses the annual 21% reduction goal set by the SBTNote. Per capita emissions intensity also dropped by 57.87% 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 (2026)	Medium-term (2027) Beyond SBTi requirements	Long-term(2030) Net-zero emissions in own operations
	Energy saving and carbon emission reduction by itself	4 %	5%	10%
	Use of renewable energy and renewable energy certificates	35%	45%	90%
	Total	39%	50%	100%

Scope 1 GHG Emissions (Category 1) from 2022-2025

	2022	2023	2024	2025
Scope 1 Emissions (metric tons of CO ₂ e/year)	1,353.37	1,508.20	1,439.14	1,778.54
Scope 1 Emissions (metric tons of CO ₂ e/person)	0.139	0.146	0.133	0.158
Data Coverage ^{Note1}	100%	100%	100%	100%
External Verification Coverage ^{Note2}	100%	100%	100%	100%

Note 1: The coverage rate is based on the emission source of Scope 1 GHG emissions in the year. The reporting boundary is consistent with the base year and excludes the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025.For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

Note 2: The coverage rate is calculated as the number of employees at buildings or sites that have obtained external verification for environmental data, divided by the total number of domestic and overseas employees of SinoPac Holdings, excluding dispatched employees. The reporting boundary is consistent with the base year and excludes the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025.For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

Note 3: From 2022 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. With increased business volume, the demand for official vehicles for visiting clients has risen.

GHG Emissions from self-owned vehicles^{Note1}

	2022	2023	2024	2025
Emissions (metric tons of CO ₂ e /year) ^{Note2}	382.34	375.02	363.33	436.00
Data Coverage ^{Note3}	100%	100%	100%	100%
External Verification Coverage ^{Note4}	100%	100%	100%	100%

Note 1: SinoPac Holdings’ self-owned vehicles include 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,excluding Amret. The coverage rate is calculated based on the emission sources of owned transportation vehicles that were included in the greenhouse gas inventory for the reporting year. The reporting boundary is consistent with the base year and excludes the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025. For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

Note 4: The coverage rate is calculated as the number of employees at buildings or sites that have obtained external verification for environmental data, divided by the total number of domestic and overseas employees of SinoPac Holdings, excluding dispatched employees. The reporting boundary is consistent with the base year and excludes the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025. For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

Categories of Scope 1 (Category 1) GHG in 2025

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total GHG Emissions
Scope 1 Emissions (metric tons of CO ₂ e/ year)	441.09	108.72	3.57	1225.17	0	0	0	1,778.54
Percentage of Total Emissions	24.80%	6.11%	0.20%	68.89%	0%	0%	0%	100%

Note: The boundary is consistent with the baseline year and did not include Subsidiary King’s Town Bank and Amret, which were consolidated in 2025. For environmental data covering the full consolidated entities, please refer to [2025 Sustainability Report](#) Appendix 1 Other ESG data: the tables of historical energy and resource management data of SinoPac Holdings.

Scope 2 GHG Emissions (Category 2) from 2022-2025

	2022	2023	2024	2025
Total Scope 2 GHG Emission ^{Note 1} (metric tons of CO ₂ e/year)	17,975.32	17,116.37	17,471.83	11,629.14
Market-based Emission	17,855.67	15,401.45	14,178.59	11,629.14
Location-based Emission	17,975.32	17,116.37	17,471.83	16,606.56
Scope 2 GHG Emission Intensity (metric tons of CO ₂ e/person)	1.84	1.49	1.31	1.03
Data Coverage ^{Note2}	100%	100%	100%	100%
External Verification Coverage ^{Note3}	100%	100%	100%	100%

Note 1: Scope 2 GHG emissions were converted based on the latest coefficients released by the Energy Administration in the year (0.509, 0.495, 0.494, 0.474, and 0.474 KgCO₂e/kWh from 2022 to 2025 respectively) (Verification period factor).

Note 2: As the electricity consumption of SinoPac Holdings and its subsidiaries(excludes the subsidiaries, King’s Town Bank and Amret) was included, the data coverage was 100%. For the relevant data including the the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025 (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

Note 3: The coverage rate is calculated as the number of employees at buildings or sites that have obtained external verification for environmental data, divided by the total number of domestic and overseas employees of SinoPac Holdings, excluding dispatched employees. The reporting boundary is consistent with the base year and excludes the subsidiaries, King’s Town Bank and Amret, which were consolidated in 2025.For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings’ GHG Emissions data over the years in the [2025 Sustainability Report](#).

SinoPac Holdings has covered 11 items in scope 3 inventory with external verification in 2025.

Scope 3 / Self Operation site or branches (Category 3~6) GHG Emissions in 2025

ISO 14064-1:2018 Classification	Compliant with GHG Protocol Scope 3 Classification	Distinguish	Unit	Quantity	Greenhouse Gas Emissions (metric tons -CO2e)
Category 3: Indirect GHG emissions from transportation	4. Upstream transportation and distribution ^{Note1}	Emissions from upstream transportation and distribution of goods (credit card to customer)	g	13,320,048.80	2,730.61
	6. Business Travel	Emissions from commercial travel – aircraft ^{Note2}	km	4,391,233	308.94
		Emissions from commercial travel – high-speed rail ^{Note3}	pkm	1,095,731.25	35.06
	7. Employee commuting ^{Note4}	Emissions from employee commuting (motorcycles, cars, taxis, hybrids, electricity and diesel)	kL	866.09	2,575.10
		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 ^{Note5}	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	182,560.21	28.72
		Emissions from purchased goods (credit card)	cards	1,048,000.00	235.53
		Emissions from purchased goods (A4 photocopy paper)	(500 sheets/ pack)	90,704.00	273.93
		Emissions from purchased goods (A3 photocopy paper)	(500 sheets/ pack)	350.00	2.45

ISO 14064-1:2018 Classification	Compliant with GHG Protocol Scope 3 Classification	Distinguish	Unit	Quantity	Greenhouse Gas Emissions (metric tons -CO2e)
Category 4: Indirect GHG emissions from products used by an organization	2. Capital goods	Emissions from capital goods or production (purchase PC)	sets	967.00	383.38
		Emissions from capital goods or production (purchase NB)	sets	165.00	
		Emissions from capital goods or production (purchase of LCD)	sets	1,218.00	
	3. Fuel and energy related activities (excluding Category 1 and Category 2)	Emissions from purchased fuel or energy activities (electricity)	WMh	34,694.24	2,726.15
		Emissions from purchased fuel or energy activities (gasoline, diesel/ Liquefied petroleum gas (LPG))	kL	159.7042	118.41
		Emissions from purchased fuel or energy activities (Natural gas)	cubic meters	0.13	0.07
	5. Waste generated during operation ^{Note6}	Emissions from handling solid and liquid waste	mt	367.64	132.35
	8. Upstream Leased Assets	Emissions from the use of upstream leased assets (electricity consumption of IDC computer room)	MWh	4,164.91	1,926.34
	10. Processing of sold products ^{Note5}	Emissions or removals from product processing		N/A	

ISO 14064-1:2018 Classification	Compliant with GHG Protocol Scope 3 Classification	Distinguish	Unit	Quantity	Greenhouse Gas Emissions (metric tons -CO2e)
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	1,048,000.00	642.98
	12. End-of-Life Treatment of Sold Products	Emissions from the end-of-life phase of products (credit cards)	cards	1,048,000.00	88.19
	13. Downstream leased assets	Emissions from downstream leased assets	WMh	2,480.07	1,077.39
Category 6: Indirect GHG emissions from other sources	14. Franchise (franchising) ^{Note5}			N/A	
Total ^{Note7}					13,285.60

Note1: 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.

Note2: 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 2025.

Note3: 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.

Note4: 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 by SinoPac Holdings in 2024, and the number of employees as of December 31 was used as the basis for extrapolating the emission figures.

Note5: The inventory is conducted in accordance with GHG Protocol. For 2025, 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.

Note6: 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.

Note7: 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.

Note8: As the baseline figures did not include Subsidiary King's Town Bank and Amret, which were consolidated in 2025, disclosures are presented after excluding these two entities. For environmental data covering the full consolidated entities, please refer to [2025 Sustainability Report](#) Appendix 1 Other ESG data: the tables of historical energy and resource management data of SinoPac Holdings.



Energy Management

Total electricity consumption in 2025 was 2% lower than the 2021 baseline year; the overall energy intensity was 16.55% lower^{Note1} compared to the 2021 baseline year. SinoPac Holdings, Bank SinoPac, and SinoPac Securities have signed power purchase agreements (PPA) for 1.3 million kWh, 7.22 million kWh, and 2.16 million kWh of renewable electricity per year in 2025, which together represent approximately 25% of SinoPac Holdings' electricity consumption in 2025. Renewable energy consumption in this year totaled 10.46 million kWh^{Note2}, accounting for 27% of the Group's total electricity consumption for the year, which was higher than the annual target of 25%. In addition, the statistics for the period from September 2022 to 2025 showed that SinoPac Holdings has accumulated the use of approximately 20.83 million kWh of renewable electricity, and reduced carbon emissions by 9,872 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 2025, equivalent to 8.1 metric tons in CO₂e reduction. In 2025, a 9 kW solar photovoltaic system was installed on the rooftop of the Jinan Road Branch, with an annual power generation of approximately 8,505 kWh, equivalent to a reduction of about 4 metric tons of CO₂e. 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 4,969 tons, which is equivalent to the carbon adsorption of 13 Da'an Forest Parks in one year.

