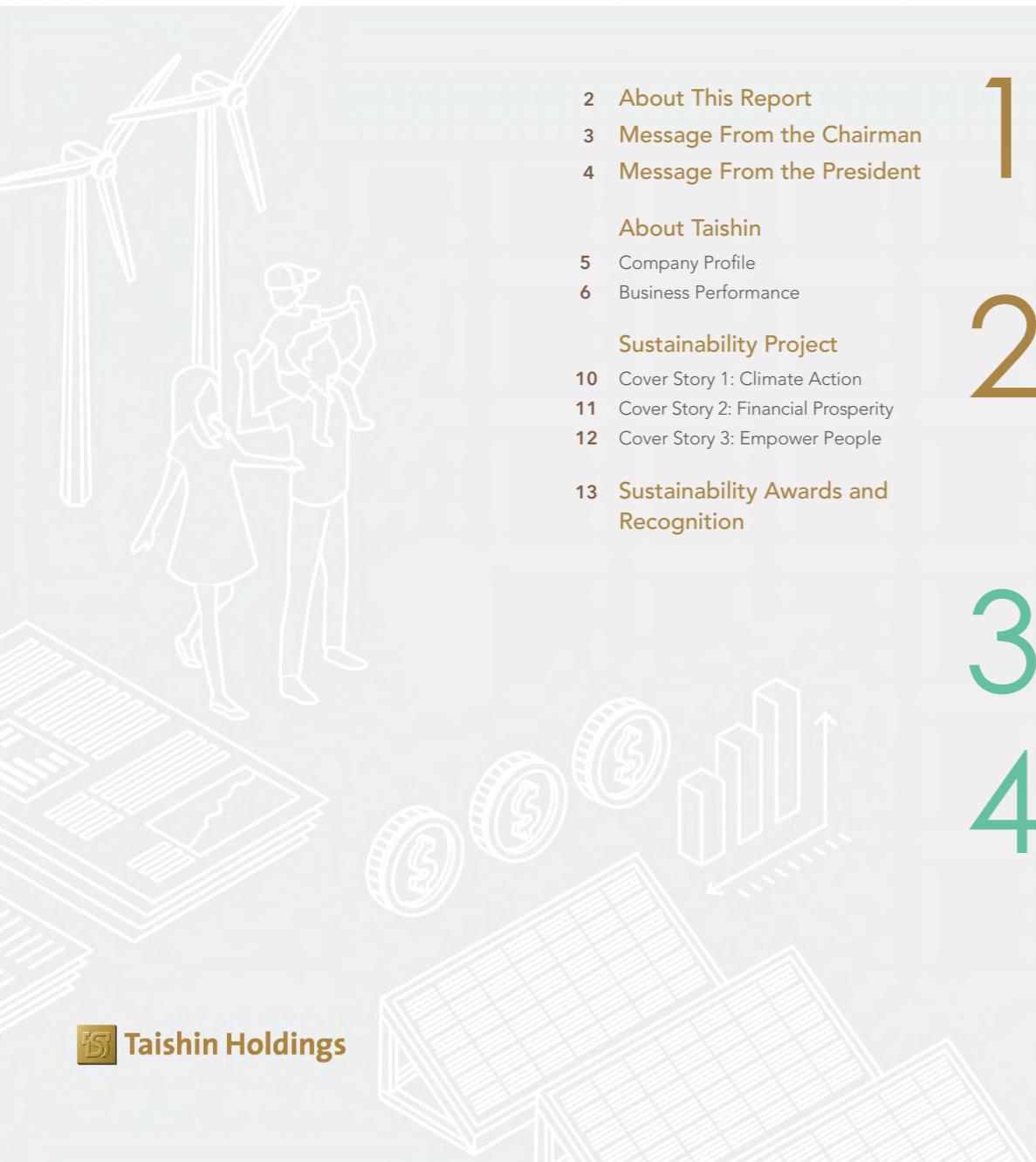




2023
SUSTAINABILITY
REPORT

Contents



- 2** About This Report
- 3** Message From the Chairman
- 4** Message From the President

- About Taishin**
- 5** Company Profile
- 6** Business Performance

- Sustainability Project**
- 10** Cover Story 1: Climate Action
- 11** Cover Story 2: Financial Prosperity
- 12** Cover Story 3: Empower People

- 13** Sustainability Awards and Recognition

1	Sustainability Strategy
	15 1.1 Sustainability Core Strategy
	18 1.2 Identification of Stakeholders and Material Topics
	29 1.3 Sustainability Implementation Framework and Performance
2	Sustainability Governance
	35 2.1 Corporate Governance
	39 2.2 Business Integrity
	44 2.3 Risk Management and Internal Control
	51 2.4 Information and Transaction Security
	53 2.5 Sustainable Supplier Management
3	Climate Strategy
	57 3.1 Net Zero Emission Goal
	62 3.2 Climate-related Financial Disclosures (TCFD)
4	Green Operation
	67 4.1 Environmental Management Framework
	68 4.2 Energy Conservation & Carbon Reduction
	71 4.3 Waste Management and Water Resource Management

5	Sustainable Finance
	74 5.1 Sustainable Finance Policy and Actions
	78 5.2 Responsible Financing
	82 5.3 Project Finance
	83 5.4 Responsible Investment
	85 5.5 Asset Management
	86 5.6 Sustainable Insurance
6	Smart Services
	88 6.1 FinTech/Digital Innovation
	93 6.2 Customer Relationship Management and Consumer Protection
	98 6.3 Privacy Protection
	100 6.4 Financial Inclusion
7	Employee Care
	106 7.1 Talent Development
	112 7.2 Remuneration, Benefits & Employee Care
	118 7.3 Occupational Health and Safety
	123 7.4 Labor-management Relations
	124 7.5 Human Rights and Gender Equality
8	Social Inclusion
	128 8.1 Social Engagement Strategy
	132 8.2 Social Engagement Project

Appendix	
140	GRI Standard Index
143	Sustainability Accounting Standards Board (SASB) Index-Commercial Banks
144	Climate-Related Information of TWSE/TPEX Listed Company
144	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
144	GHG Inventory of Taishin FHC and its Subsidiaries
145	Independent Assurance Opinion Statement
146	Independent Limited Assurance Report
147	Summary of the Underlying Subject Matters



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

About This Report

The following is the 2023 Sustainability Report (hereinafter referred as the Report) of Taishin Financial Holding Co., Ltd. (hereinafter referred as Taishin FHC or Taishin) It is the 11th Sustainability Report of Taishin FHC, and the Chinese and English versions of the past year reports can be downloaded at the official website under the "Sustainability "section. The Report discloses the current progress of the 2022 corporate sustainable development, and for the comparability of disclosed information, partial data were not limited to the current year. The Report is prepared and published on an annual basis. The reporting period, scope, contact information, and other relevant information are highlighted below:

Report Management

Taishin FHC has implemented "Sustainability Reporting Guidelines" to manage its preparation procedures and methods to maintain the consistency of related operations. The Corporate Sustainability Office is responsible for the preparation of this report and the coordination and integration of the applicable targets. Depending on the structure of the report and the need for content collection, the Corporate Sustainability Office requires each responsible unit to assign dedicated staff to assist in the preparation of the report. The preparation procedures include planning and analysis, data collection, report preparation, and assurance, etc. Taishin FHC Sustainability Report has been reviewed and approved by the Board of Directors.

Boundaries and Data

The Report covers Taishin FHC, its subsidiaries (namely Taishin Bank, Taishin Securities, Taishin Securities Investment Trust, Taishin Securities Investment Advisory, Taishin Asset Management, and Taishin Venture Capital), and the three non-profit foundations (namely Taishin Charity Foundation Taishin Bank Foundation for Arts and Culture and Taishin Youth Foundation). It describes the steps and progress the group has made toward fulfilling its corporate sustainability development. The boundaries of the terms "Taishin FHC", "Taishin", or "the Company" mentioned in this report include all business units of the aforementioned entities.

The financial data in this report are based on the consolidated financial statements of Taishin FHC audited by the CPA. Please refer to the Company's 2023 Annual Report for the entities, affiliates, and investees included in the consolidated financial statements. The scope of the disclosure of environmental and social data consists of the main operations in Taiwan and all entities in Taishin FHC. If specific information or data boundaries are inconsistent with the aforementioned principles, a note will be included to explain the location of the disclosure of such data.

Reporting Principle

The information contained in this report is disclosed in accordance with the to the latest Global Reporting Initiative (GRI) Standards 2021, the Sustainability Accounting Standard for Commercial Banks, and the Sustainability Disclosure Indicators - Financial and Insurance Industry and Climate-Related Information of TWSE/TPEX Listed Company provided in Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

The Report covers corporate governance, environmental sustainability, and social care issues. The Company publishes the Report in June each year. The report is structured based on the Integrated Reporting (IR) framework stipulated by the International Integrated Reporting Committee (IIRC).

The previous report was published in June 2023 and the next report is scheduled to be published in June 2025.

Verification and Assurance

The Company has entrusted BSI Taiwan for verification in accordance with the latest version of the GRI Standards and the AA1000AS v3 Type 2 Medium Level Assurance. The assurance report is disclosed in the [appendix](#) of the Report. The Company has entrusted KPMG to conduct limited assurance on specific performance indicators in accordance with ISAE3000. The assurance report is disclosed in the [appendix](#) of the Report.

Feedback

Taishin Financial Holding Co., Ltd. Corporate Sustainability Office

Address: No. 118, Section 4, Ren'ai Road, Da'an District, Taipei City

TEL: +886-2-23268888 #3061 Fax: +886-2-37076680

[Sustainability](#)



[Stakeholder's Questionnaire](#)





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Message From the Chairman

Taishin FHC actively follows the trends of sustainable development both in Taiwan and overseas, and sets "Dedicated to Sustainability & Living Green" as the vision. With the three core tenets of "Climate Action," "Financial Inclusion," and "Sustainability Empowerment," the company continues to promote the sustainability of its core financial business and leads all industries to pursue climate protection. Taishin's sustainability performance in 2023 continued to be outstanding. The company was included in the Dow Jones Sustainability World Index and the Dow Jones Sustainability Emerging Markets Index for the sixth consecutive year. In S&P Global's 2024 Sustainability Yearbook, Taishin was recognized as one of the global benchmark companies and ranked in the top 1% of the global banking sector. This makes Taishin the only financial institution in Taiwan's banking sector to have achieved such an impressive feat.

Climate Action: Calling on Industry and Commerce to Undertake Low-Carbon Transformation and Strive for Net-Zero Emissions by 2050

The 2024 Global Risk Report by World Economic Forum (WEF) identifies extreme weather events as one of the biggest risks facing the world in both short term and long term. Taishin FHC has included climate risks in its "Risk Management Policy" and conducts an annual identification of key climate-related risks and opportunities as well as an analysis of climate risk scenarios. The company also links its climate strategy to the results of the analysis and sets corresponding indicators. These include carbon emissions from the investment and financing part of the financial business, exposure to carbon-intensive industries, and the effectiveness of promoting a low-carbon economy. Taishin's own activities, including energy conservation and carbon reduction measures, energy consumption, and greenhouse gas emissions, are also taken into account.

In 2023, Taishin FHC's board of directors adopted an integrated sustainable finance policy to actively manage environmental, social, and governance-related risks. This policy has also been integrated into the company's trading decisions, promoting the development of sustainable finance. Specifically, Taishin has set a science-based target, approved by the Science Based Targets initiative, to achieve net-zero emissions from its own operations by 2030 and net-zero emissions from its investment and financing business by 2050. At the same time, Taishin is actively committed to reducing scope 1, 2 and 3 emissions, including the gradual reduction of its own operational carbon footprint. In addition, Taishin participates in and supports the development of the green finance industry and the renewable energy industry through investment, financing, and other financial services. Taishin is not only the first bank in Taiwan to exclusively finance renewable energy power plants, but will also completely stop financing the coal industry by 2030 and the unconventional oil and gas industry by 2040, fulfilling its commitment to decarbonize its investment and financing. Taishin also participated in the first batch of carbon trading on the Taiwan Carbon Solution Exchange to realize carbon neutrality, expand the adoption of carbon rights, and contribute to the soundness of Taiwan's carbon trading mechanism.

Recognizing that energy transformation is the key to net zero and that it can only be achieved through public-private partnerships, Taishin actively demonstrated its impact on sustainability in 2023 by mobilizing the industrial and commercial sectors to jointly address the issue of net-zero energy. Together with the Chinese National Association of Industry and Commerce, Taishin organized the "2023 Taishin Net Zero Summit," inviting energy industry players and experts from Taiwan and Japan to share cross-national experiences on the challenges of energy transformation and renewable energy development. Taishin hopes to build consensus in the industry, accelerate technological breakthroughs and their practical application, and provide solutions for net-zero emissions in 2050.

Financial Inclusion: Promoting Sustainable Financial Ecosystem by Focusing on Fintech and Financial Inclusion

In order to create an innovative financial ecosystem and realize financial inclusion, all Taishin subsidiaries strive to develop more pervasive and convenient financial products and services to expand financial inclusion and improve the financial ecosystem. In terms of empowerment, the company supports the growth and de-

velopment of local venture teams by providing them with consulting services related to IPOs. In the area of corporate finance, through the Ministry of Economic Affairs' "Low-Carbon and Smart Transformation Assistance Loan" program, Taishin helps SMEs to quickly raise funds for net zero transitions.

In addition, Taishin continues to focus on fintech and financial inclusion. To meet the demand for financial services resulting from the increasing number of foreign nationals coming to Taiwan due to Taiwan's growing international visibility in recent years, the company has taken a pioneering role in the industry and now enables the opening of digital deposit accounts in both New Taiwan dollars and foreign currencies for a variety of groups. In response to the problems of an aging society and declining birth rates, and in line with the Financial Supervisory Commission's Trust 2.0 – "The Promotion Plan for Full Functions of Trust Services," Taishin has invested resources and increased promotional efforts to improve the public's understanding of trust services and their operational structure. The company aims to support social welfare organizations to meet the needs of the elderly, mentally and physically challenged, and disadvantaged groups.

Sustainability Empowerment: Fostering Innovative and Sustainable Thinking among Employees and Supporting Diverse Social Participation Programs

Taishin attaches great importance to sustainable empowerment and is committed to embedding the values of sustainability in the DNA of its employees and realizing its vision of sustainable finance and ecosystem development. In promoting talent and employee care, Taishin adheres to employee diversity, equality, and training and growth. The company encourages all employees to participate in professional training on sustainable finance and climate issues to equip them with a sustainable mindset so that they can provide customers with diversified and innovative financial products and services.

Taishin has consistently promoted various social participation programs and exerted its social influence in the areas of social welfare, arts and culture promotion, sports promotion, academic exchange, and other philanthropic endeavors. As part of its support for the development of sports industry in Taiwan, Taishin invests resources in sponsoring tournaments and training athletes every year and has been honored with the Sports Activist Award from the Ministry of Education year after year. To further expand the company's support for major sporting events, the Taipei Taishin Mars basketball team was established and named a partner team of Taipei City by the Taipei City Government in 2023. The home venue of the team is also located in Taipei.

Taishin will continue to uphold the core principles of integrity, commitment, innovation, and cooperation, deepen its core financial business, and work with its employees, customers, suppliers, strategic partners, and other stakeholders to proactively respond to the United Nations' Sustainable Development Goals and related social and environmental issues. Taishin strives to become a partner with the knowledge of sustainability for its customers and the public and move toward a better and more sustainable future.

Taishin FHC Chairman



[About This Report](#)[Message From the Chairman](#)[Message From the President](#)[About Taishin](#)[Sustainability Project](#)[Sustainability Awards and Recognition](#)[1. Sustainability Strategy](#)[2. Sustainability Governance](#)[3. Climate Strategy](#)[4. Green Operation](#)[5. Sustainable Finance](#)[6. Smart Services](#)[7. Employee Care](#)[8. Social Inclusion](#)[Appendix](#)

Message From the President

The gradual recovery of the global economy in 2023 in the post-pandemic era has been accompanied by an increase in global carbon emissions. In 2023, global carbon emissions increased by 1.1% compared to 2022, and Earth warmed by a record 1.4 degrees Celsius. Meanwhile, geopolitical conflicts have had a direct impact on the global economic environment. In the midst of the increasing climate change and societal issues, business operations are facing enormous challenges. Taishin FHC had reviewed the development and operating strategies to withstand the adversity. Thanks to the joint efforts of all employees, Taishin FHC has demonstrated excellent operational resilience in 2023, with stable performance in its core business, active expansion of overseas operations, and aspiration to become a leading company in Taiwan's financial industry and a benchmark brand in the Greater China region.

Taishin FHC follows the sustainable development trend, and repeatedly achieved the achievements in various fields internationally. In 2023, Taishin FHC was included in the Dow Jones Sustainability World Index and the Dow Jones Sustainability Emerging Markets Index for the sixth consecutive year. In S&P Global's Sustainability Yearbook 2024, Taishin was the only Taiwanese financial institution ranked in the top 1% of the global banking sector. In addition, Taishin received an AA rating in the MSCI ESG Ratings for the fourth consecutive year, confirming the company's leading position. Taishin has also been repeatedly included in the TWSE Corporate Governance 100 Index, the TWSE® RAFI Taiwan High Compensation 100 Index, and the FTSE-4Good TIP Taiwan ESG Index. In 2023, Taishin FHC received over 113 awards in the areas of corporate sustainability, fintech, innovative products, and quality services. In particular, Taishin FHC received seven awards at the 2023 Taiwan Corporate Sustainability Awards and was recognized as one of the Top 100 Sustainable Businesses in Taiwan for the seventh time. Moreover, Taishin FHC was honored with the HR Asia Best Companies to Work for in Asia Award for the sixth consecutive year.

Governance: Responding to International Sustainability Initiatives and Formulating Sustainable Financial Policies at Holding-Company Level

Taishin had elevated our Corporate Sustainability Committee to the level of the holding company's board of directors and established our own Corporate Sustainability Office in 2022. In 2023, Taishin responded to our net-zero commitment under the Science Based Targets initiative by joining the international advocacy organization Partnership for Carbon Accounting Financials and becoming a supporter of the Business Council for Sustainable Development Taiwan, which advocates for nature and biodiversity. Taishin FHC has also taken the lead in formulating a sustainable finance policy that encompasses the entire holding company as a guideline for its various subsidiaries. The policy includes a focus on ESG issues, decarbonization strategies, collaboration with customers, and voting guidelines when promoting business. Its implementation is monitored by the Corporate Sustainability Committee.

In 2023, Taishin FHC organized the Physical Vendor Conference, inviting about 50 major vendors from the information services industry. The conference focused on the topic of internal carbon pricing and explored domestic and international carbon pricing implementation methods and future trends. Taishin shared its experience of implementing internal carbon pricing in procurement selection, challenged suppliers to adopt more energy-efficient products, and encouraged more partners to join in the sustainability efforts and work together toward the net-zero target.

Environment: Reducing Company's Carbon Emissions and Accelerating Net-Zero Transformation through Fintech Innovations

Taishin FHC is committed to saving energy and reducing carbon emissions in its own operations to achieve the goal of net-zero carbon emissions by 2050. At the end of 2023, the Jianbei Building was certified as carbon neutral and green by the British Standards Institution. This makes it Taishin's first building to meet this dual standard. For the first time, Taishin purchased carbon rights for the Christmas tree lighting to voluntarily offset the event's carbon emissions, making it the first carbon-neutral Christmas event in Taiwan.

In terms of product and service offerings, Taishin offers a wide range of low-carbon options. In the area of corporate finance, Taishin relies on fintech to drive the net-zero transformation of its clients' businesses. To this end, the company has developed the "Green Loan" for SMEs, which offers attractive financing terms and an accelerated appraisal process, with a focus on supporting green technologies and the circular economy. At the same time, Taishin has launched the "Green Financial Services Platform," an online digital financing platform designed to reduce the carbon footprint in the financing process and support SMEs in their green digital transformation.

In the field of personal financial services, Taishin has launched the "Taishin Mobile Payment App," which enables cell phones to be converted into payment terminals so that small and micro-merchants can offer credit card services without having to purchase additional equipment or issue paper receipts. This not only reduces costs, but also minimizes carbon emissions. In addition, Taishin Bank has collaborated with Gogoro to launch the Gogoro Rewards co-branded card, which encourages the public to choose low-carbon travel methods and promotes the popularity of green transportation through rewards.

Society: Promoting Sustainability Training for All and Expanding Impact of "Caring for Taiwan" Charity Projects

Taishin FHC is also committed to the sustainable development of human resources and the creation of a friendly working environment that is diverse, equal, and inclusive. Since 2023, the company has included sustainability training in the mandatory curriculum for all employees and offers a series of sustainability courses to implant a culture of sustainability in the DNA of every employee. In 2023, Taishin FHC participated in the "Regional Venture Team and Corporate ESG Matchmaking Event" and took the lead in signing a memorandum of understanding with the Taiwan Regional Revitalization Foundation. In the future, Taishin Securities will provide IPO planning briefing sessions and subsequent advisory services to regional venture teams.

In addition, since 2002, Taishin has initiated a series of charity projects under the motto "Caring for Taiwan" to help the victims of the 1999 Jiji earthquake rebuild their lives. In 2023, the company selected three representative projects, namely "Karate for Nantou," "Yuchi Township Black Tea Rehabilitation," and "My Acre of Land," to be featured in a documentary film so that more people and customers can see the stories of Taiwan's residents and tea farmers who have become self-reliant, and to spread the power of sustainable influence. Taishin FHC invests resources in sponsoring sports such as karate, golf, basketball, and road running, and promotes sports talents that help Taiwan achieve glory in international competitions. Looking to the future, Taishin will continue to pursue growth while working with customers and business partners to promote sustainability and accelerate the net-zero transformation. No one is an outsider when it comes to climate issues. Taishin believes that anyone can go "From Zero to Hero" and take part in reverting the climate crisis.

