

SinoPac Financial Holdings Company Limited

Guidelines for Sustainable Development

Enacted Unit: President Office

Approved Tier: Board of Directors

Chapter 1 General Principles

Article 1 For the purpose of fulfilling corporate social responsibility initiatives and achieving the objective of sustainable development, the Company, with reference to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" jointly stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange, adopts these Guidelines as its sustainable development policy, based on which it may manage the economic, environmental and social risks and impact arising from the business activities of the Company and its subsidiaries.

Article 2 The term "Subsidiaries" as used in these Guidelines refers to companies in which more than 50 percent of the shares are directly or indirectly held by the Company or those over which the Company holds substantive control.

The term "Interested Parties" as used in these Guidelines refers to internal and external individuals or groups that generate influence on the Company and its subsidiaries or are subject to influence of the Company and its subsidiaries, including shareholders, investors, clients, employees, government and competent authorities, media, social communities, non-profit or non-governmental organizations, and suppliers.

Article 3 The Company and its subsidiaries shall, while pursuing sustainable operations and profits, also give due consideration to the rights and interests of interested parties and, through the four aspects as below, fulfill their sustainable development and pursue sustainable operations.

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of sustainable development information.

Article 4 The Company shall take into consideration the correlation between the development of domestic and international sustainability issues and corporate core business operations, and the effect of the operation of the

Company solely and of its respective business groups as a whole on interested parties, in establishing its policies, systems or relevant management plans for sustainable development programs, which shall be reported to and approved by the Board of Directors and then reported to the shareholders' meeting.

Chapter 2 Exercise Corporate Governance

Article 5 The Company shall follow the "SinoPac Financial Holdings Company Limited Guidelines for Corporate Social Responsibility," "SinoPac Financial Holdings Company Limited Guidelines for Ethical Corporate Management," and "SinoPac Financial Holdings Company Limited Guidelines for Codes of Ethical Conduct" to establish effective corporate governance frameworks and relevant ethical standards so as to create sound corporate governance.

Article 6 The directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof and continually make improvements so as to ensure the thorough implementation of its sustainable development policies. The Board of Directors of the Company is advised to give full consideration to the interests of interested parties, including the following matters, in the Company's promotion of its sustainable development initiatives:

1. Identifying the Company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines.
2. Making sustainable development the guiding principle of the Company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives.
3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information.

The Board of Directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the Board of Directors.

Article 7 The Company is advised to, on a regular basis, organize education and

training on the implementation of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 8 For the purpose of managing sustainable development initiatives, the Company is advised to establish the sustainability governance structure and an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

Article 9 The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.
It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of interested parties, identify interested parties of the Company, and establish a designated section for interested parties on the Company's website; the Company shall understand the reasonable expectations and demands of interested parties through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 The Company and its subsidiaries shall follow relevant environmental laws and regulations to properly protect the natural environment, and establish an adequate environmental management system and endeavor to enhance the efficiency of energy utilization and reduce the impacts of business operations on the natural environment.

Article 12 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company and its subsidiaries are advised to adopt standards or guidelines generally used in Taiwan and abroad to make an inventory

check of the corporate greenhouse gas and make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the Company and its subsidiaries.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other indirect emissions: emissions generated by company activities that are not indirect energy emissions but come from emission sources owned or controlled by other companies.

The Company and its subsidiaries are advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to draw up strategies for energy conservation and carbon and greenhouse gas reduction based upon their operations and the result of the greenhouse gas inventory check. The companies' carbon reduction strategies should include purchasing renewable energy and renewable energy certificates and obtaining carbon credits, and be promoted accordingly to minimize the impact of their business operations on climate change.

Article 13 The Company and its subsidiaries are advised to establish a dedicated unit or assign dedicated personnel in charge of environment management for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and shall hold environment education courses on a periodic basis to promote the concept of sustainable consumption.

Chapter 4 Preserve Public Welfare

Article 14 The Company and its subsidiaries shall comply with the local human rights of labor, including the gender equality, the right to work, prohibition of discrimination, etc.

To fulfill its responsibility to protect human rights, the Company shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy

or statement on human rights.

4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company recognizes the human rights of labor accepted internationally, including freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, sexual orientation, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company and its subsidiaries shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company and its subsidiaries shall respond to any employee's grievance in an appropriate manner.

Article 15 The Company and its subsidiaries shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 16 The Company and its subsidiaries are advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents. The Company and its subsidiaries are advised to organize training on safety and health for their employees on a regular basis.

Article 17 The Company and its subsidiaries are advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills. The Company shall appropriately reflect the corporate business

performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 18 The Company and its subsidiaries shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

The Company and its subsidiaries shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary equipment, in order to improve the negotiation and cooperation among the Company, employees and employee representatives.

The Company and its subsidiaries shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 19 The Company and its subsidiaries shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards, and are advised to treat their clients in a fair and reasonable manner.

The Company and its subsidiaries shall not deceive, mislead, commit fraud or engage in any other acts which would betray clients' trust or damage clients' rights or interests when marketing or labeling their products and services.

Article 20 The Company and its subsidiaries are advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on clients and society.

The Company and its subsidiaries are advised to provide a clear and effective procedure for accepting client complaints to fairly and timely handle client complaints, and shall comply with laws and regulations related to the Personal Information Protection Act for respecting clients' rights of privacy and shall protect personal data provided by clients.

Article 21 The Company and its subsidiaries are advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety

and health or labor rights, and not to conduct transactions with parties that have had records of engaging in acts in violation of the Company's sustainable development policies. When the Company and its subsidiaries enter into a contract with any of other parties, it is advisable to include the terms of sustainable development into the contract.

Article 22 The Company and its subsidiaries are advised to participate in the development of communities via commercial activities, donations, corporate volunteering services or other professional public welfare services, and to adequately hire the local labor force in the place of operations of the Company.

Chapter 5 Enhance Disclosure of Sustainable Development Information.

Article 23 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for Financial Holding Companies and shall fully disclose relevant and reliable information relating to its sustainable development initiatives to improve information transparency.

The relevant information relating to sustainable development which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the sustainable development initiatives established by the Companies, and performance in implementation.
4. Major stakeholders and their concerns.
5. Other information relating to sustainable development initiatives.

Article 24 The Company shall, when formulating sustainability reports, disclose the status of its implementation of the sustainable development initiatives. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.

Chapter 6 Supplementary Provisions

Article 25 The Company shall monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve its established sustainable development framework to enhance the performance of sustainable development.

Article 26 These Guidelines, and any amendments thereto, shall enter into force through announcement after they have been adopted by the Board of Directors.

The first meeting of the sixth session of the board in 2018 adopted the Guideline on February 2nd, 2018.

The first meeting of the seventh session of the board in 2022 amended the Guideline on January 21st, 2022.