Note1: As the baseline figures did not include Subsidiary King's Town Bank and Amret, which were consolidated in 2025, disclosures are presented after excluding these two entities.

Note2: Renewable energy usage in 2025 includes both domestic and overseas locations. However, as King's Town Bank was only consolidated at the end of 2025, it is not included.

Total Energy Use and Energy Intensity from 2022 to 2025

Item	Unit	2022	2023	2024	2025
Direct Energy Consumption (Gasoline + Diesel) ^{Note1}	Liter (L)	147,528	143,019	139,102	158,401
Indirect Energy Consumption (Electricity)	Megawatt hour (MWh)	34,688	30,746	28,427	24,220
Total Energy Consumption (Non-renewable Energy)	Gigajoule (GJ)	129,721	115,370	106,888	92,373
	Megawatt hour (MWh)	36,062	32,073	29,715	25,680

Item	Unit		2022	2023	2024	2025
Total Energy Consumption (Renewable Energy)	Gigajoule (GJ)		846	12,487	24,015	37,707
	Purchase	Megawatt hour (MWh)	235	3,464	6,654	10,257
	Self-generate		-	4	17	17
Energy Intensity	GJ/person		13.35	12.36	12.13	11.57
	MWh/person		3.71	3.44	3.37	3.22
Data Coverage ^{Note2}			100%	100%	100%	100%
External Verification Coverage			100%	100%	100%	100%

Note1: The GWP values used in the greenhouse gas inventory are sourced from the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report (2021). The greenhouse gas inventory is conducted using the operational control approach. Emission factors are based on the “Greenhouse Gas Emission Factors” announced by the Ministry of Environment on February 5, 2024 (MOENV No. 1139101231).

Note2: The coverage rate is calculated as the number of employees at buildings or sites that have obtained external verification for environmental data, divided by the total number of domestic and overseas employees of SinoPac Holdings, excluding dispatched employees. The reporting boundary is consistent with the base year and excludes the subsidiaries, King's Town Bank and Amret, which were consolidated in 2025.For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings' GHG Emissions data over the years in the [2025 Sustainability Report](#).

Note3: 1 kWh = 3,600,000 J; 1 MWh = 3.6 GJ

5.4.1 Carbon Credit

In December 2023, SinoPac Holdings and its subsidiaries purchased a total of 10,000 metric tons of carbon credits from the Taiwan Carbon Exchange (TCX) to prepare for carbon neutrality.

Details of carbon credits purchased in each year are provided in the table below.

Transaction date	Source of carbon credits	Total volume purchased (tCO ₂ e)	Remaining volume available for cancellation/transfer
2023/12	India – Maharashtra – Onshore Wind Power Project	10,000	10,000

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. 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 on the right).

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.

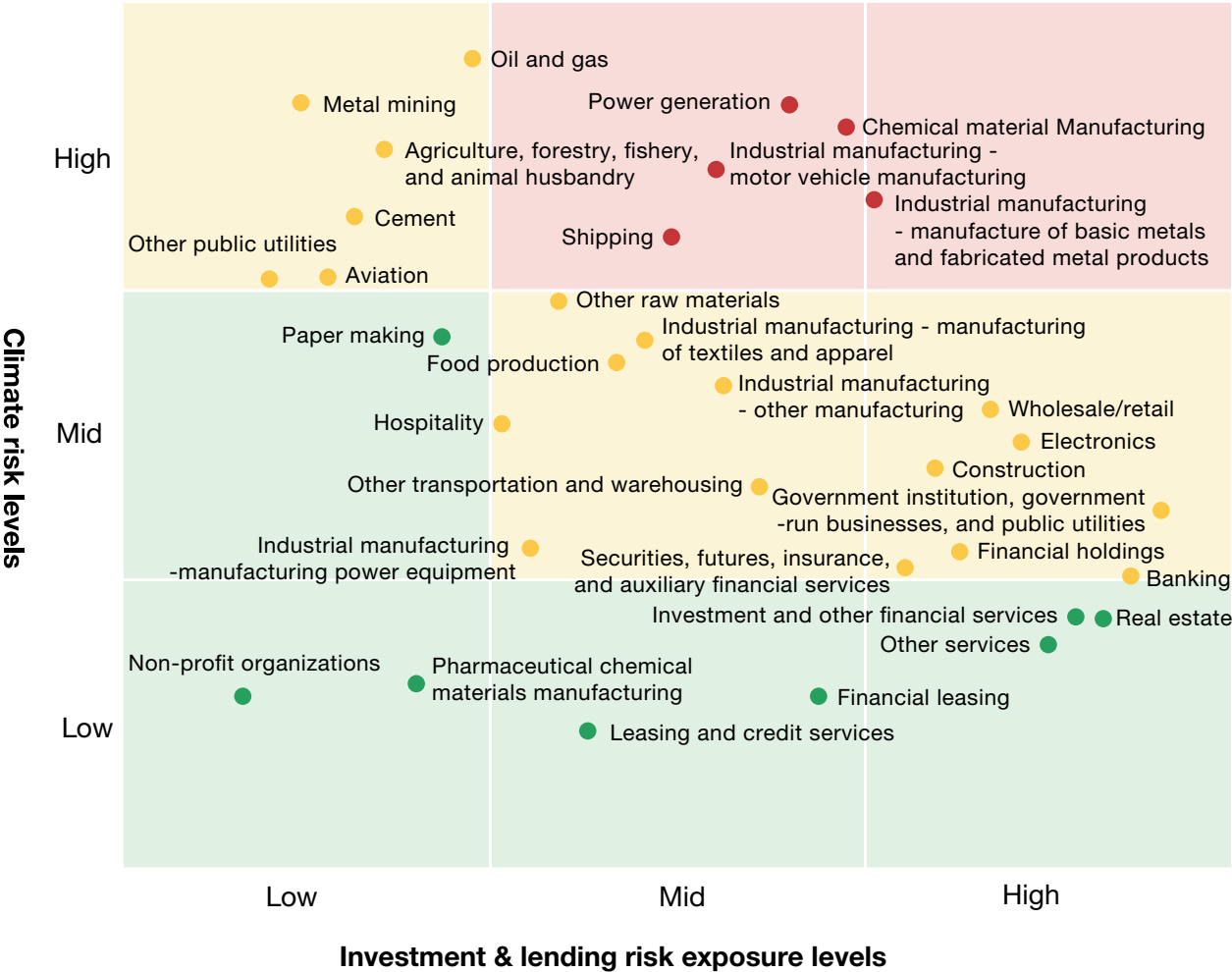
SinoPac Holdings continues to monitor progress toward its decarbonization targets by refining its decarbonization statement (see Section [1.2.2 "Climate and Nature Governance Decisions" of this report](#)), adhering to the Company's Principles for Responsible Investment and Responsible Lending (see Section [4.2 Management of Investment and Lending Risks](#)), and following its established Science-Based Targets (SBT) (see Section [5.1 Targets Achieved in 2025](#)). Through ongoing assessment of target achievement, the Company tracks its decarbonization progress with the aim of achieving its net-zero goal for its financial portfolios by 2050.

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 include industries with high carbon emissions (such as non-ferrous metals, shipping, oil & gas exploration and wholesale, and coal chemicals).

Industry	Limit
Non-ferrous metals	15%
Shipping	20%
Oil & gas exploration/wholesale marketing and coal chemical	3.5%