Taishin FHC President





About This Report

Message From the Chairman

Message From the President

About Taishin

Company Profile

Business Performance

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

About Taishin

Company Profile

Basic Information

Established in 2002, Taishin FHC is committed to leading its subsidiaries and related companies with innovative business models based on the core values of "Integrity, Commitment, Innovation, and Collaboration" to continue to provide more comprehensive services and innovative products. With high-quality services, we have earned the recognition and trust of society, worked side-by-side with our clients, and become their "Smart Partner". We aim to become a consistently growing and trustworthy financial institution, a role model in corporate governance and social responsibilities, a leader of Taiwan's financial industry, and a leading brand of the Chinese community.

Headquarter Address	No.118, Sec.4, Ren-ai Rd., Taipei City106, Taiwan
Country of Operation	Taiwan, China, Hong Kong, Singapore, Japan, Australia, Malaysia, etc.
Capital Amount (NT\$ thousand)	135,770,618
Total Assets (NT\$ thousand)	3,035,951,370
Permanent Employees	11,172
Department	private sector
Industry	Financial services
Stock Code	2887

Date as of December 31, 2023

Global Operation Strategy

In order to establish a complete financial network, accelerate the internationalization of business goals, and strengthen its competitiveness, Taishin FHC completed the merger of Prudential Life Insurance on June 30, 2021 and the name changed to Taishin Life, becoming a comprehensive financial holding company with banking, insurance, and securities services as its three core drivers. Other subsidiaries operate diverse financial services including venture capital, securities investment trust, securities investment advisory, asset management, and leasing.

In terms of overseas deployment, Taishin FHC has targeted the Asia and Pan-Pacific regions, focusing particularly on the ASEAN countries in response to the government's New Southbound Policy and the financial service needs and business opportunities of overseas Taiwanese businesses. The subsidiary Taishin Bank has submitted an application to the State Bank of Vietnam to establish a branch in Long An, Vietnam, and is currently actively preparing for its establishment. In addition, the representative office in Bangkok, Thailand, the Labuan Branch, and the Kuala Lumpur Marketing Office in Malaysia were established, further expanding the ASEAN market. In 2023, Taishin Bank received the approval of government authorities in Taiwan and Japan to establish a branch in Fukuoka, which is a sub-branch of our Tokyo branch and was opened on April 23, 2024. Furthermore, in order to provide convenient financial services to clients from China, Hong Kong, and Taiwan, Taishin FHC not only invested and established a financial leasing company in Nanjing, China through D.A. Finance, a subsidiary of Taishin Bank in the Greater China market, but also successively founded branch offices in Dongguan, Suzhou, Shanghai, Chongqing, Wuhan, etc., with services offered through its operation network in 19 cities of China. Moreover, Taishin Bank also established a Representative Office in Shanghai. Taishin Bank currently has branches in Hong Kong, Singapore, Japan (Tokyo), Australia (Brisbane), and Malaysia (Labuan Branch and Kuala Lumpur Marketing Office) as well as representative offices in Vietnam (Ho Chi Minh City), Myanmar (Yangon), China (Shanghai), and Thailand (Bangkok). In the future, we will continue to deepen our overseas market deployment. We will replicate Taishin's high-quality financial services overseas and continue to expand the market with the goal of integrating excellent financial institutions in the Asia-Pacific region.



[About This Report](#)[Message From the Chairman](#)[Message From the President](#)

About Taishin

[Company Profile](#)

Business Performance

[Sustainability Project](#)[Sustainability Awards and Recognition](#)[1. Sustainability Strategy](#)[2. Sustainability Governance](#)[3. Climate Strategy](#)[4. Green Operation](#)[5. Sustainable Finance](#)[6. Smart Services](#)[7. Employee Care](#)[8. Social Inclusion](#)[Appendix](#)

Main Business

Taishin Bank	Wealth management, retail banking, wholesale banking, finance and financial market , digital banking, and trust service.
Taishin Securities	Proprietary securities trading, securities brokerage, securities underwriting, futures trading assistant, multiple entrustment, financial advisory services, stock agency business.
Taishin Life	Providing life insurance coverage, retirement planning/asset accumulation, health and accident insurance, among other insurance businesses, Taishin Life insurance takes on a customer-centric approach to deliver high-quality, comprehensive solutions to customers.
Taishin Securities Investment Trust	Raising of securities investment trust funds against issuance of beneficial certificates, and investment of funds in securities and other related instruments.
Taishin Securities Investment Advisory	Providing research resources to Taishin group.
Taishin Asset Management	Acquires monetary debts from financial institutions; rates and sells debt; provides debt management and overdue accounts receivable management services.
Taishin Venture Capital Investment	Research the development of emerging industries and invest in startup industries with growth potential.
Taishin Bank Foundation for Arts and Culture	Promoting arts in Taiwan (ex. sponsors and provides incentives to outstanding art/cultural workers and organizations; sponsors and organizes art/cultural).
Taishin Charity Foundation	By upholding our commitment to giving back to society, we plan charity activities and hold " Power of Love" to support small and mediumsized social welfare organizations in Taiwan.
Taishin Youth Foundation	Taishin Youth Foundation aims to cultivate young leaders, promote the concept of volunteer service, improve the literacy of society, and organize cultural education events, among other charity services. (E.g.: Holding the Taishin Youth Volunteer Awards and establishing a volunteer service exchange platform, etc).

Business Performance

In 2023, the global economy was continuously affected by high inflation and high interest rates, and Taiwan's economy was affected by global high inflation, which suppressed demand for consumer goods with external demand falling sharply while domestic consumer demand was relatively stable. The net profit after tax of Taishin FHC in 2023 was NT\$14.6 billion. This represented an EPS of NT\$1.01, a ROE of 7.78%, and a net worth per ordinary share of NT\$13.57. Our profits were mainly attributed to the outstanding performance of Taishin Bank in 2023—the bank generated a record-high net profit after tax of NT\$14.917 billion for the year, an annual increase of 22.4%. The Bank's total loan balance increased by 7.7% for the year, with an annual growth rate of 9.5%. The credit card business continued to grow steadily, with the annual growth rate of transaction amount and total revenue from service fees reaching 19.5% and 30.3%, respectively. The number of active cards also continued to increase to more than 4.55 million cards, and the number of card accepting merchants exceeded 168,000, which was the highest in the industry. Thanks to the rise in Taiwan stocks and the company's operating performance, subsidiary Taishin Securities showed improvements in both securities rating and assessment, with net profit after tax reaching NT\$1.545 billion for the year, which represented almost a two-fold annual growth and a considerable increase in profitability. Taishin Life continued to launch new products and benefited from the strong sales performance of banking and insurance channels. For this reason, its total insurance premium income for the year was NT\$29.19 billion, and first year premium (FYP) revenue amounted to NT\$12.69 billion, accounting for 1.89% of the market share, which improved the company's ranking to the 13th place in the industry.

• Highlights of Operating Performance

In Terms of
Market Share of
Digital AccountsIn Terms of
Market Share of
All BusinessIn Terms of
Market Share in
Accounts Receivable
Financing and
Factoring ServicesIn Terms of
Market Share of
Digital Banking
CustomersIn Terms of
Market Share of
Payment Volume



About This Report

[Message From the Chairman](#)

[Message From the President](#)

About Taishin

[Company Profile](#)

Business Performance

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Financial Performance

Year	2021	2022	2023
Total Assets (NT\$ thousand)	2,512,560,489	2,764,804,547	3,035,951,370
Total Equity (NT\$ thousand)	198,101,328	202,893,812	216,562,473
Return On Common Shareholders' Equity (%)	12.34	8.34	7.78
Debt/ Equity Ratio (%)	1,168.32	1,262.69	1,301.88
Debt/ Asset Ratio (%)	92.12	92.66	92.87
Net Profit Rate (%)	31.83	22.36	20.89
Return on Assets (%)	0.86	0.56	0.50
Earnings per Share (NT\$)	1.49	1.04	1.01
Cash Dividend per Common Share (NT\$)	0.605	0.51	0.60
Stock Dividend per Common Share (NT\$)	0.495	0.42	0.40
Net Income (NT\$ thousand)	20,298,713	14,855,893	14,603,877
Group's Capital Adequacy Ratio (%)	123.40	135.56	136.81
Revenue per Employee (NT\$ thousand)	6,205	6,071	6,281
Profit per Employee (NT\$ thousand)	1,975	1,357	1,312
Employee Benefits (NT\$ thousand)	16,202,294	16,143,154	18,178,937

Tax Policy

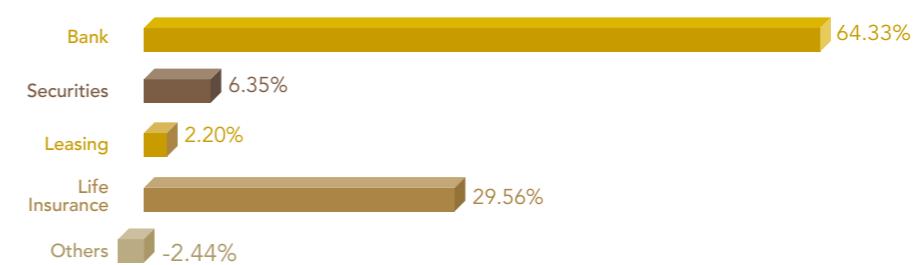
Taishin FHC has implemented its own tax policy to accommodate the tax laws of different countries as it expands. This tax policy enables effective management of taxation risk and helps create value over the long term.

The Board of Directors passed the "Tax Governance Policy" in 2022, and we implement the following principles through the policy:

Tax Compliance	Comply with the spirit of tax laws of each country, accurately calculate taxes in accordance with the law and pay taxes as scheduled.
Transaction Compliance	Do not use tax structures intended for tax avoidance (without commercial substance), do not transfer value created to low tax jurisdictions, or use secrecy jurisdictions (known as tax havens) to avoid taxes. Make advance tax analysis to avoid double taxation, reduce tax costs, and create shareholder value. Companies in the group do not engage in non-arm's length transactions, and prepare transfer pricing reports or substitute documents as required by law.
Communication	Maintain sound communication with tax authorities of each country. Discuss tax issues and provide practical views and opinions on the industry in a timely manner to help improve the tax environment and system.
Pre-analysis	Evaluate impacts of changes in laws, new regulations or/and the Company's major business decisions. Depending on business needs, appoint or consult with external professional tax and legal advisors.
Information Transparency	Properly disclosing tax related information for enhancement of the transparency of corporate information.
Talent Development	Pay attention to changes in laws and regulations in various countries, and continuously train talents to enhance the tax professional.

Revenue and Gains

- 2023 net revenue and gains of subsidiaries





About This Report

[Message From the Chairman](#)

[Message From the President](#)

About Taishin

[Company Profile](#)

Business Performance

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

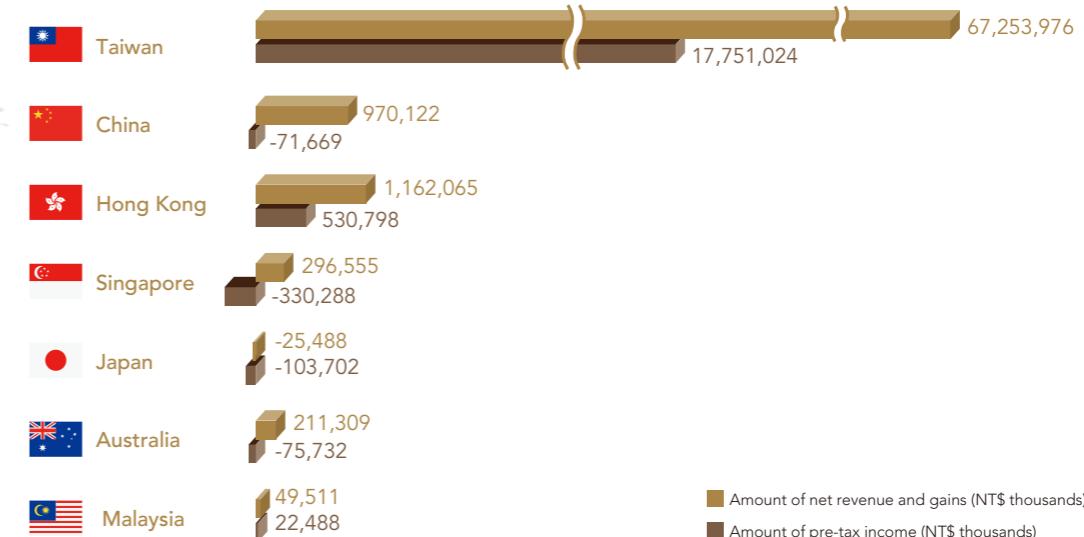
[8. Social Inclusion](#)

[Appendix](#)

• 2023 net revenue and gains and income before income tax weight by country

	Country/ Region/ Subsidiaries	Employees	Nte Revenue and Gains		Pre-tax Income	
			Amount (NT\$ thousand)	%	Amount (NT\$ thousand)	%
Taiwan	Taishin Bank (includes Taishin Real-Estate Management and Taishin D.A. Finance), Taishin Securities (includes Taishin Capital, Taishin Securities Venture Capital, Taishin Futures and Taishin Health Investment), Taishin Life Insurance, Taishin Securities Investment Trust, Taishin Securities Investment Advisory, Taishin Asset Management and Taishin Venture Capital Investment (including Taishin Sports Entertainment)	10,526	67,253,976	96.19	17,751,024	100.16
China	Taishin Financial Leasing	375	970,122	1.39	(71,669)	-0.40
Hong Kong	Taishin Bank, Hong Kong branch	165	1,162,065	1.66	530,798	2.99
Singapore	Taishin Bank, Singapore branch	53	296,555	0.42	(330,288)	-1.86
Japan	Taishin Bank, Tokyo branch	23	(25,488)	-0.04	(103,702)	-0.59
Australia	Taishin Bank, Brisbane branch	21	211,309	0.30	(75,732)	-0.43
Malaysia	Taishin Bank, Malaysia branch	9	49,511	0.08	22,488	0.13
Total		11,172	69,918,050	100.00	17,722,919	100.00

Please see "Main Business" on page 6 for main business of the subsidiaries.





About This Report

[Message From the Chairman](#)

[Message From the President](#)

About Taishin

[Company Profile](#)

Business Performance

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

• Amounts of income tax paid by Taishin FHC by country for 2022 and 2023:

2022

Country/ Region	Income Tax Paid (NT\$ thousands)	Income Tax Paid (%)	Income Tax Payable (NT\$ thousands)	Effective Tax Rate (%)	Statutory Tax Rate (%)
Taiwan	1,390,033	79.94	1,974,923	15.27	20.00
China	160,989	9.26	62,549	24.72	25.00
Hong Kong	0	0.00	113,348	18.22	16.50
Singapore	63,144	3.63	53,344	20.53	17.00
Japan	34,443	1.98	8,883	374.94	23.20
Australia	90,174	5.19	8,062	31.23	30.00
Malaysia	0	0.00	0	0.00	24.00
Total	1,738,783	100.00	2,221,109	15.83	

2023

Country/ Region	Income Tax Paid (NT\$ thousands)	Income Tax Paid (%)	Income Tax Payable (NT\$ thousands)	Effective Tax Rate (%)	Statutory Tax Rate (%)
Taiwan	922,631	74.14	3,784,463	16.64	20.00
China	28,393	2.28	55,416	21.54	25.00
Hong Kong	188,799	15.17	46,050	23.34	16.50
Singapore	54,650	4.39	12,261	-4.43	17.00
Japan	0	0.00	263	7.46	23.20
Australia	50,005	4.02	8,213	-65.4	30.00
Malaysia	0	0.00	657	3.00	24.00
Total	1,244,478	100.00	3,907,323	17.60	

Year	2022	2023
Pre-tax Income (NT\$ thousands)	17,649,319	17,722,919
Income Tax Expense (NT\$ thousands)	2,793,426	3,119,042
Effective Tax Rate (%)	15.83	17.60
Income Tax Paid (NT\$ thousands)	1,738,783	1,244,478
Cash Tax Rate (%) (Note)	9.85	7.02

Note: The Group's cash tax rate for 2023 was lower than the effective tax rate mainly because of financial accounting practices and the Income Tax Act recognize certain transactions at different timing, which created temporary difference.

• Comparison between the Group's effective tax rate and Taiwan GICS average effective tax rate for the banking industry

Cause Of Difference	Pro-forma Tax Effect (NT\$ thousands)		
	2022	2023	
Tax Law of Single Jurisdiction	Difference between Taiwan's statutory tax rate and average effective tax rate of industry peers	158,844	228,626
	Difference from tax-exempt income in Taiwan	529,624	1,282,741
	Difference from other adjustments under Taiwan tax laws	206,814	-857,199
Total	895,282	654,168	

Description: The average effective tax rate of global peers was 20.9% in 2022 and the average effective tax rate was 21.29% in 2023, respectively higher than that of the Group. This was because the Group operates mainly in Taiwan, where the applicable statutory tax rate was 20% in 2022 and 2023, respectively. Furthermore, the Group's pre-tax income included tax-exempt OBU income, ceased to be imposed securities trading income, unrealized share of profit of associates accounted for using equity method, and other items subject to adjustment according to the tax laws of Taiwan.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Cover Story 1: Climate Action

Cover Story 2: Financial Prosperity

Cover Story 3: Empower People

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix



Cover Story 1 Climate Action

POINT

Joining Forces with Iconic Companies to Realize Net Zero Transition and Keep Abreast of Emissions Trading Trends

In response to the UN's Net Zero by 2050 goal, we actively leverage the financial industry's engagement power to drive the industry toward net zero emissions. At the 2023 Taishin Net Zero Summit, Michiaki Uriu, Chairperson of Kyushu Electric Power, gave a speech via a video call, and engaged in a brilliant conversation with Vincent Wen-Sheng Tseng, Deputy Minister of Ministry of Economic Affairs and Acting Chairman of Taipower. Leaders of various companies from different industries, including more than 2,100 board directors, supervisors, and senior executives, had attended the summit to present their net zero solutions for Taiwan. Their participation means a great deal to the reaching of consensus on sustainability and to building a sustainable ecosystem.

Furthermore, Taishin FHC along with Taiwan Carbon Asset Co., Ltd., Commercial Times, and Singapore Exchange Climate Impact X (CIX) jointly organized a forum on carbon emission trading, titled "The Advent of Emission Trading: Global Trends in Carbon Emission Trading from the Perspective of Singapore." During the forum, CIX - the largest exchange for trusted carbon credit in Asia - shared its experience with carbon credits, and Taiwanese experts in net zero transition were also invited to share their success. The forum was held in Kaohsiung and Taichung and attended by nearly 300 people. Through this forum, companies and stakeholders were able to keep abreast of trends in carbon emission trading and collectively strive for the goals of reducing carbon emissions and achieving sustainability.



POINT

Chien-Kuo North Building Certified as a Carbon-neutral Green Building and Organized Taiwan's First Carbon-neutral Christmas Event

Taishin announced its implementation of carbon neutrality verification on its Chien-Kuo North Building, selecting the category most relevant to net zero emissions, that is, direct and indirect GHG emissions. By following the Gold Standard-certified activities such as implementing electricity-saving measures, purchasing renewable energy certificates (RECs), and purchasing wind-generated power in Taiwan, our Chien-Kuo North Building received the BSI carbon neutral certification in December, becoming a certified carbon neutral green building. Taishin also held Taiwan's first carbon-neutral Christmas event—the 2023 Taishin Christmas Festival for which we conducted an inventory of its carbon footprint and purchased sufficient carbon credits to offset emissions.



POINT

One of the Carbon Exchange's First Seller of International Carbon Credits to Adopt Internal Carbon Pricing

As a leader of sustainability, Taishin FHC has been invited to be one of the first financial institutions to participate in carbon emission trading and purchased international carbon credits, which will be used in the future to achieve carbon neutrality in the operations, financial products/services, and the brands of Taishin FHC and its subsidiaries. The Company received approval for its science based targets (SBT) from the Science Based Targets initiative (SBTi). In 2023, we adopted the internal carbon pricing, which involves including the pricing of external costs related to carbon emission in our internal management measures for low-carbon transition. The objective of this mechanism is to induce low-carbon capital investments by improving energy efficiency and reducing carbon emissions so that low-carbon operations can be implemented across all units of the organization. A discussion of this topic was held at a supplier conference, and we took this opportunity to request that our suppliers provide energy-efficient products or products with eco-labels.



POINT

Propelling the Industry's Net Zero Transition as Taiwan's First Provider of Financing for a 100% Renewable Power Plant

Taishin is fully committed to supporting the government's green sustainable lending policy. We show our support for renewable electricity with real actions, such as promoting energy conservation and carbon reduction and helping enterprises to invest in clean energy and energy storage systems, among other green projects. Taishin Bank has ceased providing financing for coal-fired power plants and began actively developing renewable energy financing schemes as of October 2023. Since then, its financing business for power plants is 100% involved in renewable energy projects, setting the first example for Taiwan. The financial industry has a pivotal role to play in transitioning the society toward net zero and sustainability. Taishin Bank hopes to support carbon and net zero initiatives across industries, be the first banking operator in Taiwan to provide 100% financing for renewable energy projects, and support the development of the renewable energy industry with real actions.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Cover Story 1: Climate Action

Cover Story 2: Financial Prosperity

Cover Story 3: Empower People

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix



Cover Story 2 Financial Prosperity

Leading Digital Innovation in Products and Services and Promoting Inclusive Finance



POINT

Taishin Merchant App, the pioneering innovation that turns mobile phone into credit card machine. Hailing the new era of payment collection with three main functions

Taishin Bank acquiring service has the highest number of partnering merchants in Taiwan—over 170,000 merchants. With a focus on payment services that are used most frequently by customers, Taishin Bank is committed to the development of low-carbon financial technology. In terms of payment collection, whereas in the past banks usually provide merchants with a credit card machine to receive payments, Taishin Bank transformed its card machine into an app, the Taishin Merchant app, and digitized its paper-based application process, which greatly reduced the time (by 3 to 5 days) required to install and use this service and helped save up to 50% of carbon emission. Taishin Merchant supports more than 10 brands of wallet and credit card scanners and enables a one-stop completion of multiple payment services on a mobile phone. With this app, merchants are able to complete business transactions anytime and anywhere and discover endless business opportunities.