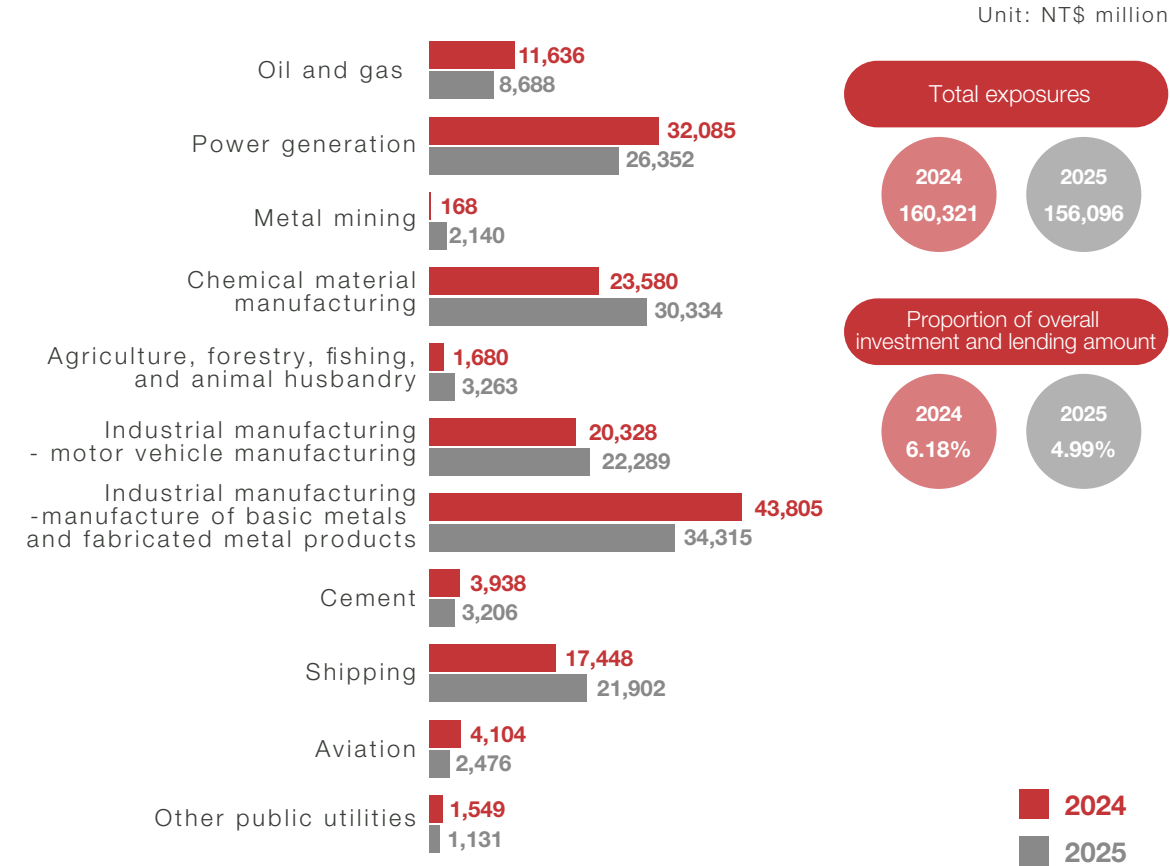
Industrial Climate Risk Heatmap



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 2025 was NT\$156,096 million, around 4.99% 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 2025 decreased compared with 2024, and the total proportion of investment and lending amounts at SinoPac Holdings also decreased. The most important differences stemmed from decreases in exposures to the oil and gas industry, the power generation industry, and the industrial manufacturing - manufacturing of basic metals, fabricated metal products industry, and the aviation industry.

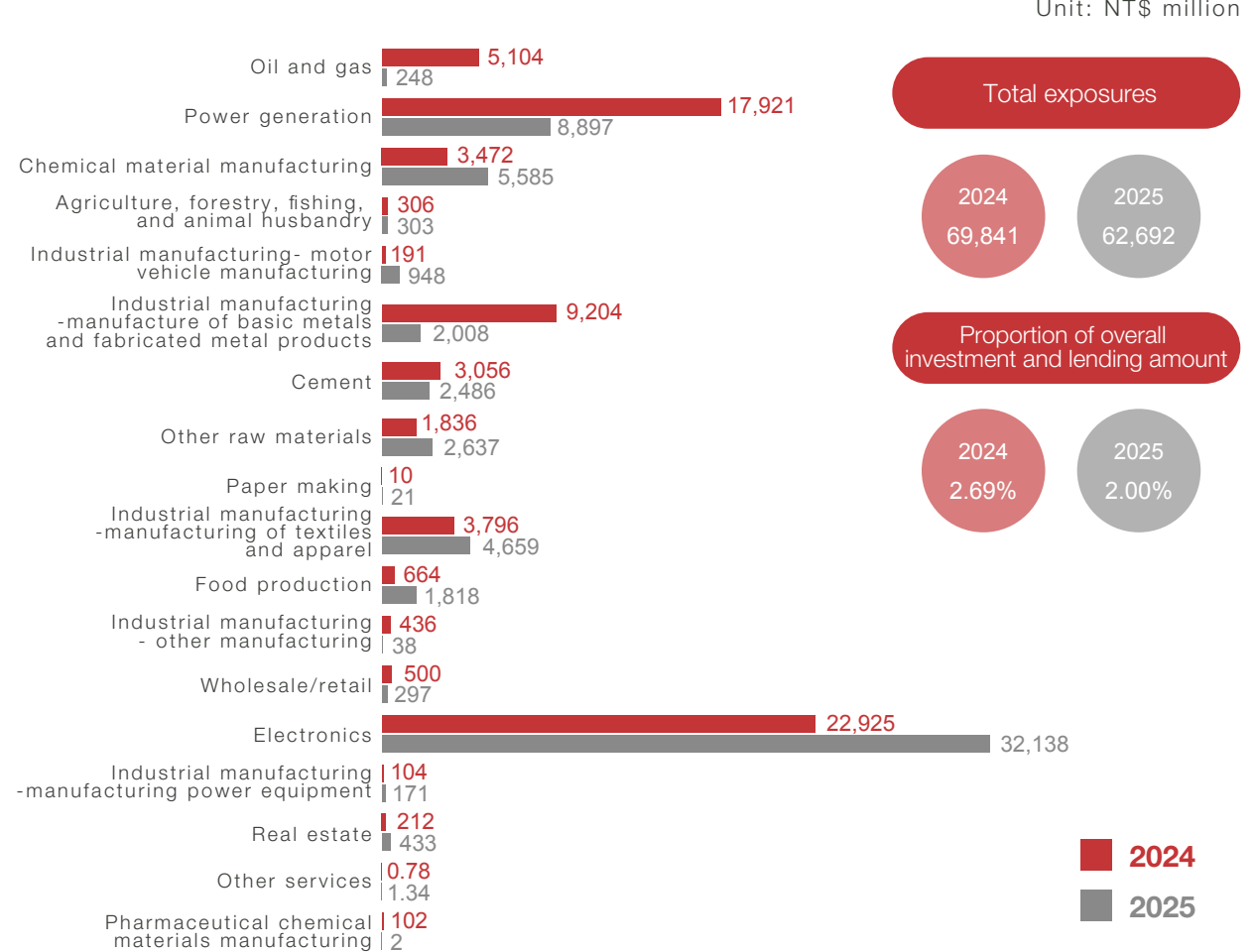
Exposure Amounts of Investment and Lending



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 2025 was NT\$62,692 million, around 2.00% of overall investment and lending amount of the Company. Overall exposure to high-carbon-emissions enterprises listed by the Ministry of Environment in 2025 decreased compared to 2024 and the total proportion of investment and lending at the Company also decreased. According to the corporation inventory information data for 2024 released by the Ministry of Environment in November 2025, the number of regulated heavy carbon emitters maintained as 301 companies. The most important differences stemmed from oil and gas, power generation, and industrial manufacturing - manufacture of basic metals and fabricated metal products industry.

Exposure Amounts of Investment and Lending



5.6 Financed/Facilitated Emissions

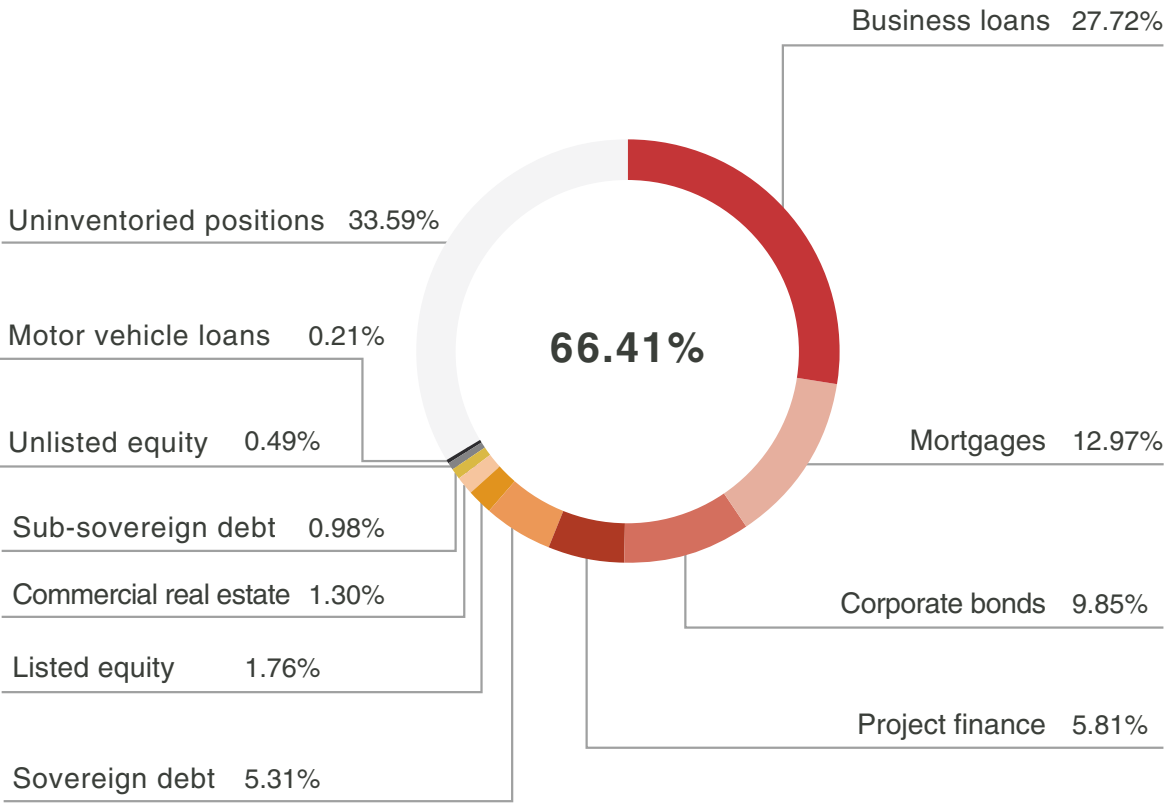
SinoPac Holdings follows the "Financed Emissions: The Global GHG Accounting and Reporting Standard Part A", released in December 2025, and the "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B", released in December 2023, by the "Partnership for Carbon Accounting Financials" (PCAF); "Practical Handbook for Calculating Financed Emissions (Scope 3) of Securities Investment Trust Fund Portfolios", released by the Securities Investment Trust & Consulting Association of the R.O.C. (SITCA) in September 2024; and the "Practical Handbook for Financed Emissions (Scope 3) in Investment and Financing Portfolios of Domestic Banks" released by the Bankers Association of the R.O.C. in October 2023. Based on these guidelines, the Company conducted a carbon inventory of its investment and financing portfolios, as well as the asset management business of SinoPac Securities Investment Trust (SinoPac SITC), as of December 31, 2025, and facilitated activities for capital markets in 2025, and completed greenhouse gas validation and verification ^{Note}  . The scope of the inventory included assets such as listed/unlisted equity, corporate bonds, sovereign debt, sub-sovereign debt, project finance, business loans, commercial real estate, mortgages, and motor vehicle loans.

Note: The Company and its subsidiaries' carbon inventory of Scope 3 financed emissions for investment and lending portfolios, asset management businesses of SinoPac SITC, and facilitated emissions for capital markets was verified by the verification organization BSI in accordance with ISO 14064-3: 2019, and validation reports and opinions was issued, complying with the regulations set out in Chapter 6 "Assurance (verification) Descriptions" of the "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

As of December 31, 2025, the financed emissions inventory coverage rate of SinoPac Holdings' investment and lending portfolios was 66.41% (ratio of inventoried amount to overall investment and lending amount^{Note1}). The coverage rate applicable under the PCAF Standard was 95.78% (ratio of inventoried amount to the amount applicable under the PCAF Standard). The financed emissions of SinoPac Holdings totaled 5.63 million tCO₂e and the overall economic emission intensity was 2.8 (tCO₂e/NT\$1 million in investment and lending).



Scope 3 financed emissions inventory coverage rate of investment and lending portfolios

Asset Class	Investment and financing amount included in the inventory (NT\$ million)	Percentage of total investment and lending (%)	Coverage rate applicable under the PCAF Standard (%)
Business loans	827,720	27.72%	99.28%
Mortgages	387,282	12.97%	99.32%
Corporate bonds	294,255	9.85%	99.86%
Project finance	173,453	5.81%	100.00%
Sovereign debt (exclude LULUCF) Note 2	158,495	5.31%	99.70%
Listed equity	52,677	1.76%	100.00%
Commercial real estate	38,873	1.30%	100.00%
Sub-sovereign debt	29,184	0.98%	100.00%
Unlisted equity	14,689	0.49%	100.00%
Motor vehicle loans	6,405	0.21%	100.00%
Inventoried positions Note3	1,983,032	66.41%	95.78%
Uninventoried positions Note4	1,003,029	33.59%	
Total	2,986,061	100.00%	

Note1: The scope of the inventory covers the overall domestic and foreign investment and lending positions of SinoPac Holdings and all subsidiaries.

Note2: Refers to activities related to Land Use, Land Use Change, and Forestry (LULUCF). E.g., transforming the usage of forest to agricultural use.

Note3: Use of Proceeds (UoP) structures and Securitized and Structured Products (SSP) as defined in the latest version of the PCAF standard (2025); since the calculation requires obtaining their underlying assets, complete information is currently unavailable for calculation. Therefore, only the amounts subject to the applicable methodologies were inventoried in the current year.

Note4: The positions are not yet inventoried consist mainly of four categories: (1) Use of Proceeds (UoP) structures and Securitized and Structured Products (SSP) as defined in the latest version of the PCAF standard (2025); since the calculation requires obtaining their underlying assets, complete information is currently unavailable for calculation; (2) asset classes for which PCAF has not yet published technical documents (including personal unsecured loans, derivatives, and ETFs); (3) "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) ; (4) minor amount of inventory information was incomplete.

Scope 3 financed emissions of investment and financing portfolios

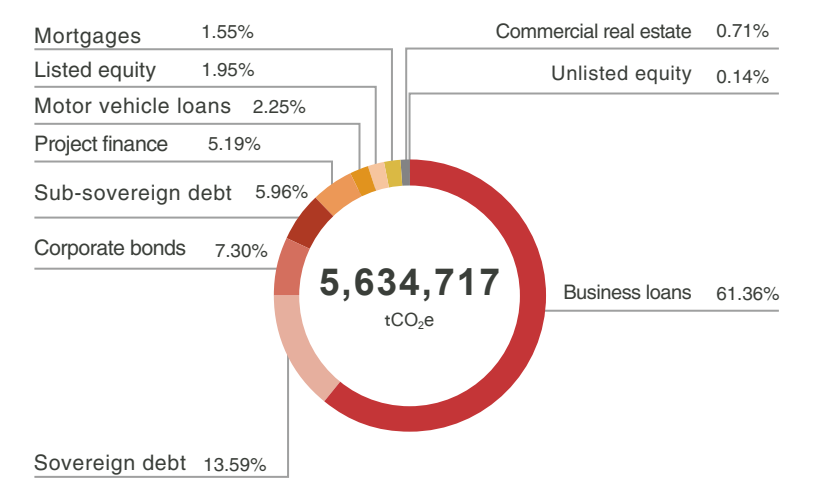
Unit: Investment and lending amounts (NT\$ million); Financed emissions (tCO₂e); Economic emissions intensity (tCO₂e / NT\$1 million in investment and lending); Data quality score (1: best, 5: worst)

Asset Class	2024					2025				
	Investment and lending amount	Financed emissions	Proportion of Financed emissions	Economic emissions intensity	Data quality score	Investment and lending amount	Financed emissions	Proportion of Financed emissions	Economic emissions intensity	Data quality score
Business loans	583,825	1,846,161	47.83%	3.2	3.5	827,720	3,457,405	61.36%	4.2	3.8
Sovereign debt (exclude LULUCF) Note1	156,148	839,115	21.74%	5.4	2.0	158,495	765,705	13.59%	4.8	1.9
Corporate bonds	274,930	687,492	17.81%	2.5	2.0	294,255	411,092	7.30%	1.4	1.7
Sub-sovereign debt Note2						29,184	336,064	5.96%	11.5	2.2
Project finance	131,836	296,091	7.67%	2.2	3.0	173,453	292,496	5.19%	1.7	3.0
Motor vehicle loans	2,018	2,804	0.07%	1.4	3.3	6,405	126,803	2.25%	19.8	3.8
Listed equity	35,068	66,526	1.72%	1.9	1.2	52,677	110,066	1.95%	2.1	1.1
Mortgages	393,552	85,300	2.21%	0.2	4.0	387,282	87,117	1.55%	0.2	4.0
Commercial real estate	31,553	32,027	0.83%	1.0	4.0	38,873	40,265	0.71%	1.0	4.0
Unlisted equity	8,029	4,650	0.12%	0.6	2.9	14,689	7,704	0.14%	0.5	2.2
Total	1,616,959	3,860,166	100.00%	2.4	3.1	1,983,032	5,634,717	100.00%	2.8	3.2

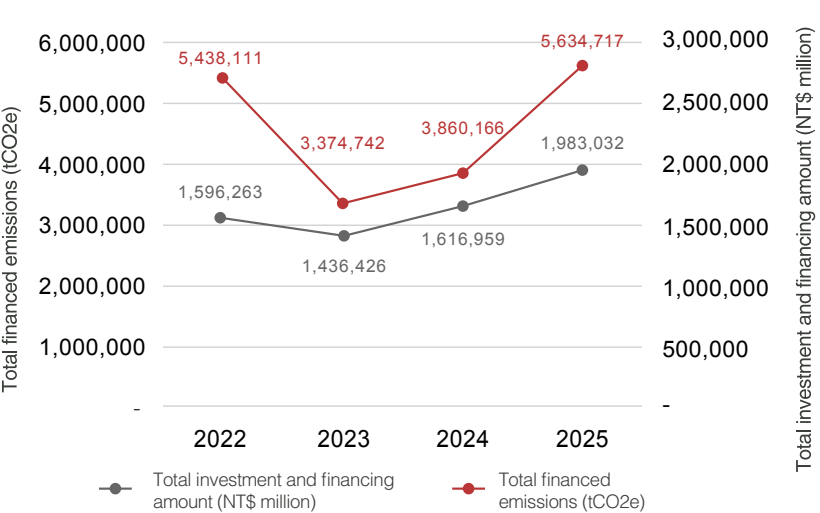
Note1: In 2025, financed emissions of sovereign debt excluding LULUCF amounted to 765,705 tCO₂e, while those including LULUCF amounted to 728,459 tCO₂e. In 2024, financed emissions of sovereign debt excluding LULUCF amounted to 839,115 tCO₂e, while those including LULUCF amounted to 798,612 tCO₂e.