POINT

Taishin Securities Provides IPO Consulting Services to Support the Sustainable Development of Regional Revitalization Teams

Taishin FHC, Taiwan Regional Revitalization Foundation, and Sinyi Enterprise Group jointly organized an event integrating regional revitalization and ESG organizations. The event connected organizations for collaboration in regional revitalization and facilitated the forging of long-term strategic ties for the co-creation of a sustainable ecosystem. For the purpose of promoting the sustainability of partnerships in regional revitalization and strengthening the impact of the society, Taishin entered a memorandum of understanding (MoU) with Taiwan Regional Revitalization Foundation. Through this cooperation, Taishin Securities will provide services to help regional revitalization teams organize IPO conferences and consult them on relevant matters.



POINT

Working with Charity Organizations to Promote Prepaid Trust Services in Elderly Friendly Communities

In response to the FSC's Trust 2.0 - "The Promotion Plan for Full Functions of Trust Services," Taishin Bank strives to ingrain the concept of trust funds in every corner of the society. Apart from nurturing over 200 trust specialists across Taiwan, we also encourage employees to become a certified/licensed financial advisor for senior citizens. Furthermore, lectures on trust funds are organized for social welfare organizations through Taishin Charity Foundation's Twilight Workshop. During the lectures, we addressed geriatric care problems found among people with physical/mental disabilities and disadvantaged individuals; shared ways to use trust funds to build a network of care for family; and talked about the advantages of our prepaid trust service (i.e., can be applied for in advance, no threshold, and low contract cost). The lectures are aimed at improving public understanding of trust funds, how it works, and its framework.

POINT

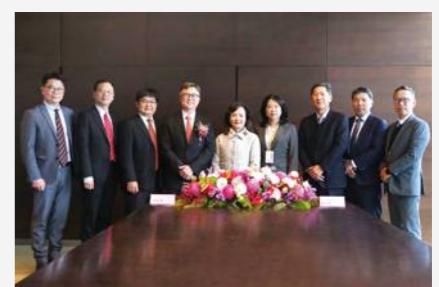
Assisting the Net Zero Transition of SMEs with Fast Online Lending Services and Cross-sector Cooperation

As an active supporter of "loans for smart low-carbon management projects" promoted in the policy of the Ministry of Economic Affairs, Taishin Bank signed an agreement with M-Power Information Co., Ltd. to cooperate in providing funds and carbon management services required for the net zero transition of SMEs in order to alleviate the carbon anxiety of SMEs. Additionally, we continue to provide digital services on our SME Green Finance Service Platform as a means of fully automating the entire loan application and disbursement process for SMEs. This reduces carbon emissions from financing processes, accelerates loan review/approval processes, and enables SMEs to quickly obtain funds for implementing green/digital transformation, purchasing or replacing energy-efficient equipment, and developing greener technologies and energy sources.

POINT

A Reliable Partner for Health and Sustainability, Taishin Bank Provides Convenient Financial Services for Medical Institutions

Taishin Bank is committed to the management of the healthcare industry in alignment with current trends. Over the past few years, the Bank has assisted multiple medical institutions, including more than 10 large hospitals and over 3,000 clinics and pharmacies across Taiwan, in managing their operations. Recently, we introduced five new terms and conditions incorporating the concept of health and sustainability as part of a new service solution for clinics and pharmacies. The terms include providing onsite service for assisting with application processes; providing a fast and convenient corporate banking platform; applying to open a current account and deposit cheques; ensuring service continuity even in the event of change of responsible person; and opening a deposit account for saving TW dollars at a special rate.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Cover Story 1: Climate Action

Cover Story 2: Financial Prosperity

Cover Story 3: Empower People

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix



Cover Story 3 Empower People

POINT

Inserting the Sustainability DNA of Taishin Through Sustainability Training for All Employees

Taishin FHC has long been committed to ensuring the sustainable development of talents, building a DEI-friendly workplace environment, and promoting sustainability training for everyone in Taishin. In 2023, we made sustainability training courses compulsory for all employees and offered a series of courses on sustainability to infuse a culture of sustainability into the DNA of each of our employees. The "Taishin FHC MA Program" is integrated with sustainability training courses and plans in hopes of nurturing more sustainability seedlings. In various aspects of our businesses, sustainable finance is promoted to keep on leading our business partners toward sustainable development. A diverse range of innovative and inclusive financial products and services is afforded to realize the main vision of our sustainability strategy, "Dedicated to Sustainability & Living Green."

POINT

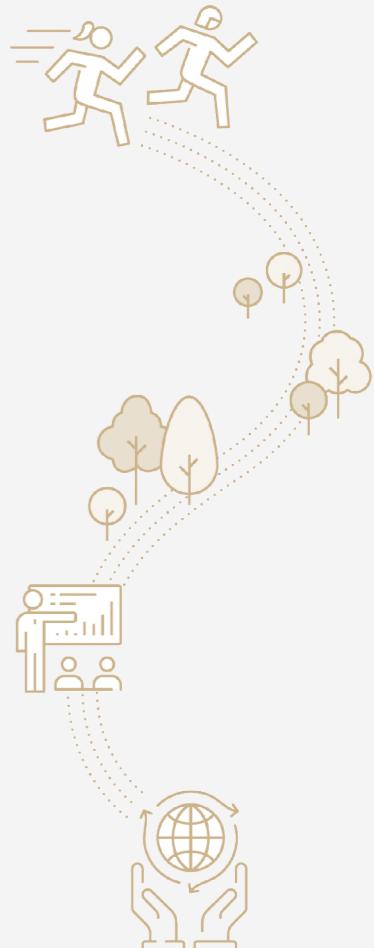
Building a Forest for All in Partnership with Taitung County Government and the National Taitung University

Taishin's Tree Planting Project launched in celebration of its 30th anniversary has gathered the forces of business organizations, social enterprises, social welfare organizations, and universities across Taiwan to create a positive cycle that brings benefits to both the environment and the society. In 2023, the tree planting ceremony for the project was held in Taitung Forest Park, with Chairman of Taishin Mr. Tong-Liang Wu planting camphor tree saplings together with Taitung County deputy magistrate Mr. Chih-Hui Wang, President of the National Taitung University Mr. Yao-Ming Tseng, and founder of Green Hope Spring Mr. Yu-Hua Chen. Meanwhile, a memorandum of understanding (MoU) was also entered between Taishin FHC, Taitung County Government, National Taitung University, and Green Hope Spring to provide saplings for forestation following the destruction caused by Typhoon Haiku. Through these, we hope to restore our green land and build a forest for the benefit of everyone.

POINT

The Most Environmentally Friendly Run, Taishin Women Run, Encourages Women to Transcend Themselves

The biggest running event in Taiwan, the 2023 Taishin Women Run, was held in Southern and Northern Taiwan for the first time. The event was hailed as not only the "best smelling" (in reference to the fragrant smells that women give off) but also the "most environmentally friendly" run, considering that the design setups and installations were repeatedly used in both areas. The event was entirely paper-free as runners' handbooks and running certificate were digitized. Water dispensers were made available on the run track for runners to fill their own water bottle. The water was generated by Watergen's, an Israeli company, atmospheric water generator (AWG) that creates drinking water from the air. These measures not only helped reduce the use of about 13,240 plastic bottles, but also saved 6,620,000 mL of water sourced from Taiwan, setting a first for road runs around the world and helping the general public to realize that a sustainable life is possible. Taishin Bank has always cared about the needs of women. Special invites were sent out to holders of Taishin Rose Card and Rose Giving Card to seek their support for the Taishin Women Run. For those who registered to support the run, 3% of every transaction made by them during the event period will be used to fund the 2023 Taishin Women Run (maximum fund limit of NT\$ 9 million). In total, more than 10,000 cardholders signed up to show their support and encourage women to run with confidence and surpass themselves.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix



Sustainability Awards and Recognition



Corporate Sustainability

Taishin FHC Winner of Asia's Best Sustainability Report_Gold Award (Large Enterprise) by CSR Works International

Taishin FHC Winner of "Institutional Impact Award—Excellent prize in Financial Holdings Category" and "Program Impact Award- Sustainable investment Bronze" by Taiwan Institute for Sustainable Energy

Taishin FHC Nominated for the first time in the Bloomberg Gender Equality Index (GEI)

Taishin FHC Winner of "Best Companies To Work For In Asia 2023" by HR Asia Magazine

Taishin FHC Receiving the "Net Zero Green Mark" by Taiwan Alliance for Net Zero Emission

Taishin FHC Winner of "Taiwan Financial Awards: Best Sustainable Finance Quality Award" by Wealth Magazine

Taishin FHC Winner of "Special Jury Prize," "Gold Prize" and "Bronze Prize" of the Ministry by Culture: Wen Xin Awards

Taishin FHC Winner of "Top 100 Corporate Sustainability Award," "Platinum Award in Taiwan Corporate Sustainability Report Award," "Silver Award in English Corporate Sustainability Report Awards," "Information Security Award" and "Growth through Innovation Award" by Taiwan Institute for Sustainable Energy

Taishin FHC Winner of BSI Sustainable and Resilient Navigator Award

Taishin FHC Nominated by the Ministry of Environment as an "Green Procurement Excellent Enterprise"

Taishin Bank Winner of "Financial Inclusion Initiative of the Year - Taiwan" by Asian Banking & Finance

Taishin Bank Winner of "Sports Activist Awards of Sponsorship Award Gold Class" and "Sports Activist Awards of Sponsorship Award Long - Term Sponsorship Award" by Sports Administration



Wealth Management

Taishin Bank Winner of Wealth Management Award—"Best Wealth Management", "Best Systematic Application of Technology" and "Best Trust Service Innovation" by Wealth Magazine

Taishin Bank Winner of " Best for High Net Worth in Taiwan" by Asiamoney

Taishin Bank Listed on the World's Best Banks 2022 by Forbes Magazine

Taishin Bank Winner of "Outstanding Private Bank for UHNW Clients" by PBI

Winner of more than **113** domestic and international awards in 2023

A constituent of **DSJI World and DSJI Emerging Markets** by the Dow Jones Sustainability Index (DJSI) for the **6th** consecutive year



Fintech

Taishin Bank Winner of "Winner: Most Innovative use of Technology in Taiwan" by Finance Asia

Taishin Bank Winner of "Taishin SME eco ECO Digital Financial Service Platform" by Business Next

Taishin Bank Winner of "Best private bank for big data analytics and AI in Asia" by The Banker and PWM

Taishin Bank Winner of "Best Robo-Advisor" by China Times

Taishin Bank Winner of "Best Open Banking APIs in Asia/Pacific," "Best Open Banking APIs in Taiwan," "Best Innovation and Transformation in Taiwan," and "World's Best Financial Innovation Labs" by Global Finance

Taishin Bank Winner of "Best in Future of Industry Ecosystems (Taishin SME eco ECO)" by the IDC

Taishin Bank Winner of "Taiwan - Digital Solutions (Market Leader)," "Taiwan - Investment Banking (Highly Regarded)," "Taiwan - SME Banking (Highly Regarded)," "Taiwan - CSR (Notable)," "Taiwan - ESG (Notable)," "Taiwan - Diversify and Inclusion (Notable)," and "Taiwan- Corporate Banking (Notable)," by Euromoney



Innovative Products & Services

Taishin Bank Winner of "Best Retail Bank - Taiwan," "Best In-Person (or virtual) Customer Event," "Best Use of Big Data in Customer Strategy," "Excellence in Omnichannel Integration," "Highly Commended- Best Advance in Payments," "Highly Commended- Best Use of Technology in Advertising / Marketing Strategy," and "Highly Commended- Most Dynamic Third-Party Collaboration" by RBI (Retail Banker International)

Taishin Bank Winner of "Winner: Excellence in Next-Gen Customer Satisfaction" and "Highly Acclaimed: Excellence in Omni-Channel Customer Experience" by Digital Banker

Taishin Bank Winner of "Best Retail Mobile Banking Experience in Taiwan" and "Best API Project in Taiwan" by The Asset

Taishin Bank Winner of "Taiwan Domestic Technology & Operations Bank of the Year" and "New Consumer Lending Product of the Year-Taiwan" by Asian Banking & Finance

Taishin Bank Winner of "Best social media management Company in Customer Service," "Best Customer Service Team," "Best Customer Service Marketing Supervisor," "Best Customer Service Representative," "Best Customer Service Marketing Representative," "Best Customer Service Marketing Representative," "Best Customer Service System Representative," "Best Trainer in Customer Service," and "Best Trainer in AI Customer Service" by Taiwan Contact Center Development Association (TCCDA)

Taishin Bank Winner of "The National Brand Yushan Award-First Prize in The Most Popular Brands (Digital Customer Service Center)" by the Republic of China National Enterprise Competitiveness Development Association

Taishin Life Winner of "Excellent Customer Satisfaction" and "Excellent Talent Cultivation" by Excellence Magazine

Taishin Securities "The Winner of ETF Liquidity Providers in the Third Quarter of 2023" by Taipei Exchange

Taishin Securities "Best Wealth Management Award of Banks and Securities- Image of Best Wealth Management (No.1)" by Business Today

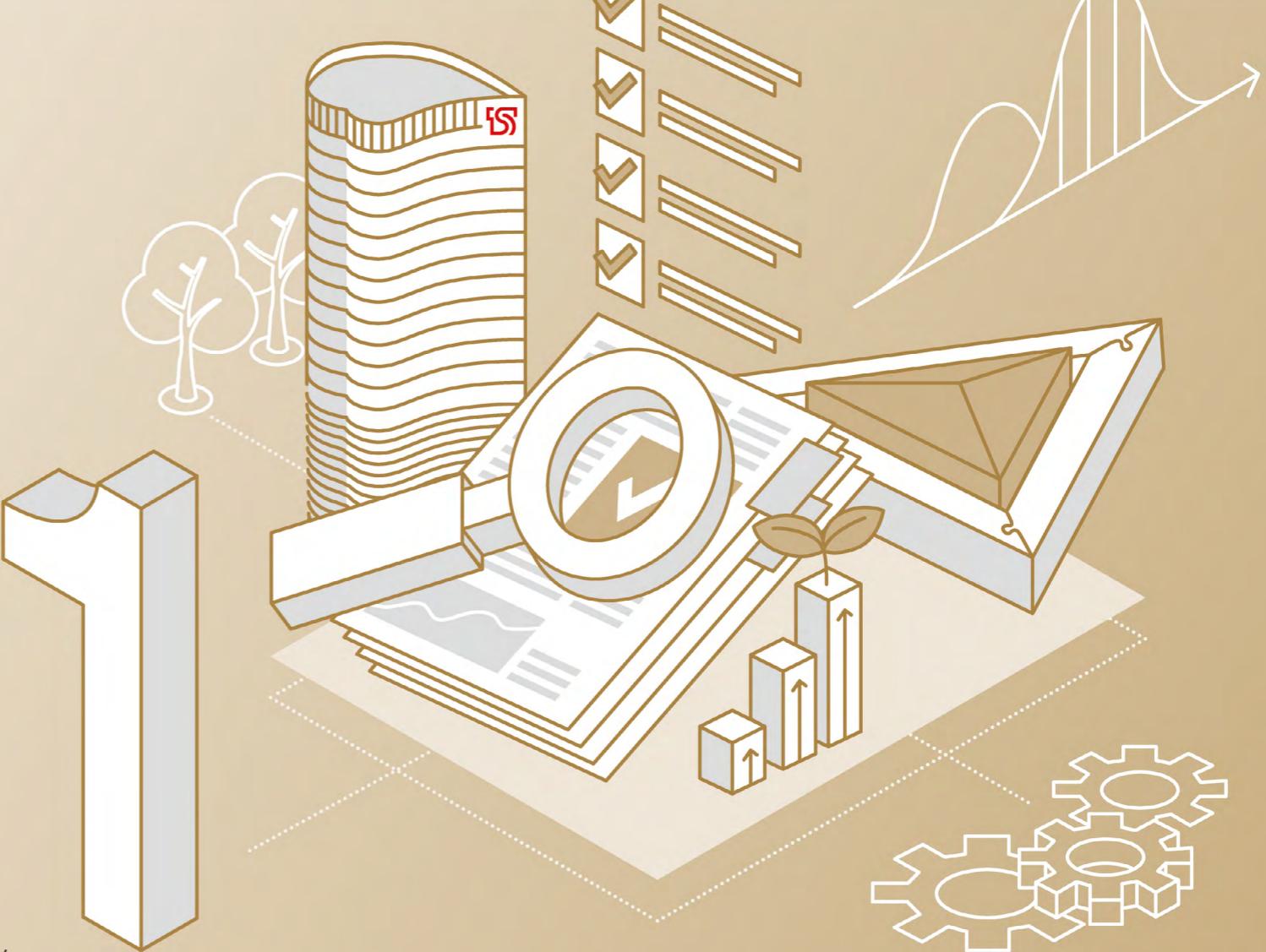
Taishin Venture Capital Winner of "100 MVP Managers 2023" by MANAGER today Magazine



- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [**1. Sustainability Strategy**](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Sustainability Strategy

- 15** 1.1 Sustainability Core Strategy
- 18** 1.2 Identification of Stakeholders and Material Topics
- 29** 1.3 Sustainability Implementation Framework and Performance





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.1 Sustainability Core Strategy

Taishin FHC has exemplified dedication and innovation and has established the sustainability proposition "Dedicated to Sustainability & Living Green". Together with our strategic allies, customers, and other partners, we build alliances to integrate the spirit of sustainability into the financial ecosystem, and implement responsible investment and financing in our core business to maximize the impact of our efforts in everyday life. Taishin FHC provides comprehensive financial services and strictly manages funds based on the spirit of sustainability, working together with strategic partners and customers to create shared value, and realize the vision of co-prosperity in society and green lifestyles.

Furthermore, Taishin FHC stays up-to-date with the latest sustainability trends and endeavors to stay in line with international standards. We examine our corporate sustainability development strategy and compile sustainability topics and topics that are considered key areas of focus for internationally famous and authoritative ratings or research institutions, such as MSCI, Sustainable Fitch, S&P, the World Economic Forum (WEF), McKinsey, and Moody's. We also reference international advocacy topics, the competent authorities' regulations, and the actions of benchmark financial companies from home and abroad to conduct in-depth analysis and determine the areas that Taishin FHC should pay special attention to. Three key topics were determined as the primary areas of focus: "Climate Action, Financial Prosperity and Empower People" from 2022. These serve as the fundamental directions for future sustainable development, thereby strengthening Taishin FHC's external communications regarding our sustainability philosophies and allowing the creation of sustainable collaborations with our various partners.

In 2023, the Board of Directors of Taishin FHC approved the integrated Sustainable Finance Policy. The policy is applicable to all subsidiaries of Taishin and demonstrates the company's determination to respond to the sustainability trend. A Statement on Financial Inclusion is published on our official website, showing our commitment to serve a wider range of social groups. We attach importance to the development of sustainability talents and make sustainability training compulsory to foster the ability of senior management and employees to overcome future challenges.

1.1.1 Taishin FHC's Sustainability Core Strategy



Sustainability Proposition

Dedicated to Sustainability & Living Green

Key Topics



Climate Action

Incorporate climate action into operations and investment/lending process, and improve adaptability to climate change.



Financial Prosperity

Establish partnerships in sustainability and create inclusive finance and sustainable finance ecosystems.



Empower People

Incorporate the concept of sustainability into remuneration and talent cultivation, so that managers and employees have the skills they need for the future.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.1.2 Creating Sustainable Value

Capital Investment



Financial Capital

- NT\$ **1.01** in earnings per share
- Net Income **NT\$ 14.6** billion
- Capital adequacy ratio **136.81%**



Intellectual Capital

- New utility model patent and design patent: **79**
- Annual employee on-the-job study subsidies: **NT\$10,000,000**
- Number of people who obtained financial licenses: **22,985**
- Annual subsidies for financial license examination: **NT\$1,398,025**
- Held 1 supplier conference (physical meeting), with a total of 50 major suppliers participating.



Manufacturing Capital

- Number of business locations: **242**
- Total number of ATMs: **4,288**
- The annual growth rate of active customers ^(Note) is **10.1%** and the annual growth rate of transaction volume is **29.3%**

Note: "Active customer" refers to those who have logged into the online banking website in the past six months, completed the identity verification process with their online bank ID, and conducted personalized information inquiries or opened the mobile banking app.