Note2: In 2025, sub-sovereign debt was newly included in the portfolio assessment in accordance with the latest PCAF methodology (2025).

Scope 3 financed emissions of investment and financing portfolios



SinoPac Holdings Financed Emissions Trends from 2022-2025Note3



Note3: In 2022, financed emissions were calculated based on the asset class definitions established by PCAF. From 2023 onward, calculations also incorporated the asset class definitions outlined in the “Practical Handbook for Financed Emissions (Scope 3) in Investment and Financing Portfolios of Domestic Banks ” issued by the Bankers Association of the R.O.C. in October 2023, which explicitly defined certain asset classes to be excluded from the calculation. In 2025, the inventory scope was further updated in accordance with the latest version of the PCAF methodology.

Financed Emissions for Specific Assets (tCO₂e)

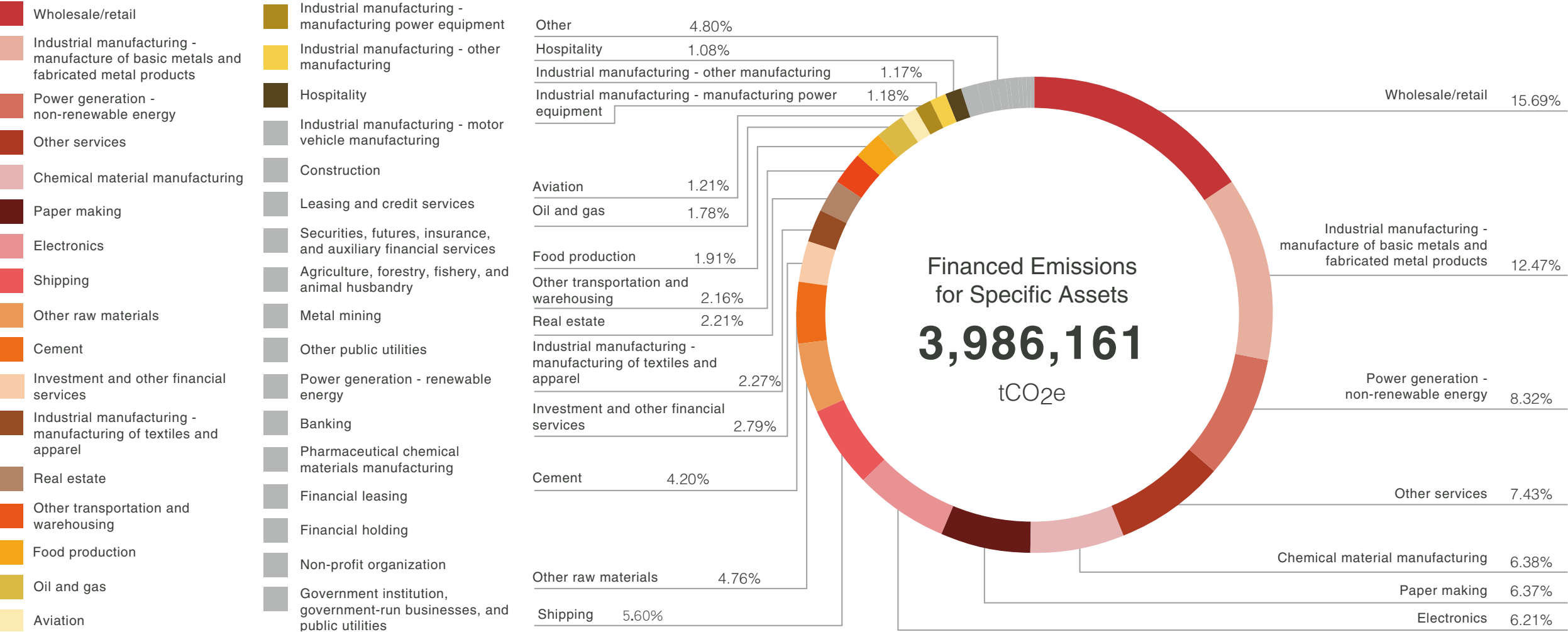
Categorized by industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)

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)
Wholesale/retail	625,440	15.69%	7.78
Industrial manufacturing - manufacture of basic metals and fabricated metal products	497,015	12.47%	16.69
Power generation - non-renewable energy	331,756	8.32%	13.63
Other services	296,315	7.43%	2.34
Chemical material manufacturing	254,386	6.38%	9.44
Paper making	254,078	6.37%	43.33
Electronics	247,711	6.21%	2.58
Shipping	223,326	5.60%	10.55
Other raw materials	189,791	4.76%	13.75
Cement	167,285	4.20%	54.81
Investment and other financial services	111,067	2.79%	1.05
Industrial manufacturing - manufacturing of textiles and apparel	90,533	2.27%	4.99
Real estate	87,988	2.21%	0.40
Other transportation and warehousing	86,225	2.16%	3.82
Food production	76,142	1.91%	4.27
Oil and gas	70,815	1.78%	10.59
Aviation	48,289	1.21%	19.30
Industrial manufacturing - manufacturing power equipment	47,115	1.18%	4.25

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)
Industrial manufacturing - other manufacturing	46,648	1.17%	2.21
Hospitality	42,874	1.08%	4.28
Industrial manufacturing - motor vehicle manufacturing	37,854	0.95%	1.71
Construction	34,564	0.87%	1.55
Leasing and credit services	24,252	0.61%	2.30
Securities, futures, insurance, and auxiliary financial services	21,197	0.53%	0.61
Agriculture, forestry, fishery, and animal husbandry	16,487	0.41%	5.10
Metal mining	14,075	0.35%	6.30
Other public utilities	11,173	0.28%	16.63
Power generation - renewable energy	8,232	0.21%	1.75
Banking	7,933	0.20%	0.04
Pharmaceutical chemical materials manufacturing	7,425	0.19%	1.27
Financial leasing	6,030	0.15%	0.28
Financial holding	1,825	0.05%	0.09
Non-profit organization	171	0.00%	0.71
Government institution, government-run businesses, and public utilities	143	0.00%	0.10
Total	3,986,161	100.00%	3.35

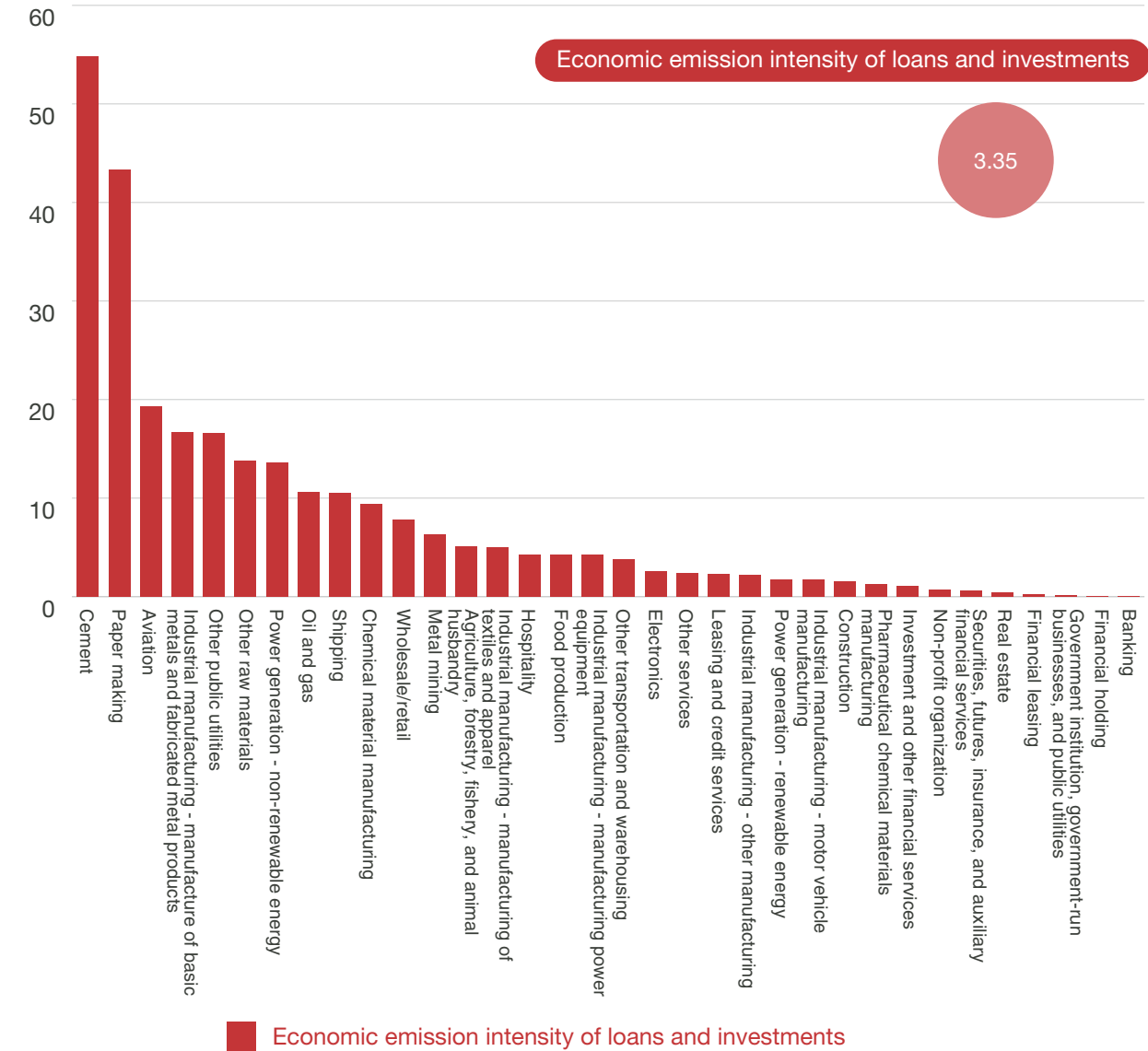
Financed Emissions for Specific Assets (tCO₂e)