Human Capital

- Number of employees at the end of the year: **11,172** persons
- **60%** female and **40%** male
- Employee training expenses: **NT\$ 63,514** thousand
- Total employee training hours: **736,538** hours



Social Relationship Capital

- Employee welfare expenses: **NT\$18,178,937** thousand
- Volunteer service hours: **12,519** hours
- Investment of resources in social inclusion: **NT\$149,573** thousand





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Key Topics	Value Creation	Beneficiary Stakeholder	Associated SDGs
 Sustainable Governance	<p>Strengthen the functions of the Board of Directors and functional committees</p> <ul style="list-style-type: none"> The results of the performance evaluation of the Board and functional committees were "target exceeded". A total of 14 board meetings were held in 2023, the average attendance rate was 96%. <p>Improve risk management and the compliance system</p> <ul style="list-style-type: none"> 1,732 risk management proposals were filed which was a 11.7% increase compared to the previous year. The unit compliance evaluation qualification rate was 100%. A total of 29,244 personnel participated in trainings on ethical corporate management or related topics, accumulating 52,874.52 hours of training, successfully reaching a training completion rate and coverage rate of 100% of the workforce. Zero system hacks that resulted in impact on operations. 	<p>Strengthening supplier sustainable management and building a sustainable supply chain</p> <ul style="list-style-type: none"> 215 suppliers completed 100% human rights risk review and 100% training. The Company convened a supplier conference for five consecutive years. In 2023, "Internal Carbon Pricing" was selected as the sustainable theme, and about 50 major information service suppliers were invited to discuss carbon pricing practices and future trends. 	<ul style="list-style-type: none"> Customer Suppliers Competent authorities  
 Financial Inclusion	<p>Expanding fintech and integrating digital banking services into everyday life</p> <ul style="list-style-type: none"> Promoted cross-industry alliances, integrated a point-based economy and connected customers' everyday life. In 2023, a total of 16,274 merchants became part of Taishin Pay's partner channels (a total of 116,406 cooperative channels), with members increasing by 28% and transaction volume growing by 222%. <p>Realizing financial inclusion and facilitating the access of disadvantaged groups to financial services</p> <ul style="list-style-type: none"> Taishin was the first to introduce the ATM International Remittance service, offering 24/7 international remittance services through Taishin ATMs, which have an operating interface available in seven languages, thus solving migrant workers' pain point. Promoted shared QR codes, and assisted more than 18,389 small- and medium-sized merchants to introduce mobile payment by the end of 2023. Integrated financial services into everyday life by launching the Richart Life app, which can now also be used by non-Taishin customers, achieving financial inclusion. 	<ul style="list-style-type: none"> Customer Suppliers Community  	
 Climate Action	<p>Promoting green finance and expanding our corporate influence</p> <ul style="list-style-type: none"> Comply with the "Principles for Responsible Investment" and support the "Principles for Responsible Banking". Establishment of the "sustainable financial policy" supervised by the sustainability committee at the board of directors level, and implemented by each subsidiary. Conducted ESG risk assessments on 100% of all trading activities and financial products using the Green Finance Assessment Worksheet. Teamed up with DOMI Earth to promote the use of digital statements for credit card customers. By the end of 2023, more than 1.65 million cardholders have been called upon to switch to digital statements, lighting up nearly 591 energy-deficient households in Taiwan. In 2023, the loan balance of renewable energy power generation reached NT\$6,136 million, accounting for 0.9% of the loan balance of corporate financial institutions. <p>Improving environmental protection performance</p> <ul style="list-style-type: none"> Promoted paperless operations and reduced annual paper consumption by 4,107,538 pieces of paper, which reduced carbon emissions by 87 tons CO₂e. Green procurement reached NT\$187,299,663, a 96.2% increase compared to 2022. Promoted the procurement of electric scooters, accumulating 30,000 scooters by the end of 2023, bringing in a total of more than NT\$2500 million in transaction volume. 	<p>Actively formulating climate change response measures</p> <ul style="list-style-type: none"> Taishin Financial Holdings became the third financial company in Taiwan and the fifth in Asia to pass the SBT target assessment. Joined the Taiwan Alliance for Net Zero Emission, received the Net Zero Green Label, and committed to achieving Net Zero by 2050. Implemented TCFD assessments for risk analysis, and signed the Carbon Disclosure Project (CDP) as an institutional investor. 	<ul style="list-style-type: none"> Shareholders/ Investors/Rating Agencies/ Analysts Competent authorities Suppliers Community    
 Empower People	<p>Establishing our reputation as an employer and cultivating talents</p> <ul style="list-style-type: none"> In 2023, the Early Win workplace experience program had 427 participants, and 76 interns transferred to full-time positions. Signed industry-academia cooperation projects with 81 colleges and universities, strengthening our reputation as an employer. Full implementation of the successor development plan. <p>Offering competitive remuneration and welfare packages</p> <ul style="list-style-type: none"> Selected as constituent stock of the Taiwan High Compensation 100 Index for 10 consecutive years. Employee engagement reached 78%. <p>Emphasizing workers' occupational health and safety rules</p> <ul style="list-style-type: none"> Implemented employee care, promoted disease prevention, and received the Silver Award for Epidemic Prevention by the Centers for Disease Control, Ministry of Health and Welfare in 2023. Promoted the ISO 45001 Safety and Health Management System certification. Total training hours of occupational health and safety courses reached 11,110 hours, with a completion rate of 100%. There were no major occupational hazards (deaths/disabilities) in 2023. 	<p>Implementing a gender-equal workplace</p> <ul style="list-style-type: none"> Overall female personnel accounted for 60% of the workforce, with female supervisors making up 48% of the total number of supervisors. Provided maternity protection related-benefits, with a parent retention rate of 76.7%. <p>Supporting non-profit organizations (including disadvantaged groups)</p> <ul style="list-style-type: none"> A total of 160 social welfare groups benefited from the charity fund in 2023. A total of 144 companies (138 corporate angel groups and 6 strategic partners) were invited to participate in the Strength of Love activities in 2023. A total of 153 companies participated in the social welfare group support courses in 2023. 	<ul style="list-style-type: none"> Employees Competent authorities Community       



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.2 Identification of Stakeholders and Material Topics

1.2.1 Materiality and Impact Valuation

Procedures for the Identification of Material Topics

This year, Taishin FHC identified material topics based on the recommended steps in the GRI Standards and the concept of double materiality. In 2022, we assessed the financial materiality of 19 sustainability, then focused on redefining the topics based on the impacts of these issues on the economy, environment, and people, subsequently identified 8 topics with positive impact and 14 topics with negative impact, respectively, and determined which material topics to include in sustainability reporting on the basis of an analysis of the degree of impact and likelihood of occurrence and the recommendations provided by experts and external stakeholders at each step. In 2023, we re-examined and evaluated the sustainability topics and positive/negative impacts defined in the previous year, coordinated with various units of Taishin FHC to conduct annual due diligence on each impact, and calibrated the materiality assessment by considering the annual performance of key indicators related to the impact and the annual trends. Financial materiality questionnaires were distributed to top-level managers of relevant units to complete the double materiality assessment for the year, this identification procedures has been verified by independent third parties KPMG and the British Standards Institute (BSI), and the statement is detailed in the [appendix](#) of this report. The materiality analysis procedures implemented this year are explained below:

Analysis Procedures	Description	Review of the Opinions of Stakeholders and Experts
1 Definitions of Impact	<ul style="list-style-type: none"> By adopting the steps and contents recommended in the GRI Standards, Taishin FHC used the list of 19 sustainability topics as the basis and appointed an external sustainability consultant to redefine the list based on the impact of the topics. After refocusing the 19 topics, Taishin FHC identified 8 topics with positive impact and 14 topics with negative impact. In 2023, the aforementioned sustainability topics, definitions, and impact were re-examined and evaluated, and 2 topics were renamed accordingly. 	<ul style="list-style-type: none"> We appointed external professional sustainability consultants to provide recommendations on how to define the economic, environmental, and social impacts of these topics.
2 Evaluation of Materiality	<p>Impact Materiality</p> <ul style="list-style-type: none"> Relevant units of Taishin FHC evaluated the degree and likelihood of impact. Degree of impact was assessed by taking into consideration the value chain, significance, and management or remedial measures associated with the impact. Likelihood was assessed by considering the frequency of an impact based on past occurrences. This year, due diligence on each impact was conducted to re-examine the annual changes in the impact, and the results are used as the basis for correcting the materiality of the impact of each topics. The process of due diligence is described in the following paragraph on due diligence indicators. <p>Financial Materiality</p> <ul style="list-style-type: none"> A financial materiality questionnaire was distributed to 15 top-level managers including the convener and team leader of the ESG Team. 	<ul style="list-style-type: none"> When re-examining the likelihood of a sustainability topics, relevant units must refer to the due diligence results over the years and give due consideration to the opinions of the stakeholders. Likelihood based on the opinions of stakeholders is evaluated as follows: <ul style="list-style-type: none"> Employees: Refer to the number of reports concerning wrongful harm in the workplace, which are filed via employees' mailbox or employee grievance hotline; and consider the number of labor dispute cases and determine whether any of these cases involve labor-management miscommunication. Customer: Refer to individual customer satisfaction and net promoter score (NPS) results and review customer experiences. Suppliers: Refer to situations that involve suppliers, such as supplier conferences, signed statement of commitment by suppliers, and supplier assessment status; understand the ESG management status of suppliers and determine whether suppliers are involved in ESG mismanagement. The opinions of stakeholders are also considered, to an extent deemed appropriate, when calibrating the evaluation results of relevant topics. <ul style="list-style-type: none"> Investors: Adjust the materiality of the topics where appropriate based on day-to-day communication with institutional investors and the changes in their ESG ratings. Competent authorities: Weights were added to the following factors: three main sustainability strategies of Taishin FHC, topics that have a negative impact on human rights, and the number of entities in the value chain.
3 Ranking and Calibration of Evaluation Results	<ul style="list-style-type: none"> Weights were added to the following factors: three sustainability key topics of Taishin FHC, topics that have a negative impact on human rights, and the number of entities in the value chain. The topics of significant impact were prioritized based on the analysis results and corrected as recommended by the external sustainability consultant and managerial officers. This year, opinions and feedback from internal due diligence were included to re-examine the likelihood of a positive /negative impact. 	<ul style="list-style-type: none"> The opinions of stakeholders are also considered, to an extent deemed appropriate, when calibrating the evaluation results of relevant topics. <ul style="list-style-type: none"> Investors: Adjust the materiality of the topics where appropriate based on day-to-day communication with institutional investors and the changes in their ESG ratings. Competent authorities: Weights were added to the following factors: three main sustainability strategies of Taishin FHC, topics that have a negative impact on human rights, and the number of entities in the value chain.
4 Approval of the Management	<ul style="list-style-type: none"> The analysis results were presented to the Board of Directors for final approval and confirmation of the material topics for this year's Sustainability Report. 	<ul style="list-style-type: none"> The evaluation results are approved by the Board of Directors of Taishin FHC.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

1.2 Identification of Stakeholders and Material Topics

[1.3 Sustainability Implementation Framework and Performance](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Due Diligence Indicators

Given the requirement of GRI3 in that the changes in the positive and negative impacts of various topics must be re-examined every year, Taishin FHC therefore conducted due diligence on 27 of our units that are relevant to sustainability. This due diligence assessment included assessing the impact of each sustainability topic by using key indicators of due diligence, and reviewing the performance of the aforementioned indicators in 2023 and their performance trends over the years. Subsequently, relevant information was incorporated in materiality analysis and rating. The due diligence indicators for each topic are summarized below.

Sustainability Topic	Positive/Negative Impact	Due Diligence Indicators
Sustainable Finance	Sustainability influence of financial services	<ul style="list-style-type: none"> Holding of financial institution/company-issued ESG bonds. Investment in renewable energy, five-plus-two key start-up industries, and six core strategic industries.
	Inappropriate ESG risk management in financial services	<ul style="list-style-type: none"> Incorporation of ESG risk ratings into investment processes. The proportion of investment positions in high-carbon-emission industries. The balance of industries adopting decarbonization strategy as a percentage of the total loan balance in the corporate sector. The balance of financing provided to coal-fired power plants as a percentage of the total loan balance in the corporate sector. The percentage of companies in compliance with the Socially Responsible Investment (SRI) Principles in the Main List of Taiwan Stock Exchange.
Climate Change Strategies	Climate finance	<ul style="list-style-type: none"> Provision of preferential loan conditions to customers who apply for mortgage by using green-labeled houses as collateral. Confirmation of decarbonization/high-carbon-emission industries and targets, and reduction of shareholding. Amount of investments in green bonds. SBTi investment position as a percentage of total inventory position. The balance of loans for electricity generation from renewable energy. Frequency of engagement with investee companies on ESG topics.
	Climate change impact	<ul style="list-style-type: none"> Scope 1 and Scope 2 GHG emissions.
Customer Relationship Management	Customer experience optimization	<ul style="list-style-type: none"> Customer satisfaction, NPS.
	Infringements of customers' rights and interests	<ul style="list-style-type: none"> The percentage of Level-1/2 cases being properly handled.
FinTech/ Digital Innovation	Digital finance innovation	<ul style="list-style-type: none"> Number of Richart accounts. Number of digital finance patents obtained.
Remuneration, Benefits & Employee Care	Fair remuneration and benefits	<ul style="list-style-type: none"> Selection as a constituent stock of the TWSE Taiwan High Compensation 100 Index.
Hiring and Talent Development	Diverse talent recruitment and development	<ul style="list-style-type: none"> Percentage of female employees. Percentage of local hires in overseas locations. Number of employees with physical/mental disabilities.

Sustainability Topic	Positive/Negative Impact	Due Diligence Indicators
Financial Inclusion	Financial Inclusion	<ul style="list-style-type: none"> Installation of accessibility ramps at site of operation. Number of customers who applied to switch to a long-term payment plan with lower interest rate after the relief plan expires. Number of elderly customers and disadvantaged individuals who were given priority on the customer service hotline .
Local Care	Social involvement and charity	<ul style="list-style-type: none"> Cumulative number of people who signed up for beach cleanup. Charity fund/sponsorship amount. Number of participants in workshops organized to support social welfare organizations. Number of hours of volunteer work completed.
Business Continuity and Technology Risk Management	Business disruption	<ul style="list-style-type: none"> Number of incidents in which business service is disrupted due to natural disasters/political events. Number of times the contingency funding plan was initiated. Number of business continuity drills carried out.
Corporate Governance	Corporate governance failure	<ul style="list-style-type: none"> The results of internal/external evaluation of the performance of the Board and functional committees.
Green Operation Management	Impact on the operating environment	<ul style="list-style-type: none"> Average waste generated per person. Average electricity consumed per person. Average water consumed per person. Scope of ISO verification/certification.
Human Rights and Gender Equality	Infringement of human rights in the workplace	<ul style="list-style-type: none"> Number of reports concerning wrongful harm in the workplace filed via employees' mailbox or employee grievance hotline.
Occupational Health and Safety	Occupational safety and health hazards	<ul style="list-style-type: none"> Occupational injuries/accidents.
Information and Transaction Security	Data breach	<ul style="list-style-type: none"> The number, range of impact, and investigation results of information security incidents.
Risk Management and Internal Control	Inappropriate risk management and internal control	<ul style="list-style-type: none"> Board attendance in meetings of the Risk Management Committee.
Protection of Privacy	Privacy infringements	<ul style="list-style-type: none"> Number of complaints in relation to personal information protection.
Labor-Management Relations	Labor communication issues	<ul style="list-style-type: none"> Number of labor dispute cases.
Supplier Sustainable Management	Supplier ESG mismanagement	<ul style="list-style-type: none"> Number and percentage of suppliers who signed a statement of commitment. Rate of written audits on major suppliers (first-tier suppliers). Percentage of green procurement.
Regulatory Compliance	Violation of laws and regulations	<ul style="list-style-type: none"> Number of cases on which penalties were imposed by the competent authority. Number of employees who were dismissed for violating the employee code of conduct.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

1.2 Identification of Stakeholders and Material Topics

[1.3 Sustainability Implementation Framework and Performance](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Procedures for Incorporating the Identified Material Topics into Risk Management

In addition to establishing due diligence indicators to facilitate future reviews and follow-up, this year, Taishin also incorporated the management of sustainability topics and their impacts into different stages of the enterprise risk management (ERM) process.

- In identifying and measuring risks, the impact of a few of the material sustainability topics has been accounted for in the risk identification and measurement process, such as business discontinuity (which corresponds to operational risks) and improper risk management and internal control (which corresponds to operational risks). Aspects concerning climate finance and climate change impact have been included in the climate governance structure of Taishin FHC.
- In the management and reporting of material topics and risks, the unit in charge of sustainability manages sustainability topics by requesting various responsible units to examine their regulatory compliance with respect to a material topic (e.g., whether it complies with Taishin FHC's Sustainable Finance Policy), to formulate relevant policies, to establish management systems, and to adopt three lines of defense in their internal control to ensure effective risk control and management.

Results of the Materiality Analysis and Material Topics Matrix

Impact of Materiality Analysis

Based on the evaluation results for 2023, a total of 8 topics were identified as highly material, 8 topics were identified as moderately material, and 3 topics were identified as general topics. In the identification of material topics, Taishin FHC referenced the recommendations of stakeholders and external experts and decided to recognize sustainable topics that are ranked moderately material or higher as material topics. 16 material topics identified for 2023. Refer to the table below for the changes and explanation of the 19 sustainability topics compared to the previous year. Please refer to the "[List of Material Topics](#)" for an explanation of the material topics.

Sustainability Topic	2023	2022	Explanation of Change
Sustainable Finance	High materiality	High materiality	No changes in the analysis results this year
FinTech/ Digital Innovation	High materiality	High materiality	No changes in the analysis results this year
Climate Change Strategies	High materiality	High materiality	No changes in the analysis results this year
Remuneration, Benefits & Employee Care	High materiality	High materiality	No changes in the analysis results this year
Hiring and Talent Development	High materiality	High materiality	No changes in the analysis results this year
Corporate Governance	High materiality	High materiality	No changes in the analysis results this year
Green Operation Management	High materiality	High materiality	No changes in the analysis results this year

Sustainability Topic	2023	2022	Explanation of Change
Human Rights and Gender Equality	High materiality	Moderate materiality	Significant materiality is defined by taking into account the annual due diligence results, the importance attached to human rights topics by international sustainability disclosure standards, and whether the topic involves multiple entities in the value chain.
Business Continuity and Technology Risk Management	Moderate materiality	High materiality	According to the data generated from the due diligence process, the Company has maintained steady control over its business continuity system in recent years, which means that the likelihood can be reduced and the topic is assessed as moderately material.
Occupational Health and Safety	Moderate materiality	Moderate materiality	No changes in the analysis results this year
Information and Transaction Security	Moderate materiality	Moderate materiality	No changes in the analysis results this year
Risk Management and Internal Control	Moderate materiality	Moderate materiality	No changes in the analysis results this year
Customer Relationship Management	Moderate materiality	Moderate materiality	No changes in the analysis results this year
Protection of Privacy	Moderate materiality	Moderate materiality	Moderate materiality
Financial Inclusion	Moderate materiality	Moderate materiality	Moderate materiality
Legal Compliance	Moderate materiality	General	The due diligence results for this topic did not change significantly compared to the previous year. However, due to adjustments to the topic this year, the topic, regulatory compliance, was given a slightly higher priority and thus defined as a topic of moderate materiality.
Local Care	General	General	No changes in the analysis results this year
Labor-Management Relations	General	General	No changes in the analysis results this year
Supplier Sustainable Management	General	General	No changes in the analysis results this year

Note: Because the sustainability topics, definitions, and impact were re-examined and evaluated in 2023, two of the topics were renamed: Corporate Governance and Ethical Management was integrated into a single topic, Corporate Governance; and Anti-Money Laundering and Countering the Financing of Terrorism was collectively named Compliance.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

• Material Topics Matrix

High Materiality

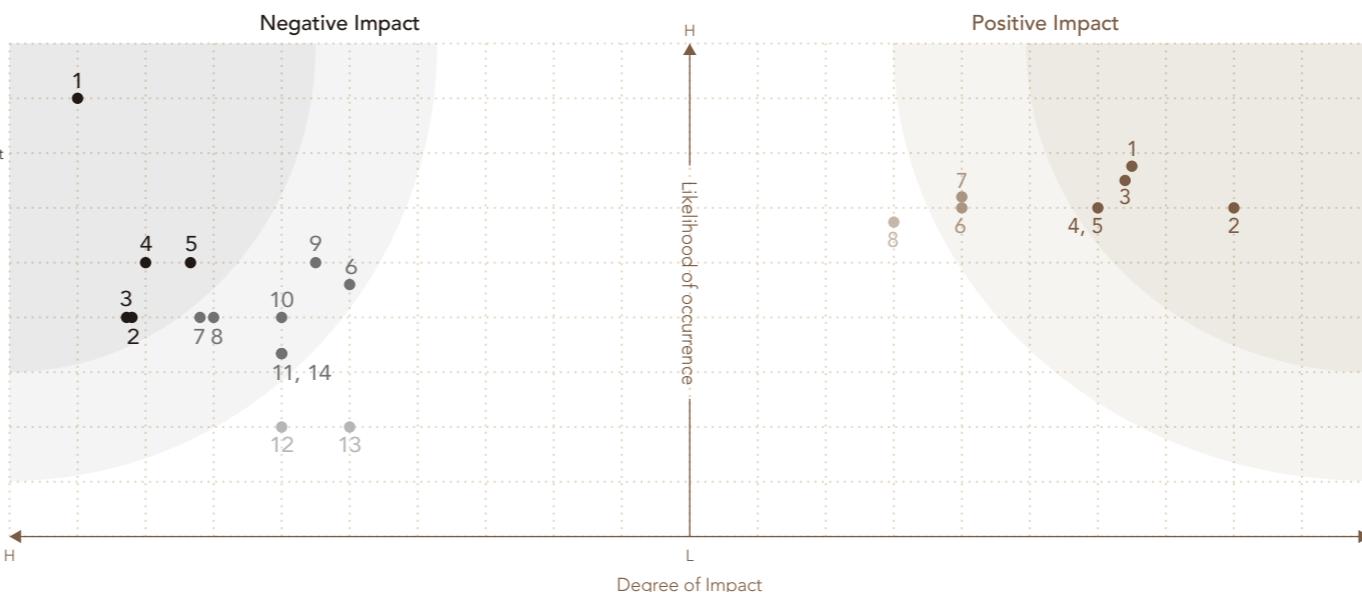
- ① Inappropriate ESG Risk Management in Financial Services
- ② Climate Change Impact
- ③ Corporate Governance Failure
- ④ Impact on the Operating Environment
- ⑤ Infringement of Human Rights in the Workplace