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



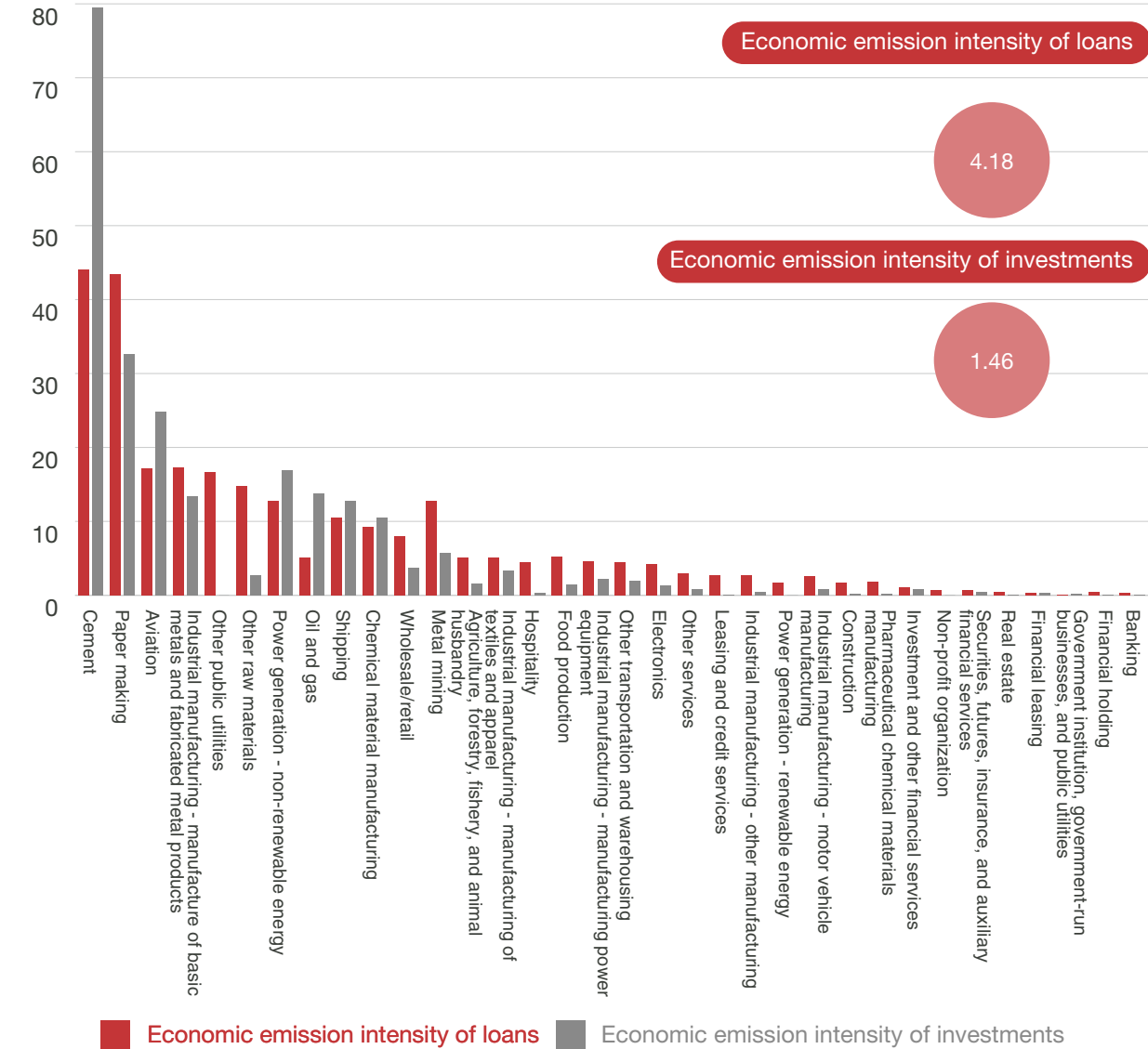
Financed Emissions for Specific Assets (tCO₂e)

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



Financed Emissions for Specific Assets (tCO₂e)

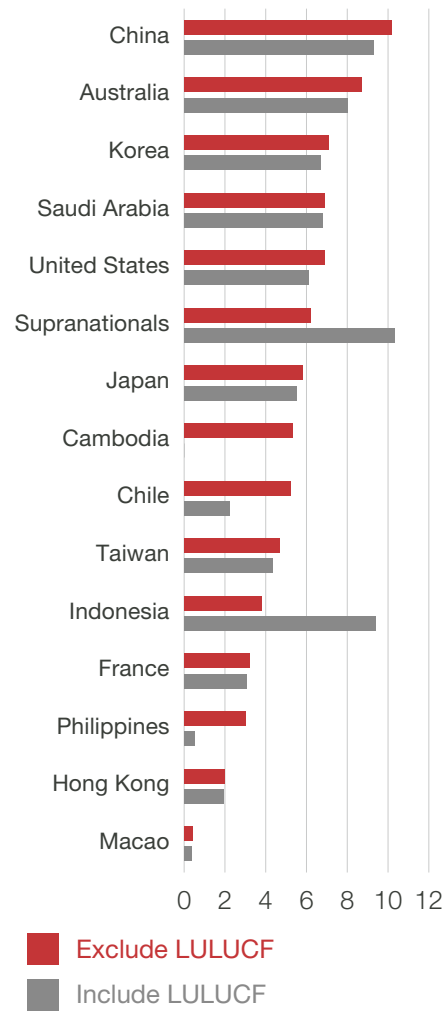
Categorized by asset and industry (Business loans, Corporate bonds, Listed equity, and Unlisted equity)



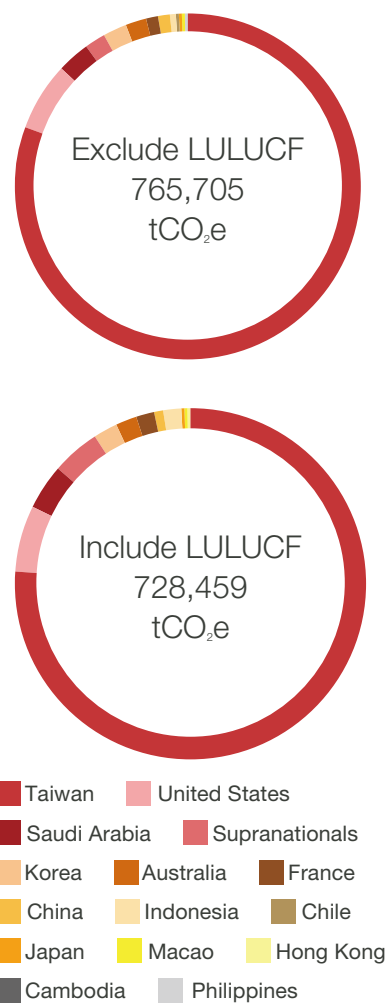
Categorized by country (sovereign debt)

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	127,142	600,425	4.7	553,606	4.4
United States	7,246	50,047	6.9	44,094	6.1
Saudi Arabia	4,259	29,483	6.9	28,991	6.8
Supranationals	3,312	20,616	6.2	34,131	10.3
Korea	2,418	17,192	7.1	16,216	6.7
Australia	1,779	15,407	8.7	14,236	8.0
France	4,105	13,048	3.2	12,527	3.1
China	582	5,952	10.2	5,413	9.3
Indonesia	1,362	5,149	3.8	12,777	9.4
Chile	513	2,670	5.2	1,144	2.2
Japan	361	2,092	5.8	1,999	5.5
Macao	4,545	1,758	0.4	1,758	0.4
Hong Kong	802	1,572	2.0	1,551	1.9
Cambodia	38	202	5.3	-	-
Philippines	31	92	3.0	16	0.5
Total	158,495	765,705	4.8	728,459	4.6

Economic emission intensities



Financed emissions

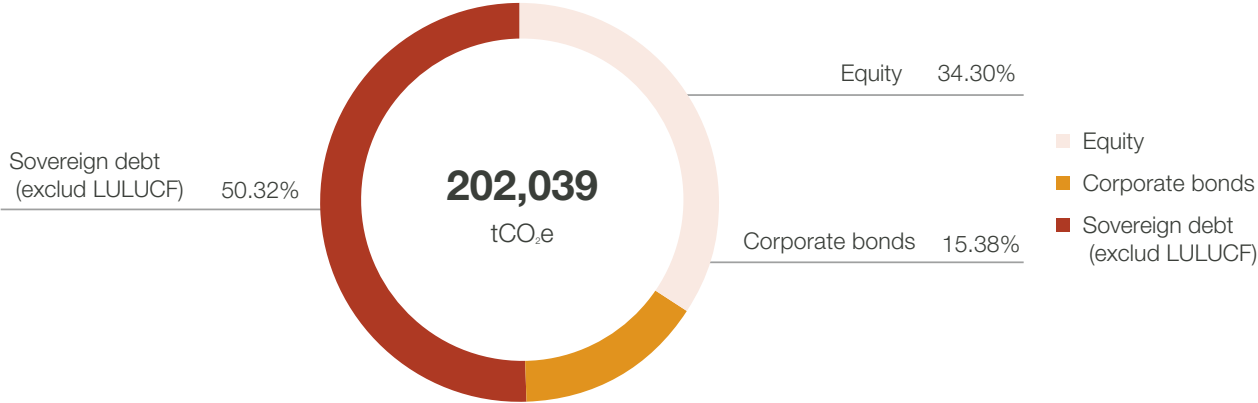


Avoided Emissions

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, 2025 amounted to **1.97 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 97.34% (ratio of inventoried amount to overall asset management amount of SinoPac SITC). The financed emissions totaled 0.20 million tCO₂e and the economic intensity was 3.0 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	2024							2025						
	Amount included in inventory	Inventory Coverage Rate ^{Note3}	Coverage rate applicable under the PCAF Standard	Financed Emissions	Proportion of financed emissions	Economic emission intensity	Data quality score	Amount included in inventory	Inventory Coverage Rate ^{Note3}	Coverage rate applicable under the PCAF Standard	Financed Emissions	Proportion of financed emissions	Economic emission intensity	Data quality score
Equity	34,445	45.18%	99.97%	83,405	26.85%	2.4	1.3	34,279	49.50%	100.00%	69,293	34.30%	2.0	1.5
Corporate bonds	18,384	24.12%	98.54%	43,826	14.11%	2.4	1.5	18,393	26.56%	95.54%	31,075	15.38%	1.7	1.0
Sovereign debt (exclude LULUCF) ^{Note1}	22,388	29.37%	100.00%	183,355	59.04%	8.2	1.0	14,736	21.28%	100.00%	101,671	50.32%	6.9	1.0
Inventoried positions	75,217	98.67%	98.67%	310,586	100.00%	4.1	1.3	67,408	97.34%	98.74%	202,039	100.00%	3.0	1.2
Uninventoried positions ^{Note2}	1,015	1.33%						1,842	2.66%					
Total	76,232	100.00%						69,250	100.00%					

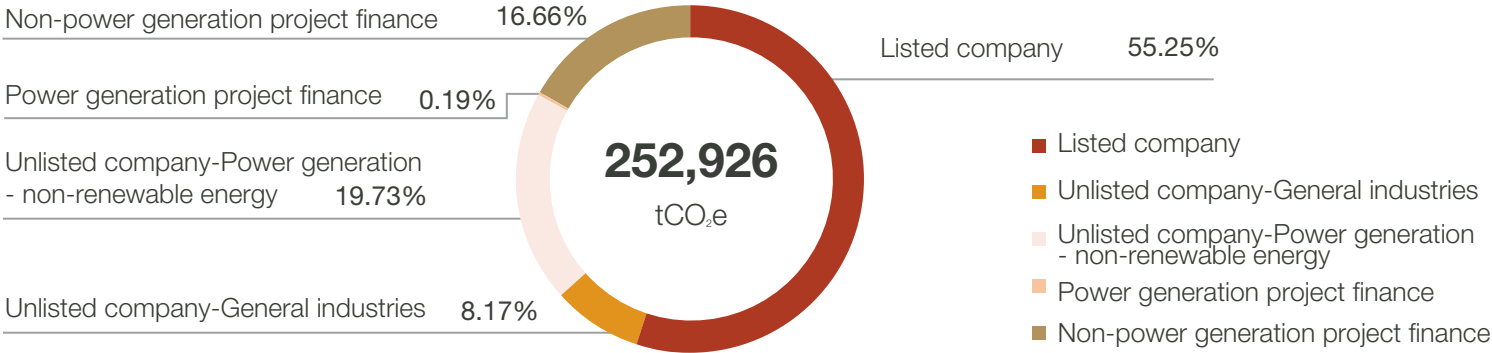
Note1: In 2025, financed emissions of sovereign debt under asset management excluding LULUCF amounted to 101,671 tCO₂e, while those including LULUCF amounted to 89,586 tCO₂e. In 2024, financed emissions of sovereign debt under asset management excluding LULUCF amounted to 183,355 tCO₂e, while those including LULUCF amounted to 161,556 tCO₂e.

Note2: The scope of the inventory adhered to the "Practical Handbook for Calculating Financed Emissions (Scope 3) of Securities Investment Trust Fund Portfolios" and "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.

Note3: 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 2025 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 0.25 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 activitie		2024							2025						
		Facilitated amounts included in inventory	Proportion of facilitated amounts led by SinoPac	Coverage rate applicable under the PCAF Standard ^{Note2}	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 ^{Note2}	Facilitated emissions	Proportion of facilitated emissions	Economic emission intensity	Data quality score
Listed company		335,582	33.43%	100.00%	132,329	40.58%	0.4	1.1	405,822	36.76%	100.00%	139,743	55.25%	0.3	1.0
Unlisted company	General industries	651,511	64.89%	100.00%	105,147	32.25%	0.2	1.2	676,017	61.23%	100.00%	20,652	8.17%	0.03	1.1
	Power generation -non-renewable energy	7,000	0.70%	100.00%	88,285	27.07%	12.6	1.0	6,775	0.61%	100.00%	49,912	19.73%	7.4	1.2
Power generation project finance		9,871	0.98%	100.00%	319	0.10%	0.03	3.0	9,963	0.90%	100.00%	469	0.19%	0.1	3.0
Non-power generation project finance									5,400	0.49%	100.00%	42,150	16.66%	7.8	5.0
Inventoried facilitated activities		1,003,964	100.00%	100.00%	326,080	100.00%	0.3	1.1	1,103,977	100.00%	100.00%	252,926	100.00%	0.2	1.1
Uninventoried facilitated activities		-	-						-	-					
Total		1,003,964	100.00%						1,103,977	100.00%					

Note1: 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.

Note2: 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.

5.7 Internal Carbon Pricing

Faced with challenges from climate-related risks and opportunities, 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 2025, the Company spent NT\$58 million on purchasing green electricity, NT\$13.20 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 in 2025 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 2025, due to a 19.18% increase in headcount compared to the 2021 base year and an increase in operating bases (not including Amret and King's Town Bank), the overall water consumption was 182,560 cubic meters, which represents an increase of 9,200 cubic meters compared to the base year (not including Amret and King's Town Bank); however, per capita water consumption was 16.24 cubic meters, representing a 11.64% 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 2022 to 2025

Water Resources Management Criteria	Unit	2022 ^{Note4}	2023 ^{Note4}	2024 ^{Note4}	2025 ^{Note4}
Total water consumption ^{Note1}	cubic meters	173,369	174,609	171,417	185,260
Per-capita water consumption (water consumption intensity) ^{Note2}	cubic meters/person	17.84	16.88	15.88	16.24
Data Coverage ^{Note3}	%	100	100	100	100

Note1: Water consumption was calculated by the actual usage on water bills of SinoPac Holdings. 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.

Note2: 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.

Note3: The coverage rate is calculated as the number of employees at buildings or sites that have obtained external verification for environmental data, divided by the total number of domestic and overseas employees of SinoPac Holdings, excluding dispatched employees. The reporting boundary is consistent with the base year and excludes the subsidiaries, King's Town Bank and Amret, which were consolidated in 2025. For the relevant data including the aforementioned two subsidiaries (scope consistent with consolidated financial statements), please refer to Appendix 1, Other ESG Data:SinoPac Holdings' GHG Emissions data over the years in the [2025 Sustainability 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 2025, due to the expansion of personnel and increase in operating locations, the total weight of waste produced from business operations was 563.59 metric tons, which is a 0.1% increase from 2021 (base year).