Moderate Materiality

- ⑥ Business Disruption
- ⑦ Occupational Safety and Health Hazards
- ⑧ Data Breach
- ⑨ Inappropriate Risk Management and Internal Control
- ⑩ Infringements of Customers' Rights And Interests
- ⑪ Privacy Infringements
- ⑫ Violation of Laws and Regulations

General

- ⑬ Labor Communication Issues
- ⑭ Supplier ESG Mismanagement



High Materiality

- ① Sustainability Influence of Financial Services
- ② Digital Finance Innovation
- ③ Climate Finance
- ④ Fair Remuneration and Benefits
- ⑤ Diverse Talent Recruitment and Development

Moderate Materiality

- ⑥ Customer Experience Optimization
- ⑦ Financial Inclusion

General

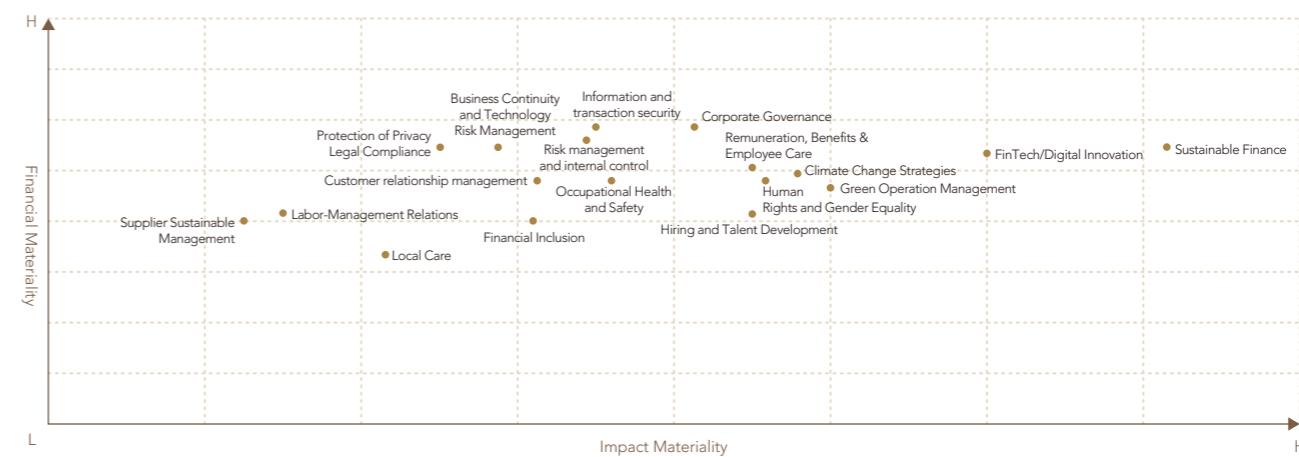
- ⑧ Social Involvement and Charity

Double Materiality Matrix

A financial materiality assessment questionnaire was distributed to 15 senior executives who are members of Taishin's ESG Team to assist in the financial materiality assessment of sustainability topics. The financial materiality scores of each topic were averaged and summed up with comprehensive reference to the three aspects of revenue, cost and risk to calculate the financial materiality value of each sustainability topic. For this year's materiality analysis, we combined "Impact Materiality" and "Financial Materiality" in line with the concept of double materiality, to identify the material topics that have a significant impact on the company's finance and operations.

According to the analysis results, the top topics with double materiality are sustainable finance, fintech/digital innovation, green operation management and climate change strategy, respectively. Fintech/digital innovation reflects Taishin's ability to continue to create profits and capture future business opportunities. Green operation management reflects how Taishin continues to grow while minimizing internal and external operating costs. Climate change strategy and sustainable finance reflect Taishin's ability to adapt to climate and potential ESG risks, and whether it can turn risks into business opportunities. For details of Taishin's response strategies for each topics, please refer to the corresponding chapter of "Management of the impact of sustainable topics on the value chain" [\[2\]](#).

• Double Materiality Matrix





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

1.2 Identification of Stakeholders and Material Topics

[1.3 Sustainability Implementation Framework and Performance](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

List of Material Topics

We identified 16 material topics this year, with changes from the previous year in topics such as "Human Rights and Gender Equality", "Business Continuity and Technology Risk Management", and "Legal Compliance". The main reasons for the changes were:

- **Human Rights and Gender Equality:** Taking into account the increasing emphasis on human rights issues in international sustainable disclosure standards, human rights issues involve multiple value chains, and referring to the due diligence results of the "violation of human rights in the workplace" issue, after integrating the above considerations into the assessment, its materiality was elevated.
- **Business Continuity and Technology Risk Management:** Referring to the due diligence results of "Corporate Operation Interruption", in order to provide customers with complete and uninterrupted services, Taishin has shown a trend of stable management and control in terms of operational continuity, such as: conducting annual BCP testing operations in 2023 and the test results are normal, and there are no natural disasters or political incidents have caused service bases to be unable to operate normally, etc., its materiality was reduced.
- **Legal Compliance:** Referring to the due diligence results of the "Illegal Counter-Order Code", the number of employees dismissed for violating the employee code of conduct in 2023 was the same as that of the previous year, indicating that the management of this topic still has a certain impact, and in response to adjustments to other topics, its materiality was elevated.

• List of Material Topics and Description of Impact

Material Topic <small>(Note)</small>	Financial Materiality	Sustainability Impact Category	Direction of Impact	Description of Impact
Sustainable Finance*	High	Sustainability influence of financial services	Positive	Economy Environmental
		Inappropriate ESG risk management in financial services	Negative	Economy Environmental People
FinTech/ Digital Innovation*	High	Digital finance innovation	Positive	Environment People
		Climate finance	Positive	Economy Environmental
Climate Change Strategies*	Medium	Climate change impact	Negative	Environmental
		Fair remuneration and benefits	Positive	Economy People
Remuneration, Benefits & Employee Care*	High	Diverse talent recruitment and development	Positive	People
Hiring and Talent Development*	Low	Business disruption	Negative	Economy
Business Continuity and Technology Risk Management*	High	Misconduct in corporate governance and business integrity incidents	Negative	Economy
Corporate Governance *	High			

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

1.2 Identification of Stakeholders and Material Topics

[1.3 Sustainability Implementation Framework and Performance](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Material Topic ^(Note)	Financial Materiality	Sustainability Impact Category	Direction of Impact	Description of Impact		
Green Operation Management*	Medium	Impact on the operating environment	Negative	Environmental	Failure to implement effective management of energy, water resources, and waste may create irreversible burdens on the environment, such as pollution of the environment (soil, air, water, etc.)	
Human Rights and Gender Equality*	Medium	Infringement of human rights in the workplace	Negative	People	Topics involving labor rights such as overtime work and forced labor may damage employees' work rights. Gender and other forms of discrimination may damage employees' work rights.	
Occupational Health and Safety *	Medium	Health promotion	Positive	People	Organize employee health promotion activities and action plans to improve employees' health and prevent potential additional expenditures for health issues.	
		Occupational safety and health hazards	Negative	People	The occurrence of workplace safety and health hazards could increase the rate of employee injuries and illnesses, which has a negative impact on the quality of life and health of employees.	
Information and Transaction Security *	High	Data breach	Negative	People	A security breach or cyberattack or blackmail by hackers may lead to the breach of confidential information of the Company, tampering, or business disruption, which would violate the rights and interests of customers and stakeholders.	
Risk Management and Internal Control *	High	Inappropriate risk management and internal control	Negative	Economy	Inappropriate management of external, emerging, or market risks or internal credit, operational, liquidity and other risks in business operations that exceed the Company's risk appetite, or idle capital may result in material non-compliance or operating losses that affect the interests of customers, shareholders, and other stakeholders.	
Customer Relationship Management *	Medium	Customer experience optimization	Positive	People	Continuously optimize customer experience and improve the quality and efficiency of financial services to provide them with access and use of superior financial services.	
		Infringements of customers' rights and interests	Negative	People	Poor quality of financial products and services or failure to implement fair customer treatment may result in complaints for damage to customers' rights and interests.	
Protection of Privacy *	High	Privacy infringements	Negative	People	Leaks of personal data of customers, employees, or other stakeholders may infringe upon their privacy.	
Financial Inclusion *	Low	Financial Inclusion	Positive	Economy People	Provide preferential or diverse financial services to disadvantaged or special groups to increase the convenience of financial services. Support the transformation and development of small and medium-sized, environmental and social organizations or enterprises to promote business activities with social benefits.	
Legal Compliance *	High			Economy People	Financial institutions must abide by the regulations of the competent authority. Failure of compliance consequently leading to acts of money laundering, fraud, and economic crimes, will not only impact the overall financial market, but may also impact all users of financial services.	
Local Care	Low	Social involvement and charity	Positive	Economy People	Use the Company's resources and expertise to help disadvantaged groups, rural groups, and people who need help in the society to fulfill corporate citizenship responsibilities.	
Labor-Management Relations	High	Labor communication issues	Negative	People	Inadequate or ineffective labor consultation and communication may prevent employees from voicing their opinions and infringe upon their work rights and interests.	
Supplier Sustainable Management	Low	Procurement-driven industrial development	Positive	Economy	Contribute to industrial development with routine procurement activities, such as using green procurement and local procurement to support environmentally friendly products/services and local enterprises.	
		Inappropriate supplier ESG management	Negative	Economy Environmental People	Neglecting ESG risks of suppliers may cause problems in governance, ethical management, environmental pollution, and labor rights, which impact the overall value chain.	

Note: Those not marked with ** were sustainable topics of the current year



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Management of the Impact of Sustainability Topics on the Value Chain

No.	Sustainability Topic	Value Chain Impact Management					Corresponding Chapter
		Direct Occurrence	Occurrence Due to Business Relationships/Activities				
		Operations	Suppliers	Customer	Investment	Local Community	
1	Sustainable Finance	●		●	●		5. Sustainable Finance
2	FinTech/ Digital Innovation	●		●			6.1 FinTech and Digital Innovation
3	Climate Change Strategies	●	●	●	●		3. Climate Strategy
4	Remuneration, Benefits & Employee Care	●					7.2 Remuneration, Benefits & Employee Care
5	Hiring and Talent Development	●					7.1 Hiring and Talent Development
6	Business Continuity and Technology Risk Management	●					2.3 Business Continuity Management
7	Corporate Governance and Business Integrity	●	●	●	●		Operations: 2.1 Corporate Governance and Business Integrity Suppliers: 2.5 Supplier Sustainable Management Customers and investments: 5. Sustainable Finance
8	Green Operation Management	●	●	●	●		Operations: 4. Green Operations Suppliers: 2.5 Supplier Sustainable Management Customers and investments: 5. Sustainable Finance
9	Human Rights and Gender Equality	●	●	●	●		Operations: 7.5 Human Rights and Gender Equality Suppliers: 2.5 Supplier Sustainable Management Customers and investments: 5. Sustainable Finance
10	Occupational Health and Safety	●	●				Operations: 7.3 Occupational Health and Safety Suppliers: 2.5 Supplier Sustainable Management
11	Information and Transaction Security	●		●			2.4 Information and Transaction Security
12	Risk Management and Internal Control	●					2.2 Risk Management and Internal Control
13	Customer Relationship Management	●		●			6.2 Customer Relationship Management and Consumer Protection
14	Protection of Privacy	●		●			6.3 Privacy Protection
15	Financial Inclusion	●		●		●	6.4 Financial Inclusion
16	Local Care	●				●	8. Social Inclusion
17	Labor-management Relations	●					7.4 Labor-Management Relations
18	Supplier Sustainable Management	●	●				2.5 Supplier Sustainable Management
19	Legal Compliance	●		●	●		2.2 Business Integrity



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Impact Valuation and Measurement

Taishin FHC treats sustainable development as one of the core values in this fast changing world. We believe paying equal attention to social, environmental, and economic interests is the only way to long term success and growth.

We place a great emphasis on our social and environmental responsibilities. Internally, the Impact Valuation and Measurement gives us an insight into our impacts and contributions and helps us set the direction for improvement. Externally, the process showcases our assessment results as well as our commitment to sustainable development.

Following the previous methodology, we start with profit and loss perspective, taking the management philosophy of the Triple Bottom Line from economic, environmental, and social factors, based on an impact pathway analysis, to identify the costs and benefits that upstream/downstream value chain activities bring to society.

In 2023, Taishin created a total production value of NT\$6.25 billion in upstream value chain activities, continuing an upward trend that started in 2017 with the equivalent of a compound annual growth rate (CAGR) of 10.7%. While below the level in 2022, large real estate purchases (NT\$4.13 billion), including the Jianqiao Branch and Mingtai Building, in 2022 created a higher baseline (Figure: Changes in Economic and Environmental Impacts of Upstream Supply Chain). If not counting the real estate purchases, the production value of upstream value chain activities in 2023 was up by 25% compared to the previous year.

The external environment costs caused by upstream value chain activities was NT\$310 million and fell by 34% compared to 2022. In particular, the external costs of GHG gases, wastewater, air pollution, and waste fell by 29%, 69%, 34%, and 58%, respectively (Table: 2023 Taishin FHC Value Chain Sustainable Impact and Monetizing Impact).

• Changes in Economic and Environmental Impacts of Upstream Supply Chain (Unit: NT\$100 million)



In 2023, the company's business activities contributed NT\$46.8 billion to the economy, up by 3% compared to 2022 and staying on the upward trend that started in 2017 with a CAGR of 5.2%. The company's own activities incurred NT\$35 million in external costs in 2023, down by 12% compared to 2022. (Figure: Changes in economic, environmental, and social impacts of company activities)

• Changes in Economic, Environmental, and Social Impacts of Company Activities (Unit: NT\$100 million)

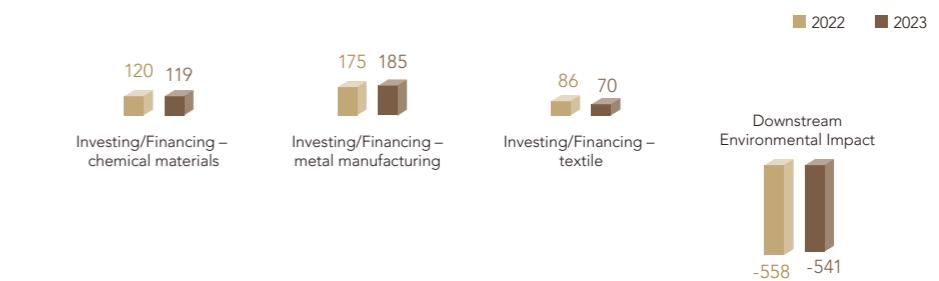


Downstream financing activities generated NT\$1.15 trillion in economic output along with NT\$54.1 billion in external environmental costs (Figure: Changes in Economic and Environmental Impacts of Downstream Supply Chain). However, external environmental costs fell by 3% compared to 2022 and reflected Taishin's early result in reducing exposure in carbon intensive industries. Taishin's total loans to chemical materials and textile industries fell in 2023. (Figure: Changes in Investing/Financing and Environmental Impacts of Carbon Intensive Industries)

• Changes in Economic and Environmental Impacts of Downstream Supply Chain (Unit: NT\$100 million)



• Changes in Investing/Financing and Environmental Impacts of Carbon Intensive Industries (Unit: NT\$100 million)





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

• 2023 Taishin FHC Value Chain Sustainable Impact and Monetizing Impact

	Upstream Supply Chain			Company Operations			Downstream Investment		
	Items	Valuation	YoY (%)	Items	Valuation	YoY (%)	Items	Valuation	YoY (%)
Positive	Procurement increases supply chain output	6.25 billion	-44	Direct economic contribution	46.8 billion	3	Investing/Financing boosts industry chain output	1.1154 trillion	-1
	Future earnings on competency development	4.7 billion	15						
Negative	Social cost of GHG emissions	-60 million	-29	Social cost of GHG emissions	-28.39 million	-14	Social cost of GHG emissions	-10.6 billion	-4
	Social cost of air pollution	-250 million	-34	Social cost of occupational incidents	-0.26 million	-58	Social cost of air pollution	-43.0 billion	-3
	Social cost of wastewater discharge	-1.01 million	-69	Social cost of wastewater discharge	-6.22 million	-1	Social cost of wastewater discharge	-270 million	6
	Social cost of waste disposal	-1.41 million	-58	Social cost of waste disposal	-0.62 million	7	Social cost of waste disposal	-3 billion	3

Note: 2023 Procurement increases supply chain output YoY -44%, due to large real estate purchases (NT\$4.13 billion), including the Jianqiao Branch and Mingtai Building, in 2022 created a higher baseline.

Additionally, Taishin links IMV with Materiality, incorporating "Operational Environmental Impact" and "Climate Change Impact" as major themes connected to the evaluated items above. This is to assess the potential scale of external impacts that may result in negative consequences. The impact boundaries of these two major themes span across upstream, midstream, and downstream, from suppliers to Taishin's own operations, and the products or services we offer. For "Operational Environmental Impact," it mainly assesses air pollution, water resources, and waste issues arising from the value chain, which in turn affect public health; for "Climate Change Impact," due to increased carbon emissions exacerbating global warming, it leads to a rise in the global average temperature and related social or environmental impacts. For indicators and detailed assessment results regarding "Operational Environmental Impact" and "Climate Change Impact," please see Table: Impact Evaluation of Major Themes.

• Impact Evaluation of Major Themes

Material Topic	Materiality to External Stakeholders	Output Metric	Impact Metric	Methodology Description
Operational Environmental Impact	Negative impacts: Energy and resource consumption and related waste in Taishin's own operations and its upstream procurement and downstream investment and financing positions can cause issues of air pollutants, water resources and waste and lead to health hazards to the community or the general population.	Company Operations • Waste use: 293 tons • Water consumption: 139,872 tons		We used the input-output analysis approach to assess the indirect economic values created by procurement and investment activities in the mutual dependent relationships among industries in the industry chain. In the health cost of air pollution, waste disposal, and wastewater discharge, the external cost per unit pollutant is used to evaluate air pollution (PM2.5, NOx, SOx, NMHC, and Pb), waste disposal (incineration), and water pollution (COD), but exclude ecosystem quality degradation and resource depletion.
	Upstream procurement/Downstream investment and finance	• Total amount of 24 procurement items based on the bank's contract classification: NT\$2.57 billion • Total amount of 15 types of investment/loan: NT\$532.29 billion	• Health cost of air pollution: NT\$43.21 billion • Health cost of waste disposal: NT\$298 million • Health cost of water consumption: NT\$274 million	
Climate Change Impact	Negative impacts: GHG emissions contribute to the greenhouse effect and lead to a rising global average temperature and related environmental and social impacts. There are carbon emissions in every step of the operation. As a financial institution. Apart from operations and upstream procurement, Taishin's largest emission sourced from investment and finance.	Company Operations • GHG emissions: 17,931 tons		We used the input-output analysis approach to assess the indirect economic values created by procurement and investment activities in the mutual dependent relationships among industries in the industry chain. For the social cost of greenhouse gas emissions, the external cost per unit of greenhouse gas emissions is used to evaluate its social impact.
	Upstream procurement/Downstream investment and finance	• Total amount of 24 procurement items based on the bank's contract classification: NT\$2.57 billion • Total amount of 15 types of investment/loan: NT\$532.29 billion	• Social cost of GHG emissions: NT\$10.65 billion	



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.2.2 Identification and Communication of Stakeholders

Stakeholder Identification Process

Taishin adopts the stakeholder engagement approach recommended by AA1000SES: 2015, and uses quantitative data of "dependency, responsibility, influence, diverse perspective and tension", which identified 7 types of stakeholders whom are significant to Taishin. We've evaluated each stakeholder's degree of influence on Taishin as weightage reference while prioritizing the topic rankings and report to the board of directors at least once a year on the communication with stakeholders during the year. In order to learn the true voices of our stakeholders, Taishin has not only enabled multiple communication channels, but also engaged stakeholders through departments that worked closest with them. Through monitoring topics that concerned the stakeholders, the stakeholders' feedbacks served as important motives for internal growth.

• Communication Channels and Frequency of Stakeholders

Stakeholders	Significance to Taishin	Communication Channels	Main Concerned Topics	Corresponding Contents	Communication Results
Customers	Builds productive relationship and earns trust; accomplishing success as customers' smart partner.	<ul style="list-style-type: none"> Immediately: Customer service hotline/email/fax, branch service opinion forms, VOC platform, website, and banking apps Quarterly: Branch service telephone surveys Annually: Customer satisfaction and loyalty survey/COVID-19 Ad hoc: email, message, App, ATM, events and seminars 	<ul style="list-style-type: none"> Corporate Governance and Business Integrity Green Operation Management Occupational Health and Safety 	<ul style="list-style-type: none"> Plans to improve digital forensics capacity over the next 3 years and construct a security operation center. Implement "Management Regulations on Personal Information Misuse Incidents" and received no penalty from the authority for violation of personal information in 2023. Implement "Ethical Corporate Management Best Practice Principles" and "Employee Code of Conduct" to supports integrity and culture of the organization. 	Customer satisfaction rate: 86.4%
Employees	Having a stable and competitive work force is key to success in a highly competitive business; employees are also an important capital to the company.	<ul style="list-style-type: none"> Immediately: Employee relation mailbox and phone, HR Representatives Quarterly: Taishin Morning Meetings, labor-management meetings Annually: Employee opinion surveys for certain divisions Biennially: Employee opinion surveys 	<ul style="list-style-type: none"> Corporate Governance and Business Integrity Green Operation Management Remuneration Benefits & Employee Care 	<ul style="list-style-type: none"> Conducts market-wide salary surveys and reviews employees' compensation on a yearly basis. Taishin has been a composition of "Taiwan High Compensation 100 Index" for 10 consecutive years since 2014. Established a diverse range of communication channels for employees. Organize health promotion events for high-risk groups and increase the participation. 	Engagement rate: 78%
Shareholders / Investors / Rating agencies/ Analysts	Investors' / shareholders' trust and support provide the foundation for the business survival and growth, which Taishin returns with exceptional governance.	<ul style="list-style-type: none"> Immediately: IR email/hotline, website Monthly: Market Observation Post System Quarterly: Investor seminars, Roadshow/IR Conference Annually: Shareholders meeting Ad hoc: Physical mail and replies 	<ul style="list-style-type: none"> Corporate Governance and Business Integrity Climate Change Strategy Remuneration Benefits & Employee Care 	<ul style="list-style-type: none"> Recorded a net after-tax profit of NT\$ 14.6 billion in 2023, after-tax earnings per share of NT\$1.01, a return on shareholders' equity of 7.78%, and a net share value of NT\$13.57 1at the end of the year. Taishin continuously communicates with investors through video and telephone conferences. In addition, throughout 2023, Taishin participated in five roadshows and investor forums held both domestically and internationally in Asia, Australia, and Europe. 	Inclusion in Both Dow Jones Sustainability Indices (DJSI) World and DJSI Emerging Markets for 6 consecutive years since 2018.
Competent Authorities	Government policy and supervisory intensity directly affect the ways business operate and grow; Taishin adopts the principle of delivering top-notch performance under strict compliance with relevant laws.	<ul style="list-style-type: none"> Immediately: phone, e-mail or physical mail and reply Ad hoc: policy seminars and conferences, supervision and inspection exercises 	<ul style="list-style-type: none"> Risk Management and Internal Control Green Operation Management Labor-Management Relations 	<ul style="list-style-type: none"> All existing directors have met the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." Has zero tolerance to employees who commit major violation against work ethics, and report incident and assist the competent authority in various investigations. Reviews the Risk Management Policy, risk appetite, limit transfer, and the integrated risk management report. 	The internal evaluation result of the board of directors and functional committees in 2023 is "exceeding the target" (the external evaluation is performed every three years, and the latest external evaluation has been completed in 2021)
Suppliers	High-quality materials, equipment and stable working relationships are helpful for maintaining business operations and building a sustainable supply chain.	<ul style="list-style-type: none"> Immediately (contract renewed or newly): Supplier Commitment Statement Annually: human rights risk assessment and education, supplier self-assessment Ad hoc: business seminars, price negotiation meetings 	<ul style="list-style-type: none"> Corporate Governance and Business Integrity Green Operation Management Human Rights and Gender Equality 	<ul style="list-style-type: none"> Implement "Ethical Corporate Management Best Practice Principles". Recorded a net after-tax profit of NT\$14.6 billion in 2023. Implement the mechanism of supplier management and organize supplier conferences regularly. 	In 2023, "Internal Carbon Pricing" was selected as the sustainable theme, and about 50 major information service providers were invited to discuss carbon pricing practices and future trends.

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Stakeholders	Significance to Taishin	Communication Channels	Main Concerned Topics	Corresponding Contents	Communication Results
Community	Opinions of the community and general public provide businesses with the motivation to direct attention towards public interest and cater for the benefits of the community and local residents.	<ul style="list-style-type: none"> Twice a week: Friday Noon Concerts Monthly: e-newsletter of Taishin Charity Foundation Annually: Christmas / Lunar new year festivals, Taishin Art Award, Power of Love campaign Ad hoc: community investment seminars, financial education camps, Taishin Volunteer events, activities related to charity/ arts/ sports/ academic etc 	<ul style="list-style-type: none"> Information and Transaction Security Green Operation Management Financial Inclusion 	<ul style="list-style-type: none"> Focus on charity and welfare, arts and culture, sports sponsorship and academic exchange. Implement "Ethical Corporate Management Best Practice Principles". Actively build the cross-industry alliances to support core businesses and cooperate with FinTech. 	Brand preference and recognition: 76%
Media	Conveying correct information to the general public helps maintain positive corporate image.	<ul style="list-style-type: none"> Immediately: press conference or seminar, spokesperson policy Ad hoc: media gathering 	<ul style="list-style-type: none"> Corporate Governance and Business Integrity Green Operation Management Remuneration Benefits & Employee Care 	Publishes press releases or statements on major issues	

1.2.3 Response to Matters of Concern to Stakeholders

Taishin has formulated the Ethical Corporate Management Best Practice Principles to provide effective communication channels and grievance systems for managing the communication of material events. If the Company's personnel discover a violation of the ethical management regulations, they shall report it to management or relevant units or report it by using the channels provided by the Company. The Company's internal audit unit shall establish applicable audit plans, which include the audit target, scope, items, and frequency, based on the results of unethical conduct risk assessment, and use the plans to audit unethical conduct prevention solutions. The unit may engage a CPA to carry out the audit or engage professionals to assist if necessary. The audit results in the preceding paragraph shall be presented to top management and the dedicated ethical corporate management unit and shall be produced into an audit report for the Board of Directors. In 2023, one critical/material event occurred. For details, please refer to the section titled "Strengthening the Conduct of Financial Advisors."

Improving the Conduct of Financial Advisors

Background

Considering the importance attached to the ethical conduct of financial advisors by the competent authority, investors, clients, and the media, Taishin Bank continued to adopt existing measures for managing the behavioral risks of financial advisors, and took the following actions in 2023: We strengthened the ethical culture of the company with the Board of Directors taking the lead; improved the root cause of a problem by initiating organizational restructuring; refined the accountability system and its associated systems; strengthened the mechanism of coordination and cooperation with three lines of defense; and ensured that all employees treat customers fairly and comply with laws in day-to-day operations. Through these actions, we hope to optimize our services, and polish our brand as a company that embraces a culture of integrity, commitment, innovation, and cooperation. For matters related to penalties imposed by the Financial Supervisory Commission, refer to [2.2.2 Compliance \(\(3\) Penalties imposed by the Financial Supervisory Commission and Description of Improvements\)](#).

Taishin's Response

1. Taishin Bank prevents acts of fraud insight and outside of the organization by using a risk-oriented management mechanism. Fraud prevention is one of the Bank's most important management issues. To implement the principle of treating customers fairly, Taishin Bank continues to improve its management measures for financial advisors. We supervise and manage employees' compliance with the Code of Ethics, and ensure compliance by adopting a reward mechanism. For example, employee performance in treating customers fairly is included as a non-financial indicator in job performance reviews; performance bonuses are linked directly to performance reviews; a clause prohibiting unethical conduct in sales is incorporated in performance rules; or indicators such as product balanced development and diverse customer relations management are incorporated.

2. Taishin Bank believes that building a corporate culture of integrity requires a top-down approach to strengthening the implementation of compliance. In addition to empowering senior executives with greater obligations and responsibilities, we also need to continuously strengthen the responsibilities and functionality of the Board of Directors to guide the company toward a more effective core strategy and ethical culture. For this reason, we continue to improve our implementation strategies and actively develop relevant control mechanisms, including ways to (1) build a strong ethical and compliance culture in which customers are treated fairly; (2) employ external consultants to provide guidance on improving our accountability mechanism; and (3) ensure regulatory compliance by all employees through organizational restructuring, performance review, and reward programs.

3. Taishin Bank has a fair customer treatment policy (including strategies) in place. The policy specifies ways to promote an ethical corporate culture, ensure the sound development of ethical management, and establish an internal accountability mechanism and relevant measures. In processes that affect ethical management, the Board of Director plays a supervisory role, while the Legal & Compliance Division collects the aforementioned data and provide it to the Secretariat Division every three months, who then forwards it to the board directors.

In addition to internal management measures, Taishin Bank continues to educate and communicate with customers. For example, Taishin Bank sends "Important Customer Rights" via EDM each quarter to explain restrictions and requirements on financial advisors. Furthermore, Taishin Bank put up warning signs in the lobby of branches, writing table, service counter, and desktop of financial advisors, and shows a promotional clip of "Measures to prevent financial advisors from embezzling customers' funds" at branches, on the official website, and during customer briefings.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.3 Sustainability Implementation Framework and Performance

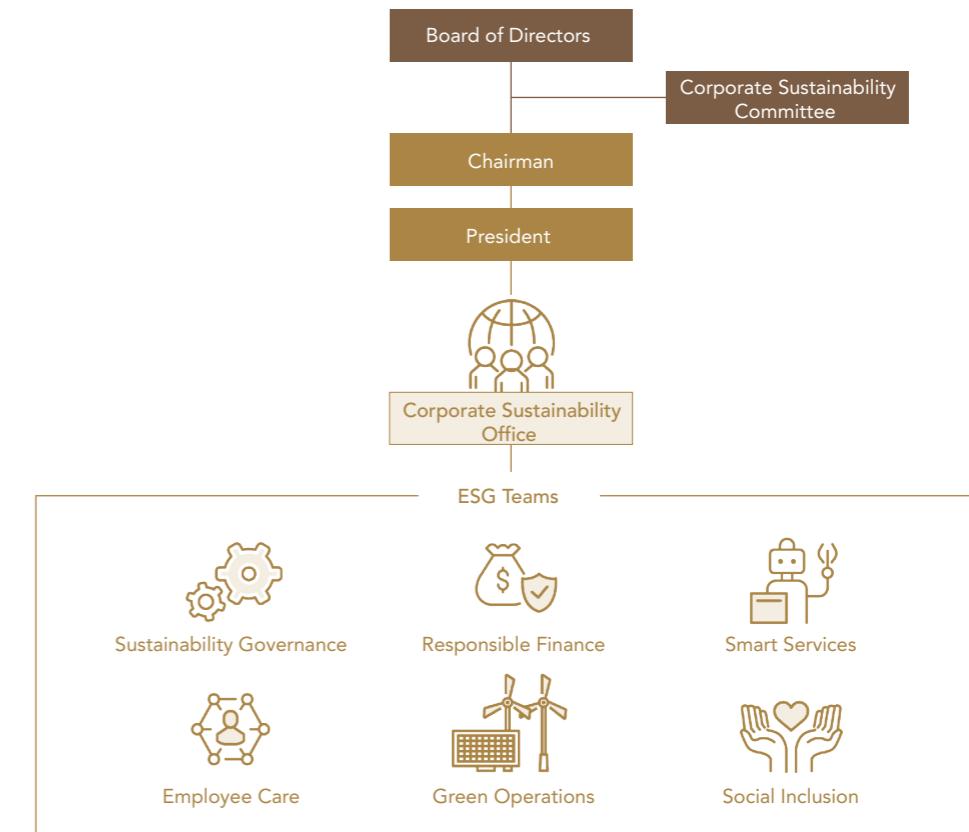
1.3.1 Sustainability Implementation Framework

Taishin FHC established the "Taishin FHC Sustainable Development Best Practice Principles" to implement corporate sustainability, and established the Corporate Sustainability Committee to oversee the sustainable development of Taishin FHC and its subsidiaries. The committee reports the results of sustainability actions and major plans to the Board of Directors each year, and supervises and manages the group's impact on the economy, environment, and people. Taishin amended the Taishin FHC Sustainable Development Best Practice Principles in 2022, and raised the level of the Corporate Social Responsibility Committee (CSR Committee) to a functional committee under the Board of Directors. The CSR Committee was renamed the ESG Committee to facilitate a stronger sustainability governance.

Members of the ESG Committee are board directors from Taishin FHC and its subsidiaries. They are appointed through a resolution by Taishin FHC's Board of Directors. The committee shall comprise at least 3 members, one of whom must be an independent director of the Company. The ESG Committee of the current term consists of 5 members. The committee is responsible for reviewing the sustainability policies, systems, and strategic directions as well as annual sustainability plans and the approval of other significant matters. The sustainability policies and systems must be approved by the ESG Committee and then presented to the Board of Directors for review. The ESG Committee shall convene at least two meetings a year. Extraordinary meetings may be convened as needed.

The Corporate Sustainability (CS) Office is the dedicated unit in charge of promoting the sustainable development of Taishin FHC and reports to the President. The CS Office is run by an ESG Team of six sub-groups: Sustainability Governance, Responsible Finance, Smart Services, Employee Care, Green Operations, and Social Inclusion, and a Climate Task Force that is responsible for promoting climate issues. The CS Office reports to the ESG Committee every six months and to the Board of Directors at least once a year to implement sustainability plans. The ESG Team must meet up at least twice a year, submit an annual sustainability report each year, and review the previous year's implementation results.

In 2023, the ESG Committee convened 2 meetings, one of which was held to review the company's 2024 ESG project plans, Sustainable Finance Policy, occupational safety and health policy, low-carbon transition plan, implementation status of inclusive finance, intellectual property management plan, stakeholder engagement, and annual sustainability results and major plans. The outcomes of the meetings were completely presented to the Board of Directors.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Sustainability Milestone

- Continued to be included in the "World Index" and "Emerging Market Index" under the Dow Jones Sustainability Index (DJSI).

- Recognized as the 100 most advanced companies in Vigeo-Eiris Emerging Market Universe.
- Continued to won Taishin a climate change rating of B in CDP 2019.

- Signed the Equator Principles.

- Became a supporter of TCFD.

- Adopt ISO45001 - Occupational Health and Safety Management Systems.

- Held the first supplier conference.

- Named on both Dow Jones Sustainability Indices (DJSI) World and Emerging Markets for 4 consecutive years.

- Received the "AA" in the MSCI ESG rating for 2 consecutive years.

- Credited as one of the Top 100 Companies with excellent performance in emerging markets for three consecutive years by the ESG rating agency, Vigeo Eiris.

- Commencement of the TCFD transaction counterparty climate sensitivity identification and assessment.

- Setting of Science Based Targets.

- Becoming on of the founding members of the Taiwan Alliance for Net Zero Emission.

- Took the lead to formulate an integrated **Sustainable Finance Policy** for Taishin FHC, the implementation of which was supervised by the ESG Committee under the Board of Director and which is applicable to all subsidiaries of Taishin group.

- Released a **Statement on Financial Inclusion** and pledged our continued efforts to engage in innovation and expand the service scope of our financial resources.

- Made **sustainability training** compulsory for all employees and a prerequisite for MA training so as to promote the development of sustainability talents.

- Included in **DJSI World and DJSI Emerging Markets** for 6 consecutive years.

- Received an AA rating**, which is in the leader category, from **MSCI ESG Research** for 4 consecutive years.

- Taishin has been recognized in the **S&P Global Sustainability Yearbook 2024**, ranking among the **top 1%** of companies in the banking industry, becoming the only financial institution in Taiwan to receive this recognition.



- Both Dow Jones Sustainability Indices (DJSI) World and Emerging Markets for 3 consecutive years.

- Received the "Leader AA for the Finance Industry" in the MSCI ESG rating.

- Ranked on Carbon Disclosure Project A List for climate change.

- Established the Environmental and Social Risk Management Sector Guidelines.

- Real estate scenario analysis for wholesale banking under the Task Force on Climate-related Financial Disclosures (TCFD) framework.

- The Corporate Sustainability Committee was upgraded to a functional committee under the Board of Directors and a dedicated unit for implementing sustainable development was also established – Corporate Sustainability Office.

- Inclusion in DJSI World and DJSI Emerging Markets for 5 consecutive years.

- Received an AA rating, which is in the leader category, from MSCI ESG Research for 3 consecutive years.

- SBTs were approved by the Science-based Target initiative (SBTi), and became the third financial institution in Taiwan and the fifth in Asia to obtain approval for SBTs.

- Taishin established the ethos of "conscientious and sustainable green lifestyles" on its 30th anniversary, upholding the spirit of "conscientiousness" and working towards "sustainability" from year 30.

- Rated at the Leadership Level A- by the CDP.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

1.1 Sustainability Core Strategy

1.2 Identification of Stakeholders and Material Topics

1.3 Sustainability Implementation Framework and Performance

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

1.3.2 Sustainable Goals and KPIs

Taishin referenced the GRI Standards and provided a comprehensive explanation of the boundaries, risks and opportunities, and management strategies of all 19 sustainability topics. We continue to disclose our commitments and implement management. The boundaries of the value chain start from upstream procurement to the development of Taishin's own operations, products, and services, sales, and end-user usage. We clarify the location of the impact based on the methods including direct, facilitated, and business relations. In addition, we also assign related departments to verify the possible risks and opportunities of the 19 sustainability topics on Taishin. By establishing policies, embracing accountability, and active actions, we use the management strategies to avoid, mitigate, and transfer the impact of risks, and identify Taishin's opportunities to develop future business opportunities. In 2022, except for one performance indicator (hours of corporate volunteer participation) that did not reach the pre-set target due to the escalation of the epidemic and the suspension of related activities, the rest will all meet the targets. The short-term, medium-term and long-term goals set by the sustainability topics are described below:

Sustainability Topics in 2023	Assessment and Goals				
	Key Performance Indicator	Achievement in 2023	2024	2026	2030
Corporate Governance and Business Integrity	Corporate governance evaluation ranking	Maintain exceptional performance	Maintain exceptional performance	Top 5%	Top 5%
	Board of directors performance valuation	above 90%	Score 80% or above in internal performance evaluations	Maintain good performance in internal and external evaluations	Enhance performance of the board of directors and functional committee and create long-term value for shareholders, businesses, customers and employees
	Directors attendance rate	96%	Maintain above 80%	Maintain above 80%	
Legal Compliance	Integrity course completion rate	100%	100%	100%	100%
	AML/CFT education completion rate	100%	100%	100%	100%
Risk Management and Internal Control	Group's capital adequacy ratio	136.81%	≥100%	≥100%	≥100%
	Department compliance assessment pass rate	100%	100%	100%	100%
	Risk Management Committee members' attendance rate	100%	Above 90%	Above 90%	Above 90%
Information and Transaction Security	Hacker attacks that caused operational or business impact	No incidence	No incidence	No incidence	No incidence
	Annual hours of external information security education of information security professionals	15 hrs	15 hrs	20 hrs	30 hrs
	Customer complaints about the leakage of personal or sensitive data due to phishing	No case	No case	No case	No case
Business Continuity and Technology Risk Management	Frequency of performing business continuity drills	completed a drill	At least once a year	At least once a year	At least once a year
	Supplier Commitment Statement signing rate	100%	100%	100%	100%
	Regular audits of major suppliers ^(Note2)	10%	20%	35%	100%
Supplier Sustainable Management	Proportion of green procurement amount	7.1% Green purchase amount NT\$187,299,663	At least 5%	At least 5%	At least 5%
	Sustainable Finance	• Power plant loans were 100% renewable energy • Hosted the underwriting business of a company with ESG concepts • Strengthened the selection mechanism for ESG investment targets in Taiwan stocks	Implement/develop products and businesses and incorporate ESG assessment processes	Develop and implement the industry specific environmental and social risk management mechanisms	Green financial products (such as green finance funds) are offered; The proportion of green financial services (such as green investment) are increased
	FinTech/Digital Innovation	6	8	10	15
	Cross-industry cooperation to expand the financial technology field	16	Maintain growth	Maintain growth	Maintain growth
	Number of patents	29% growth	Maintain growth	Maintain growth	Maintain growth
	Online accounting transaction growth rate				

Note 1: Major suppliers have a procurement amount of NT\$2.5 million and above. Due to the different types of procurements by the General Affairs Department, major suppliers are further divided into level 1 and level 2 by amount.