Waste Management Criteria and Total Waste from 2022 to 2025

Type of Waste (Metric Tons)		2022	2023	2024	2025
Recyclable Waste	Paper/bottles/iron and aluminum cans	189.03	182.48	189.57	194.70
	Electronic waste (computers/monitors/ printers)	1.66	0.43	1.05	1.25
General Industrial Waste ^{Note1}	Incineration process volume	389.08	365.80	363.84	367.64
	Landfill volume	0	0	0	0
Total Waste		579.77	548.71	554.47	563.59
Data Coverage ^{Note2}		100%	100%	100%	100%

^{Note1}: General industrial waste is disposed of by qualified contractors and shipped to local incinerators equipped with waste heat recovery systems for power generation.

^{Note2}: 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. In addition, as King’s Town Bank was only consolidated into the Company in October 2025, the 2025 coverage rate does not include data from its domestic locations (to be incorporated into statistics starting in 2026).





Future Outlook

Climate and Nature-related Public Welfare Activities



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 growing risks associated with natural resource depletion and ecosystem degradation, SinoPac Holdings recognizes the responsibility of the financial sector. The Company 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. We will continue to invest in biodiversity conservation initiatives to build a resilient and better future for ourselves and future generations.

Climate and Nature-related Public Welfare Activities

SinoPac Holdings actively promotes global sustainability. Since 2019, the Company has operated the SinoPac Life online platform and supported the “Earth Day - A Million Acts of Green” campaign for seven consecutive years, while designating the 17th of every month as “SinoPac Environmental Protection Day.” Using educational campaigns, advocacy activities, social media, and commercial services to encourage employees, customers, and the general public to adopt green actions in their daily lives. As part of a global environmental movement, the Company also joined “Earth Hour” for the fifth consecutive year. Expanding beyond its own buildings to 169 business locations of Bank SinoPac and SinoPac Securities, the Group voluntarily extended the duration and number of days for turning off signage lights, demonstrating the Company’s commitment to energy conservation and carbon reduction.

SinoPac Holdings is also deeply committed to ocean sustainability. The Company designated whale & dolphin-themed branches, 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 to safeguard the planet, SinoPac Holdings strives to 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 [2025 Sustainability Report](#).)



Appendix

TCFD's Recommended Disclosures

TNFD's Recommended Disclosures

TNFD core global disclosure metrics

IFRS S2 Index

TCFD & TNFD Conformity Statement



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 organization'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 organization'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 organization 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 organization'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 organization’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 organization'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 organization’s processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	2.1, 2.3, 4.3
	(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	2.1, 2.3, 4
	Describe the organization’s processes for managing nature-related dependencies, impacts, risks and opportunities.	2.1, 2.3, 4
	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization’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

TNFD core global disclosure metrics

Aspect	Metric no.	Driver of nature change / Category	Metric	Value Chain	data
TNFD core global disclosure indicators and metrics for nature-related dependencies and impacts	C1.0	Land/freshwater/ ocean-use change	Total spatial footprint	Investment and lending portfolios	No assessment data is currently available
	C1.1		Extent of land/ freshwater/ ocean-use change	Welfare	Please refer to Climate and Nature-related Public Welfare Activities
	C2.0	Pollution/ pollution removal	Pollutants released to soil split by type	Operation site	Limited relevance to this indicator
	C2.1		Wastewater discharged	Operation site	Limited relevance to this indicator
	C2.2		Waste generation and disposal	Operation site	Please refer to 5.8 Water Usage and Waste Management
	C2.3		Plastic pollution	Operation site	Limited relevance to this indicator
	C2.4		Non-GHG air pollutants	Operation site	Limited relevance to this indicator
	C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Operation site	Limited relevance to this indicator
	C3.1		Quantity of high-risk natural commodities sourced from land/ocean/ freshwater	Investment and lending portfolios	No assessment data is currently available
	C4.0	Invasive alien species and other	Measures against unintentional introduction of invasive alien species (IAS)	Operation site	Limited relevance to this indicator
	C5.0	State of nature	Ecosystem condition and species extinction risk	Investment and lending portfolios(domestic only)	The risk exposure to investment and lending of downstream corporate clients' plants located in Priority areas are amounts to approximately NT\$40,322 million
TNFD core global disclosure indicators and metrics for nature-related risks and opportunities	C7.0	Risk	Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related transition risks	Investment and lending portfolios	The total investment and lending exposure to clients with environmental penalty risk amounted to NT\$18,197 million.
	C7.1		Value of assets, liabilities, revenue and expenses that are assessed as vulnerable to nature-related physical risks	Investment and lending portfolios(domestic only)	Investment and lending exposure to clients with high water dependency amounted to NT\$25,328 million, while investment and lending exposure to clients with high water impact amounted to NT\$25,290 million.
	C7.2		Description and value of significant fines/penalties received/litigation action in the year due to negative nature-related impacts.	Operation site	NT\$0
	C7.3	Opportunity	Amount of capital expenditure, financing or investment deployed towards nature-related opportunities, by type of opportunity, with reference to a government or regulator green investment taxonomy or third-party industry or NGO taxonomy, where relevant	Investment and lending portfolios	No assessment data is currently available
	C7.4		Increase and proportion of revenue from products and services producing demonstrable positive impacts on nature with a description of impacts.	Investment and lending portfolios	Please refer to 2.4.2 Green Investments and Financing

Aspect	Metric no.	Category	Metric	Value Chain	data
Financial institution core disclosure metric	FI.C0.0	Exposure to sectors	TNFD nature-related sensitive sectors (Investment and Lending Exposure / % of Total Investment and Lending Exposure)	Investment and lending portfolios	The investment and lending amount in TNFD nature-related sensitive sectors was NT\$782,969 million, accounting for approximately 25.02% of the overall investment and lending amount of SinoPac Holdings (including personal loans)
	FI.C0.1	Exposure to sensitive locations	Assets and Activities in Sensitive Locations (Investment and Lending Exposure / % of Total Investment and Lending Exposure)	Investment and lending portfolios(domestic only)	The risk exposure to investment and lending of downstream corporate clients' plants located in Priority areas amounts to approximately NT\$40,322 million, which accounts for approximately 1.3% of SinoPac Holdings' total investment and lending
TNFD additional global disclosure metrics	A2.1	Driver of nature change: pollution/ pollution removal	Waste recycled of Paper/bottles/iron and aluminum cans Waste minimised, reused or recycled	Operation site	Please refer to 5.8 Water Usage and Waste Management
			Waste recycled of Electronic waste (computers/monitors/printers)	Operation site	
	A3.0	Driver of nature change: resource use and replenishment	Total water consumption and withdrawal	Operation site	Please refer to 5.8 Water Usage and Waste Management
	A20.1	Engagement strategy	Participation in sector-wide and/or multi-stakeholder agreements (number of agreements; number of stakeholders and stakeholder groups covered).	Investment and lending portfolios	Please refer to 4.2 Management of Investment and Lending Risks
	A22.3	Dependency, impact, risk and opportunity management	Proportion of production, consumption and sourcing of raw materials that is traceable to original location.	Suppliers	Please refer to 5.1 Targets Achieved in 2025 - Green Procurement
	A22.4		Proportion of suppliers committed to and effectively implementing sustainable production.	Suppliers	Please refer to 5.1 Targets Achieved in 2025 - Raise Climate Awareness (suppliers)



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
	Paragraphs 24-26	2.1.1, 3, 4
Risk Management	Paragraphs 27-28	5
Metrics and Targets	Paragraphs 29-32	5
	Paragraphs 33-37	5



TCFD & TNFD Conformity Statement



Conformity Statement

Climate and Nature-related Financial Disclosures

This is to conform that

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Holds Statement Number

SRA-TW-822368

As a result of carrying out conformity check process based on TCFD/TNFD requirement, BSI declares that:

- SinoPac Financial Holdings Co., Ltd. follows the Recommendations of the Task Force on Climate and Nature-related Financial Disclosures (TCFD/TNFD) Guidance to disclose Climate and Nature-related financial information which is clear, comparable and consistent against its organizational risks and opportunities as well as its financial impacts. The disclosure covers the four core elements of the TCFD/TNFD and is prepared based on the guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks and Asset Managers sectors) is **Level-5+: Excellence** grade.
- 涵蓋金融業補充指引(銀行與資產管理)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。
- The maturity model for the Nature-related Financial Disclosures with Supplementary Guidance for the Financial institutions is **Level-5: Excellence** grade.
- 涵蓋金融業補充指引之自然相關的財務揭露的成熟度模型為**[第五級：優秀]**等級。

For and on behalf of BSI


Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

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Expiry date: 2027-06-01

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Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks and Asset Managers sectors) is **Level-5+: Excellence** grade.
涵蓋金融業補充指引(銀行與資產管理)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。

The maturity model for the Nature-related Financial Disclosures with Supplementary Guidance for the Financial institutions is **Level-5: Excellence** grade.
涵蓋金融業補充指引之自然相關的財務揭露的成熟度模型為**[第五級：優秀]**等級。

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