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

[1.2 Identification of Stakeholders and Material Topics](#)

1.3 Sustainability Implementation Framework and Performance

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Sustainability Topics in 2023	Key Performance Indicator	Assessment and Goals			
		Achievement in 2023	2024	2026	2030
Customer Relationship Management	Retail banking customers satisfaction	86.4%	86.6%	87% Achieve the desired goal 87%	87%
	Taishin Securities customer satisfaction	83%	85%+ Maintain growth	87% Achieve the desired goal 87%	87%
	Taishin Life customer satisfaction	83%	77%	82%	87%
Privacy Protection	Percentage of banking customers' complaints resolved within timeframe	100%	100%	100%	100%
	Personal information protection education completion rate	100%	100%	100%	100%
Financial Inclusion	Richart usage	14.8% growth	Maintain growth	Maintain growth	Maintain growth
	Number of Richart accounts	3.6 million	Maintain growth	Maintain growth	Maintain growth
Climate Change Strategy	Renewable energy use drives performance (Proportion of renewable energy electricity usage)	7,247 million kWh (Reached about 18%)	10.7 million kWh (Reached about 26%)	12.3 million kWh (Reached about 30%)	19.7 million kWh (Reached about 46%)
	SBT science-based goals	Regularly track and manage SBT goals, and held quarterly meetings to review achievement status	Periodically compile inventories and track SBTs for Scope 1-3 emissions	Guide low-carbon investment and financing in accordance with the set investment and financing goals gradually	Achieve the goals set by SBT, and continue to review gradually
	Continue to establish a climate-related financial disclosure (TCFD) mechanism to increase operational financial resilience	Completed annual climate-related financial disclosures	Enhance annual climate-related financial disclosures	Continuously improve annual climate-related financial disclosures with reference to relevant regulatory guidelines	Continue to improve annual climate-related financial disclosures and align with domestic and international disclosure standards
Green Operation Management	GHG Emissions Reduction (market-based approach) (The base year for SBT figures including Taishin Life Insurance is 2019 = 22,223 tCO ₂ e)	17,931 tCO ₂ e	25%	29%	46% reduction following SBT path
	Electricity consumption reduction (Base year 2022 = 40,199,251 kWh)	40,587,160 kWh	2%	4%	8%
	Water usage reduction (Base year 2022 = 12.53 kiloliter/per person)	12.08 kiloliter/per person	1%	2%	3%
Hiring and Talent Development*	waste reduction (Base year 2022=0.0704 ton/ per person)	0.0687 ton/ per person	1%	2%	3%
	Scope of ISO verification and certification	• 14064-1, 14001: Taishin FHC (including subsidiaries) • 50001: Taishin FHC and Taishin Bank	• 14064-1: Taishin FHC (expanded to Second-tier subsidiary) • 14001, 50001: Taishin FHC (including subsidiaries)	Expand recruitment channels locally and abroad, and continually manage the external talent bank	Develop reputation as a preferred employer for attracting talents
	Enhance reputation as an employer	Jointly implemented internship programs with over 81 universities and provided over 420 students with the opportunity to experience the workplace in advance.	Establish diverse recruitment channels in campuses	93%	93%
Remuneration, Benefits & Employee Care	Retention rate of top talents	93%	93%	93%	93%
	Project implementation rate of Succession Development Program	100%	100%	100%	100%
	Offering of competitive compensation package	Selected in TWSE "Taiwan High Salary 100 Index" by the Stock Exchange for 10 consecutive years	To be selected in TWSE's "Taiwan High Compensation 100 Index"		
Occupational Health and Safety	Number of Major Occupational Accident Cases	Passed ISO45001 occupational safety and health management system certification	100% improvement rate of internal/ external audit defects	Bank-wide completion of safety and health training - 100%	ISO 45001 certification and completeness of management organization (availability of branch safety and health officer/first-aid officer) - 100%
	Case of major occupational hazard incidents	0	0	0	0
	Health promotion activity implementation rate	Health promotion activities, such as health lectures, walking or sports competitions, etc., with an implementation rate of 100%	Handle health promotion activities and lectures, including 1 large-scale event, with an execution rate of 100%		
	Infectious disease	100% employee health anomaly and contact history reported	100% employee health anomaly and contact history reported	Published 30 health education contents for emerging communicable diseases	Continuous implementation of workplace vaccination for influenza or emerging communicable diseases



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

1. Sustainability Strategy

[1.1 Sustainability Core Strategy](#)

[1.2 Identification of Stakeholders and Material Topics](#)

1.3 Sustainability Implementation Framework and Performance

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Sustainability Topics in 2023	Assessment and Goals				
	Key Performance Indicator	Achievement in 2023	2024	2026	2030
Labor-Management Relations	Employee Engagement Survey Execution Rate	100%	100%	100%	100%
Human Rights and Gender Equality	Human rights training completion rate Case of discrimination or sexual harassment	100% 0	100% 0	100% 0	100% 0
	Corporate volunteering hours	12,519	12,000	12,000	Enforcement of the volunteer system
	Support for charity organizations	<ul style="list-style-type: none"> A total of 160 social welfare groups received donations in the 14th "Power of Love" Organized 3 physical workshops and 1 online course, with a total of 251 participants from social welfare group staff 	Expand the holding of training courses and organize digital courses to keep pace with the trend of AI technology	Cultivate social welfare groups, strengthen district operations, and continue to cultivate the acumen of technology use in non-profit organizations	To cultivate small and medium-sized social welfare groups in Taiwan, we hope to become the engine of non-profit organizations and use various new scientific and technological knowledge.
Social Involvement	Expansion of Taishin Arts Award	<ul style="list-style-type: none"> Selected 17 shortlisted works, winners of 3 major awards, and sponsored the promotion project for 13 selected works. Physical promotion activities resumed for the first time after the epidemic, including artist reception rooms, artist nights, and international final review lectures The foundation's official website, website members and database integration are completed; the ARTalks website is revised. 	<ul style="list-style-type: none"> Create the Hot/Heart Talk project, an online performing arts promotion platform, to activate public participation and discussion on the performing arts through live broadcasts, real-time comments, community activities, etc. Promoted and supported exchanges of works in the Taishin Arts Award with international exhibitions. 	Continue to organize the Taishin Arts Awards and operate the ARTalks art online review platform, and support art creators to communicate with businesses and the public through cooperation and promotion of exhibitions and performances.	With the art awards as the main theme, we have created a new promotion project with the aim of supporting contemporary artists and public promotion.

Sustainability KPI-linked Remuneration for Top-level Managers

To effectively supervise the implementation of the above short-, medium-, and long-term action plans and goals by relevant units, Taishin has assigned top-level managers (directors or higher rank) to supervise the KPIs corresponding to each of the above sustainability topics. Their implementation results account for 10% of the annual performance evaluation and are therefore reflected in top-level managers' variable remuneration for the year. The table below lists six sustainability topics of significant materiality.

Sustainability Topic	Top-level Manager with Supervision Role		How KPIs are Linked to Variable Remuneration
	Main role	Associated Roles	
Sustainable Finance	Sustainability Officer of Taishin FHC	President of Taishin FHC, Chief Financial Officer of Taishin FHC, Director of Administration Division	50% of FHC Sustainability Officer's annual performance evaluation is linked to his/her performance with respect to this topic.
FinTech/ Digital Innovation	Chief Information Officer of Taishin FHC	President of Taishin Bank, CEO of Corporate Finance Division, CEO of Retail Banking Division, Chairman/President of Taishin Securities, Chairman/President of Taishin Life Insurance, Chairman of D.A. Finance, Vice Chairman/President of Taishin Securities Investment Trust, and Director of Human Resources Division of Taishin FHC	17% of FHC CIO's annual performance evaluation is linked to his/her performance with respect to this topic. The weight for other managerial officers ranges from 5% to 20%.
Corporate Governance	Sustainability Officer of Taishin FHC	President of Taishin FHC, Chief Financial Officer of Taishin FHC	8% of FHC Sustainability Officer's annual performance evaluation is linked to his/her performance with respect to this topic. The weight for other managerial officers is 5%.
Climate Change Strategies	Chief Risk Officer of Taishin FHC	President of Taishin FHC, Chief Financial Officer of Taishin FHC, Sustainability Officer of Taishin FHC, Director of Administration Division	10% of FHC Chief Risk Officer's annual performance evaluation is linked to his/her performance with respect to this topic. The weight for other managerial officers ranges from 5 to 20%.
Green Operations	Director of Administration Division		20% of Administration Division Director's annual performance evaluation is linked to his/her performance with respect to this topic.
Salary, Benefits & Employee Care	Director of Human Resources Division of Taishin FHC		5% of Taishin FHC Human Resources Division Director's annual performance evaluation is linked to his/her performance with respect to this topic.



- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [**2. Sustainability Governance**](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Sustainability Governance

- [35 2.1 Corporate Governance](#)
- [39 2.2 Business Integrity](#)
- [44 2.3 Risk Management and Internal Control](#)
- [51 2.4 Information and Transaction Security](#)
- [53 2.5 Sustainable Supplier Management](#)





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

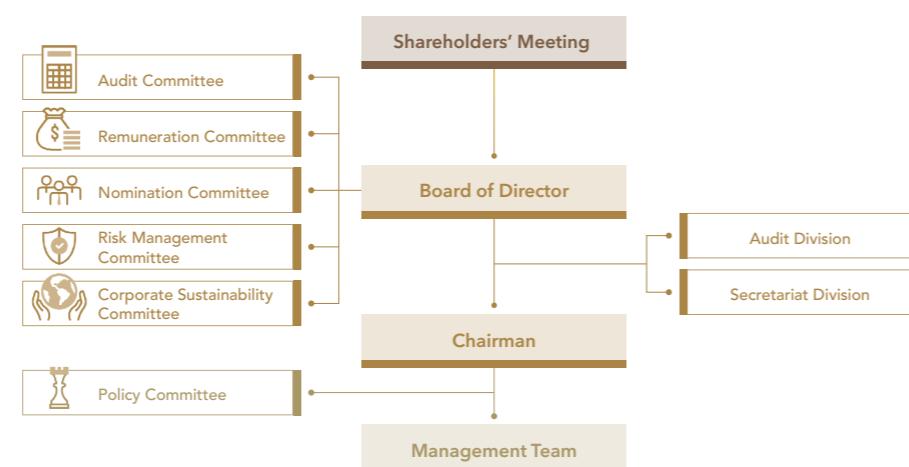
Appendix

2.1 Corporate Governance

2.1.1 Business Integrity

Taishin upholds the corporate values of "integrity, commitment, innovation, and collaboration" and integrated resources from multiple dimensions to ensure the Company's operation efficiency and reduce operational risks. In 2022, we organized continuing education courses on sustainability topics for directors, pushed major subsidiaries to establish Corporate Governance Best Practice Principles, and raised the level of monthly risk management meetings to continue improving our corporate governance performance. In terms of corporate governance, Taishin has maintained good performance in the "Corporate Governance Evaluation" organized by Taiwan Stock Exchange Corporation and was selected as a constituent of the "Taiwan High Compensation 100 Index" in June 2015. We have also been selected in the Dow Jones Sustainability Index (DJSI) Sustainability World Index and Emerging Markets, which are closely monitored by global investors, for six consecutive years since 2018. Taishin was given an AA rating, which is in the leader category, from MSCI ESG Research for 4 consecutive years since 2020, and has been selected in the Bloomberg Gender Equity Index (GEI) in 2023. It is evident that Taishin has received international recognition from investors for its corporate governance performance.

Taishin FHC believes that a robust corporate governance framework combined with an efficient board make the foundation for sound corporate governance. A strong framework not only improves corporate governance and risk management performance, but also enables the management full control over the Company's business strategies, goals and execution, and enhances its ability to lead the Company through changes in the economic cycle and competitive environment.



• Operating Status of Functional Committees in 2023

Committee	Convenor	Meetings (Times)	Attendance Rate (%)
Audit Committee ↗	Chang, Min-Yu (Independent Director)	11	100
Remuneration Committee ↗	Lin, Yi-Fu (Independent Director)	3	100
Risk Management Committee ↗	Kuan, Kuo-Lin (Independent Director)	4	100
Nomination Committee ↗	Kuo, Jui-Sung (Director)	2	100
Corporate Sustainability Committee ↗	Wu, Tong-Liang, (Chairman)	2	90

2.1.2 Composition and Functionality of the Board of Directors

1. Composition of the Board of Directors

Taishin FHC elects its board members according to the "[Taishin FHC Director Election Policy ↗](#)." Taking the diversity into account, composition of the board of directors is not limited by gender, age, ethnicity and nationality, we also take into consideration of their knowledge and skills.

At least three directors are nominated by the Board of Directors to form the Nomination Committee, more than half of all members must be independent directors. The Nomination Committee recommends a list of director candidates after comprehensively considering independence, professionalism, and diversity according to Taishin FHC Regulations Governing the Election of Directors. The Board of Directors then votes on the candidates, the impact of candidates on the organization's management ability will be evaluated when nominating and selecting directors in the future. Please see the [Taishin FHC's official website ↗](#) for details on the member selection method and qualifications for functional committees under the Board of Directors.

The board of directors serves a term of 3 years. The current board was elected in July 23, 2021, including 3 independent directors (1 of whom was female and a certified public accountant). As of December 2021, directors of the current board averaged 14.42 years in service. Three of the directors are independent directors, accounting for 42.85% of all directors.





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

2.1 Corporate Governance

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

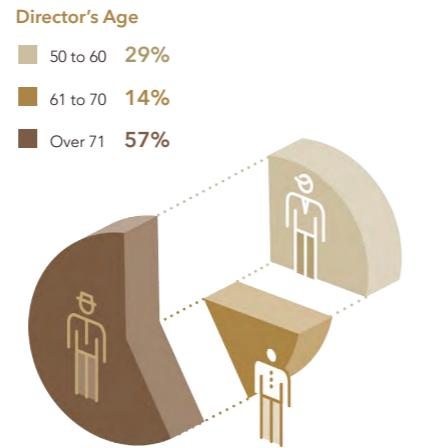
[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

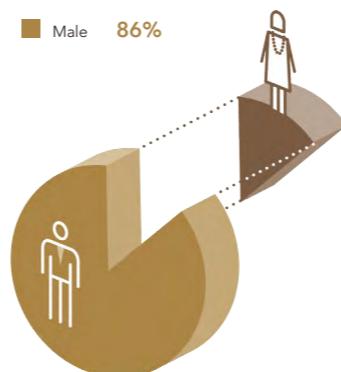
Director's Age

50 to 60	29%
61 to 70	14%
Over 71	57%



Director's Gender

Female	14%
Male	86%



The directors exhibit diverse backgrounds that cover a wide range of expertise, including banking, securities, investment, insurance, other industries, SME, accounting, leadership, international experience, government and public policy, non-profit organization, information technology, and academic research. All directors possess the relevant risk management experience and expertise needed to supervise major decisions of the management team. Independent directors are nominated according to TWSE's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and the Chairman does not hold any concurrent position as senior manager. Directors' independence is one of the ways through which the Company enforces sustainable governance.

Title	Name	Number of Public Listed Companies in which the Director Serves Concurrently as a Director (Note1)	Independence of Directors (Note2)	Experiences in the Banking Sector
Chairman	Wu, Tong-Liang, Representative of Chia Hao Co., Ltd.	0		<ul style="list-style-type: none"> Chairman of Taishin Holdings and Taishin Bank Director, Managing Director and Supervisor of First Commercial Bank, Taipei Business Bank and Hua Nan Bank Managing Director of Shinkong Insurance and Shin Kong Life Insurance Chairman of CNAIC
Director	Wu, Cheng-Ching, Representative of TASCO Chemical Co., td.	0		<ul style="list-style-type: none"> Director and Supervisor of Taishin Holdings and Taishin Bank Managing Director and Director of Chang Hwa Bank Professor of Department of Chemical Engineering, National Taiwan University

Title	Name	Number of Public Listed Companies in which the Director Serves Concurrently as a Director (Note1)	Independence of Directors (Note2)	Experiences in the Banking Sector
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Director	Kuo, Jui-Sung, Representative of Hsiang-Chao Co., Ltd.	1	<input type="radio"/>	<ul style="list-style-type: none"> Director of Taishin Holdings and Taishin Bank Director of International Bank of Taipei Professor and Chairman of Department of Information Science, Business School, Soochow University
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Director	Wang, Chu-Chan, Representative of Santo Arden Co., Ltd.	0	<input type="radio"/>	<ul style="list-style-type: none"> Director and Standing Supervisor of Taishin Holdings and Taishin Bank Director of TITAN II Venture Capital, Shinkong Investment Trust, Shin Kong Security and Taishin Bills Finance
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Independent Director	Lin, Yi-Fu	3	<input type="radio"/>	<ul style="list-style-type: none"> Independent Director of Taishin Holdings and Taishin Bank Minister of Economic Affairs Ambassador, Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the World Trade Organization Consultant, Chinese National Association of Industry and Commerce, Taiwan
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Independent Director	Chang, Min-Yu	0	<input type="radio"/>	<ul style="list-style-type: none"> Independent Director of Taishin Holdings and Taishin Bank Director of Chang Hwa Bank Executive CPA of Zhongxin United CPA Firm
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Independent Director	Kuan, Kuo-Lin	0	<input type="radio"/>	<ul style="list-style-type: none"> Independent Director of Taishin Holdings and Taishin Life Insurance Chairman and President of Citibank Taiwan Ltd. Country Business Manager, Consumer Banking, Citibank N.A. Taiwan Director of Citi Insurance Agency and Citi Property Insurance Agency
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Note1: Taishin Financial Holdings , Taishin Bank and Taishin Life are calculated as one company and not separately calculated.

Note2: The Company reviews the independence of Directors in accordance with the independence criteria defined in domestic laws (Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies) and also implements the following independence review criteria (i.e., Directors must meet at least 4 of the 9 following indicators and meet at least 2 of the first 3 indicators):

1. The Director has not been employed as a senior executive of the Company at any time during the past year.
2. The Director or his/her family member did not accept any compensation from the Company or any of its subsidiaries exceeding US\$60,000 in current fiscal year unless otherwise permitted by the US SEC 4200 clause.
3. The Director's family members have not been employed by the Company as senior executives.
4. The Director is not a consultant of the Company or the management team and has no conflict of interest with consultants of the Company.
5. The Director has no conflict of interest in the Company's main customers or suppliers.
6. The Director has not entered into any service contract with other companies or their executives.
7. The Director has no conflict of interest in non-profit organizations whose main sources of revenue are donations from the Company.
8. The Director has not been employed and has not served as a partner of the Company's external auditor at any time during the past three years.
9. The Director has no conflict of interest with the independent operations of the Board of Directors.

Note 3: The chairman presides over the highest governance body (Board of Directors) of Taishin FHC, and the president is a senior manager.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2. Avoidance of Conflicting Interests

According to the conflict of interest rules made by Taishin FHC,⁶ all directors are required to disclose any interests they (or the companies they represent) may have in the proposed motion. If their interests pose a conflict against those of the Company, the directors will be instructed to disassociate from further discussion and voting of the motion. Furthermore, they are not permitted to exercise voting rights on behalf of other directors.

3. Directors' Continuing Education

To enhance corporate governance, Taishin not only invites the industry's elites to undertake director position, but also devotes significant attention to directors' continuing education and training. All existing directors have met the requirements of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," and average about 11.7 hours of continuing education each in 2023. Experts from Taishin Securities Investment Advisory are invited to brief and keep the directors updated on global political and economic trends on a monthly basis.

We plan continuing education for Directors based on the economic and environmental conditions of the current year and we shall continue to organize courses on corporate governance, risk management, business, commerce, accounting, law, anti-money laundering, countering terrorism financing or Corporate Sustainability to strengthen the professionalism and capabilities of Directors and grasp the latest management trends. The Company's Nominating Committee referenced the Group's policies, plans, and other topics to plan the Directors' continuing education courses for the year:

1. Risk management and regulatory compliance: The Company provides Directors with the necessary information on business development trends and corresponding risk types including but not limited to anti-money laundering and counter terrorism financing, digital banking risks, overall information security management and risk assessment, and creation of a corporate culture of compliance.

2. Industry trends and corporate governance: Provide industry trends and corporate governance-related information in accordance with the strategic direction of the Taishin FHC, including but not limited to climate finance trends and sustainable development, the application of digital finance in the market, and the recent development of financial technology and financial supervision technology.

3. Courses required based on regulations or requirements of the competent authority.



• Courses Completed by Directors in 2023

Course	Number of Directors in Attendance	Number of Hours	Total Participation Hours
2023 Taishin Net Zero Summit Go Towards Green Energy	7	3	21
Case study and trends of Anti-Money Laundering(AML) / Combating the Financing of Terrorism (CFT)	7	3	21
Fair Customer Treatment Principles and Financial Consumer Protection Act	4	3	12
Financial friendliness and inclusion	4	1	4
2023 Insider Trading Prevention Information Session	1	3	3
2023 Compliance Seminar on Insider Share Transfers	1	3	3
Insider Share Transfer Information Session for TPEX-listed and ESM companies - Taipei Session 1	1	3	3
ESG-related legal liabilities of directors and supervisors	1	3	3
2024 global outlook and industry trends	1	3	3
Carbon trading system and carbon management application	1	3	3
E-Course on interpretation of Trust Enterprise Act and related sub-laws (trust approved)	1	3	3
E-Course on real estate trusts (trust approved)	1	3	3
Total	-	-	82
Average training hours per Director			11.7

4. Performance of the Board of Directors

Taishin FHC held a total of 14 board meetings in 2023, and the average attendance rate was 96%. According to the [Regulations of the Board Performance Evaluation](#) (including performance evaluation of functional committees), internal evaluation should be conducted at least once a year, and external evaluation should be conducted by external expert teams at least once every three years. The first internal evaluation took place in 2016; the most recent internal evaluation was completed in 2023, and the result was "The first external target". External evaluation was conducted in 2018; the results were divided into three levels, Basic, Advanced, and Benchmark. The most recent external evaluation was completed in 2021, and the results were rated Advanced in "board structure" and "process and information" and Benchmark in "People". Related evaluation results have been disclosed in annual reports (recorded as latest tasks before the date of print) and [the company website](#) to provide an objective evaluation system and improve board performance. In addition to setting evaluation indicators according to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and the Guidelines for Board Performance Evaluation, the Company has added skills for managing organizational impacts to evaluation of "participation in the operation" for the Board of Directors and evaluation of "understanding of the functional committee's role" for the functional committees (Corporate Sustainability Committee).



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

• Self-assessment Dimension

Directors	Board of Directors	Functional Committees
<ul style="list-style-type: none"> Understanding of company goals and missions Understanding of director duties and functions Involvement in the company's business activities Internal relations management and communication Director expertise and continuing education Internal control 	<ul style="list-style-type: none"> Involvement in the company's business activities Improving quality of the board's decisions Composition and structure of the board of directors Election and continuing education of the Directors Internal control 	<ul style="list-style-type: none"> Involvement in the company's business activities Understanding of a functional committee's role Improvement of the quality of functional committee's decisions Functional committee composition and appointment of members Internal control

• Performance and Compensation Dimensions for the President and Managers

Assessment Dimensions	Content	Weight	Description
Managerial Capabilities	Practice enterprise core value	50%	Including recognizing and practicing core values (i.e., integrity, commitment, innovation, and collaboration) and demonstrating Leadership.
Goal Achieving and Performance	Financial indicators	50%	Including profitability, growth rate, market leadership, return on equity, etc.
	Non-financial comprehensive indicators		Including Climate change, risk management, asset quality and process innovation and control, corporate image, talent management and development, etc.
Other			The United Nations' Sustainable Development Goals (SDGs) are incorporated into the business strategies (e.g., internal and external audits, compliance, energy conservation and carbon reduction, and other corporate governance and environmental initiatives) and taken into account when the Company conducts performance evaluations and gives remuneration packages.

2.1.3 Remuneration Policy of Senior Executives

Taishin FHC has established the Remuneration Committee under the Board of Directors and three Independent Directors currently serve as members of the Committee. Remuneration for directors and managers of Taishin FHC is annually recommended by the Remuneration Committee after taking into consideration various factors such as peer level, individual performance, corporate performance and future risks while taking into consideration the remuneration policy, system, standards and structure, and is ultimately subject to board of directors' review.

Taishin FHC has adopted a long-term incentive program for managers since 2012 that includes a deferral and clawback mechanism. Managers' execution bonus is linked to the Company's long-term share price and deferred by up to 5 years. This system not only reflects future equity value, but also associates managers' compensation more closely with the Company's performance. A recall clause has also been implemented to empower Taishin to call back unpaid incentives should managers violate the employment contract or exhibit any significant error or deterioration in work performance.

Deliberated by the Remuneration Committee and approved by the Board of Directors, Taishin FHC has established the "Directors' Remuneration Payment Standards" and "Directors' Remuneration Payment Method" as the basis for the directors' remuneration policy. Directors' remuneration standards are determined based on the Company's business performance, industry standards, director's juristic person representative experience and qualifications, degree of participation in the company's operation and management, and contribution to performance. In order to link the reasonableness of the correlation between the company's operational performance and future risks, the Company considers the business risk situation, and after deliberation by the Remuneration Committee and approval of the Board of Directors, plans a deferral mechanism for directors' remuneration to link future risks; during the deferred period, only when there is no specific evidence of the misconduct that shall be attributed to the director, which causes the shareholder to initiate a lawsuit or legal procedure against the company / Board of Directors, and the company / Board of Directors is determined to be held responsible by a court judgment or a ruling by a relevant agency, can the deferred remuneration be paid. If any director commits the aforementioned misconduct, such retained remuneration will not be paid.

2.1.4 Membership in Associations

Taishin FHC and its subsidiaries participated in 60 domestic and overseas associations in 2023, in hopes of driving the stable development of its financial business through exchanges and cooperation with peers in the industry. For the promotion of its financial business, Taishin Bank participates and plays an important role in many domestic and overseas associations, such as the Bankers Association of the Republic of China, Bankers Association of Taipei, Chinese National Association of Industry and Commerce, and Monte Jade Science & Technology Association of Taiwan. With regard to international exchanges, Taishin participates in the ROC-USA Business Council, Taiwan-Japan Cultural and Economic Association, and Cross-Straits CEO Summit. As for corporate sustainability, Taishin also participates in the ACGA in response to the trend of sustainable development. Furthermore, Taishin Securities, Taishin Life Insurance, Taishin Venture Capital, Taishin Securities Investment Trust, and Taishin Securities Investment Advisory are either representatives or directors/supervisors of the relevant national industry association. Taishin paid a total of NT\$6,422,741 in 2023, in which the highest amount was paid to the Bankers Association of the Republic of China (NT\$2,283,865), followed by the Chinese National Association of Industry and Commerce (NT\$717,500), FinTechSpace (NT\$500,000), and Fin & Tech Innovation Village (NT\$450,000).



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2.2 Business Integrity

2.2.1 Business Integrity Policy and Implementation

For the purpose of creating a solid corporate governance and risk management system that provides appropriate decision making guidance for the organization and its employees' behaviors and regulates compliance with competition laws in business activities, Taishin FHC has ethical corporate management and corporate governance guidelines in place to uphold an ethical corporate management culture and its healthy development. Furthermore, Taishin FHC places a great emphasis on environmental, social, and governance elements and pays attention to stakeholders' rights by implementing the [Sustainable Development Best Practice Principles](#) as well as human rights policies and promises.

Principle	Description	Applicable Object	Approval Level
Ethical Corporate Management Best Practice Principles	The principles mainly prohibit directly or indirectly offering, promising, requesting, or accepting any improper benefits, or engaging in other unethical, illegal conduct or breach of fiduciary duty to acquire or maintain interests in business activities.	Directors, managers, and employees of Taishin FHC, its subsidiaries, and other enterprises or institutional entities under direct or indirect control	Taishin FHC's Board of Directors
Employee Code of Conduct	The Employee Code of Conduct expressly states that any individual who agrees to hold a position at the Company will be responsible for abiding by relevant laws and regulations from the day they report for duty. If an employee discovers any situation that may be in violation of the Employee Code of Conduct or the policies and internal regulations of each unit, the employee is obligated to report it to management or related units.	Applicable to all employees of the company	Taishin FHC's president
Taishin Financial Holding Sustainable Development Best Practice Principles	The Company promotes sustainability based on core values such as integrity, commitment, innovation, and cooperation. As part of its pursuit of sustainability and profit at the same time, the Company pays attention to environmental, social, and governance elements and watches out for the stakeholders' rights by making them part of the Company's management policies and business activities. The Company assesses environmental, social, and governance issues relevant to its operations based on the principle of materiality.	Overall business activities by Taishin FHC and subsidiaries	Taishin FHC's Board of Directors

Note: Please see [7.5 Human Rights and Gender Equality](#) for details on the Company's human rights policy and commitment. Management policies and guidelines are implemented for stakeholders including suppliers, customers, and investee companies. Please see [Section 2.5 Supplier Sustainable Management](#) and [Chapter 5 Sustainable Finance](#) for details.

1. Risk Assessment

Taishin FHC and its subsidiaries have all conducted unethical risk assessment in 2023, and the overall execution was deemed adequate. The internal audit unit has followed the Company's Ethical Corporate Management Best Practice Principles and audited compliance with these principles according to the results of the unethical risk assessment. The audit result showed no significant deficiencies. The audit plan has listed "Examine compliance with the Ethical Corporate Management Best Practice Principles based on unethical conduct risk assessment results" as a key audit matter. Taishin FHC and its subsidiaries have all conducted unethical risk assessments with 100% coverage.

2. Policy Communication and Training and Education

In terms of governance body, 100% of Taishin FHC's directors have signed a statement of compliance with ethical corporate management. In terms of employees, Taishin Bank holds large-scale training courses for the entire Company every year. Relevant units within the Company also hold short but intensive training courses for their businesses each quarter to instill the concept of fair customer treatment in employee conduct. In 2023, internal corporate integrity courses received 29,244 enrollments and delivered 52,874.52 hours of training in total. 100% of employees had completed their training during the year.

New Employees	All Staff
All new employees are required to complete courses on corporate ethics, anti-corruption and anti-bribery, held on a monthly basis, in order to promote more in-depth understanding of the Company's behavior guidelines. In 2023, the above courses received 6,067 enrollments and delivered 3,983.83 hours of training in total. 100% of new employees had completed their training during the year.	Through mandatory courses and regular Intranet publications, the Company communicates with employees on a quarterly basis to enhance compliance awareness. In 2023, internal corporate integrity courses received 29,244 enrollments and delivered 52,874.52 hours of training to the above employees. 100% of the above employees had completed their training during the year.

In terms of business partners, the Company established Supplier Maintenance & Management Regulations as the basis for supplier selection and tendering for procurements. Taishin works with over 400 suppliers every year. When selecting suppliers, we consider their code of ethics and ensure that 100% of suppliers sign the Supplier Commitment Statement. Please see [2.5 Supplier Sustainable Management](#) for details on supplier evaluation and management procedures.

3. Supervisory Mechanism

The Company established the "Taishin FHC Employee Reward and Discipline Guidelines". In the event an employee violates internal or external regulations or the "Employee Code of Conduct", the Company will deliver the penalty case to the Staff Conduct Review and Staff Performance Appraisal Committee (Personnel Review Committee) of Taishin FHC for review. For employees found to have seriously violated professional ethics in investigations, the Company maintains a zero-tolerance policy and shall dismiss them based on a resolution of the Personnel Review Committee and actively notify the competent authority, and reserves the right to pursue legal action.

In addition, in accordance with the company's "Performance Appraisal and Bonus Certification Measures" and "Salary and Bonus Certification Measures", employee assessment and rewards will be linked to their compliance with laws and behavioral norms. Therefore, if any employee violates internal and external norms or the "Employee Code of Conduct" is punished by the Staff Appraisal Committee, which will not only be reflected in the annual assessment and evaluation of employees and thus affect the number of year-end bonuses, but also the number of months for the Chinese New Year bonus payment will be adjusted in the year when the punishment is announced.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

2.2 Business Integrity

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

In response to violations in recent years, the Company has been taking preventive improvement measures at the same time: I. Letting new employees and current employees fully understand the Employee Code of Conduct through internal training courses and quarterly online communication. All employees are required to issue a statement that they agree to comply with the Employee Code of Conduct. II. Letting new employees and current employees understand Common Types of Violations and Penalty Standards through periodic online communication. All employees are required to issue a statement of compliance. Therefore, while the Company had imposed internally stricter standards for common violations in 2023, the total number of violations dropped significantly by 19.4% in 2023 compared to the previous year. The Company hired SGS-Taiwan to perform an independent third party audit on execution of the [Employee Code of Conduct](#).

• Employee Violation Cases

Case Category/ Count <small>(Note 1)</small>	Number of Cases	Closed Cases	Description/ Improvements
Rules on Business Ethics	1	1	We continue to promote the Employee Code of Conduct through different channels and strengthen training on professional ethics and operation regulations for new employees.
Avoidance of Conflicting Interests <small>(Note 2)</small>	6	6	We establish clear boundaries and penalties for violations in transactions with customers. We continue to use the HR website to publish reminders at regular intervals. We also strengthen the mechanisms for monitoring cash flow between sales personnel, their related accounts, and their customers, and include them as key review points for the daily exception report for supervisors of all levels.
Gifts and Treats (including corruption and bribery)	0	0	We continue to communicate provisions of the Employee Code of Conduct on gifts and treats through diverse channels.
Personal Information Protection	13	13	After communicating the importance of personal data protection with units, and establishing clear boundaries and penalties for violations in the protection of customers' personal data, the number of cases significantly decreased in 2023. We will continue to share examples of penalties imposed by the competent authority for violations during periodic compliance communication events in 2024, and will require the unit that violators belong to and their supervisor to fulfill their responsibility of supervision.
Information Integrity	17	17	After continuous training on the importance of KYC procedures, supervision, and enhancement of automatic inspection mechanisms for the sources of funds in transactions.
Protection of Business Secrets (including insider trading)	4	4	In 2022, all violations of business secret maintenance cases involved the use of computer account passwords among employees, and there was no violation of insider trading. We continue to use all channels to specify the importance of maintaining the confidentiality of trade secrets, including strictly prohibiting all insider trading, requiring employees to maintain the confidentiality of the business or projects they are participating in, and requiring the password of computer systems to be kept safe and periodically updated. Meanwhile, we established punitive measures for failure to implement password retention and use the HR website to publish reminders at regular intervals. We also include them as key review points for the daily exception report for supervisors of all levels.

Case Category/ Count <small>(Note 1)</small>	Number of Cases	Closed Cases	Description/ Improvements
Fair Trade	4	4	We continue to emphasize the importance of compliance with financial consumer protection regulations and fair customer treatment principles to related business units.
Anti-discrimination	0	0	We continue to use different channels to communicate anti-discrimination regulations and no violations have occurred for four consecutive years.
Sexual Harassment	1	1	We will continue to use different channels to communicate the regulations on sexual harassment prevention, complaints, and penalties.
Others	8	8	The campaign, "Common Violations and Discipline Standards", was conducted on an ongoing basis through various channels while the subsidiaries raise awareness of discipline standards and measures against failure to comply with procedures among the salespersons. As a result, the number of cases dropped significantly in 2023.
Total <small>(Note 3)</small>	54	54	Where the violation is minor, the employee shall be given a verbal or written warning. The decision on the penalty shall be announced on the Company's internal website as a warning.

Note 1: The case category is mainly determined by the main violation which is used to calculate the number of cases.

Note 2: The number of violations in the "Avoidance of Conflict of Interest" category rose slightly in 2023. The slight increase was attributed mainly to the banking subsidiary's effort to strengthen the mechanism to monitor cash flows between salespersons and their related accounts and customers. The responsible supervisors had been asked to step up training and improve management measures in the same year, 2023, and the supervisory role of direct supervisors were reiterated explicitly.

Note 3: All of the cases are closed during the year.

4. Reporting Channels

Taishin established a whistleblowing system to build a corporate culture of integrity and transparency and to achieve sound operations. If a crime, corruption, or violation is discovered, it can be reported through the following channels:

Letter: Mail to "Taishin FHC Whistleblowing Mailbox" at No. 118, Sec. 4, Renai Rd., Taipei City.

Mailbox: whistling@taishinholdings.com.tw

Hotline: 02-2325- 6076

Furthermore, to encourage report of violations and dishonest conducts, Taishin has implemented a broad variety of communication channels (including hotline, e-mail and physical mailbox) and taken actions to protect employees from retaliation and discrimination for reporting misconduct or participating/assisting in the investigation.





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

2.2 Business Integrity

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

2.2.2 Legal Compliance

1. Management System and Responsible Units

The Legal Compliance Division of Taishin FHC is responsible for reporting to the board of directors regarding the organization's compliance status at least once every six months, and supervises the compliance of subsidiaries, including communication and consultation of legal issues and implementation of compliance risk management and supervision systems, which is the second line of defense of the internal control system.

The role and responsibilities of the compliance unit are the following:

- Implement the publicity, consultation, coordination and communication of laws and regulations, and provide timely updates of regulatory amendment to the chief compliance officer of each department.
- Devising training plans and engaging chief compliance officers of various departments in conferences to exchange experience, knowledge and implications of important laws.
- Supervising each department on compliance with external laws and the adoption, establishment and implementation of related internal systems.
- Supervising each department on the review of major compliance defects, fraud and possible impacts, and recommending improvements where appropriate.
- In the event of a major regulatory violation or a downgrade of rating by the financial competent authority, it should be notified the directors immediately and be reported to the board of directors on the compliance issue.

To strengthen compliance risk management for the Company and its subsidiaries, besides specifying the risk assessment and execution procedures of reported incident, providing separate provisions on compliance risk incident to be reported by subsidiaries as well as installing systems to oversee compliance risk incidents within the group with a timely and effective management approach. Furthermore, the banking, life insurance, and securities subsidiaries have all implemented their own compliance risk incident reporting, review, and follow up systems. These subsidiaries also regularly report overall compliance management practices to the respective boards of directors.

2. Training and Rating System

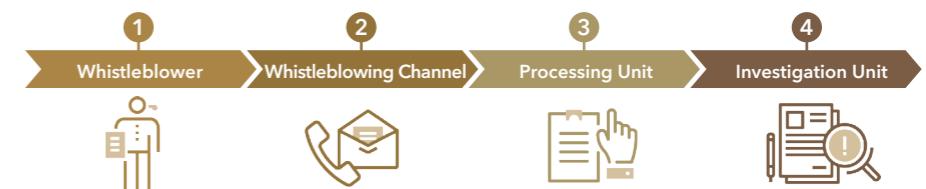
Performance Evaluation System

Taishin FHC and its subsidiaries conduct "Internal Compliance Self-assessment" semiannually to evaluate the effective of compliance. Legal Compliance Division reviews these self-assessments of the units and reports to the President for rating reference. This practice helps enforce a compliance culture. In addition, the assessment of the management and the supervisors of each unit now also include the compliance unit's assessment opinions on the degree of compliance of their units.

Whistleblower System

Taishin has implemented a whistleblower system to protect whistleblowers and relevant persons' right and support a corporate culture of integrity and transparency. Any person who discovers crime, fraud or violation is entitled to report misconduct according to the system. Once accepted and investigated, the informant is a Director, Supervisor or a management level equivalent to or above Vice President, the informant will be escalated to the Audit Committee for review. In subsidiary, the informant shall be reviewed by the supervisor.

Meanwhile, to ensure the fairness of the whistleblower system, any party that has conflicting interest with the case in question is required to recuse from acceptance and investigation of the case. Taishin also provides the following whistleblower protection as a means to encourage employees in voicing out: Identities of whistleblowers must be kept confidential and protected from dismissal, relieved of duty, demotion, salary cut, or bear any loss of benefit that they are entitled to under laws, contracts or customary practices, or adverse treatments of any kind.



Compliance Training

In 2023, the compliance training courses were focused on the following topics: protection of financial consumers' rights, fair treatment of customers policy, protection of personal information, transactions other than the credit extension with the related persons, internal control and audit system, anti-money laundering, and the most recent amendments to finance-related related laws and regulations.

• New Recruits

Year	Online Course				Classroom Course			
	Enrollments	Coverage Rate (%)	Completion Rate(%)	Total Hours	Enrollments	Coverage Rate (%)	Completion Rate (%)	Total Hours
2023	3,637	100	100	14,732.41	1,784	100	100	892

Note: 1. The orientation covers basic compliance concepts.

2. For the data on online courses and classroom courses for new recruits, "enrollments" has been replaced with number of persons.





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

2.2 Business Integrity

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

• On-the-job Staff

Each department is required to conduct classroom compliance training on topics, periodically organize regulatory compliance communication and training courses, and complete the Bank's mandatory courses (including Financial Consumer Protection Act, Fair Treatment of Customers Policy, AML& CFT, information security awareness, personal information protection etc.).

Year	Enrollments	Coverage Rate (%)	Completion Rate (%)	Total Hours
2023	134,540	100	99.5	187,179.34

Note: Included in On-Job-Training (OJT) courses.

• Compliance Officers

Compliance officers of the business units should attend a minimum of 15 hours of on-the-job compliance training provided by the competent authority or one of its recognized institutions or by the Company and its subsidiaries every year. The scope of training should at least cover new regulatory amendments, new business types, or new financial products. Compliance officers of the foreign business units should attend a minimum of 15 hours of on-the-job compliance training provided by local competent authorities or related departments or attend education and training courses provided by the competent authority or one of its recognized institutions or by the Company and its subsidiaries.

Year	Pre-job Courses		On-job-training Courses	
	Enrollments	Total Hours	Enrollments	Total Hours
2023	51	1,530	191	2,865

3. Penalties and Improvements

• Major Fines and Improvements in 2023

Type	Penalty Details	Amount of Fine/ Contents	Improvements
Major Fine	Deficiencies involved in irregular cash flows between customers and former financial advisors of the Haidian Branch of Taishin Bank.	NT\$8 million	(1) Implemented controls for checking customers' transaction details. (2) Implemented controls for large transactions made by customers. (3) Controls monitoring frequent cash outflows went live on October 23, 2023 and October 30, 2023.

Note: The definition of major fine is in accordance with Article 2 of the Regulations Governing Public Disclosure by the Financial Supervisory Commission of Material Enforcement Actions for Violations of Financial Legislation.

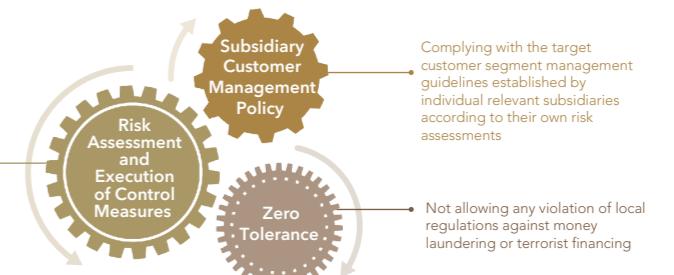
• Number of Major Fines and Total Amount of Fines in the Past 3 Years

Year	2021	2022	2023
Number of Cases	2	2	1
Total Amount (NT\$ million)	33	13	8

2.2.3 Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT)

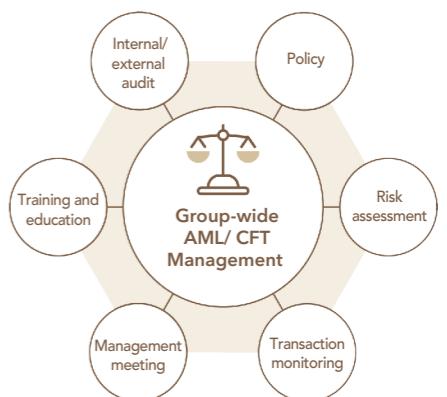
1. Management System and Responsible Units

Taishin has the " AML and CFT Policy" in place to combat money laundering and crime while at the same time instill order, transparency and cross-border collaboration in financial services. By enhancing internal AML/ CFT mechanisms, we hope to raise employees' anti-money laundering awareness and embrace a sustainable business value that supports our responsibilities as a global citizen.



The board of directors of Taishin Financial Holding holds the ultimate authority and responsibility in AML and CFT. The board establishes compliance and risk management cultures throughout this organization, and regularly reviews the organization's AML/CFT practices.

Group subsidiaries are responsible for verifying, assessing and understanding the level of money laundering and terrorism financing risks they are exposed to. They are also required to develop ML/TF risk prevention plans and compliance standard operating procedures, and undertake self-audits and internal audits for the purpose of preventing or mitigating ML/TF risks.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1 Sustainability Strategy

3 Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3 Climate Strategy

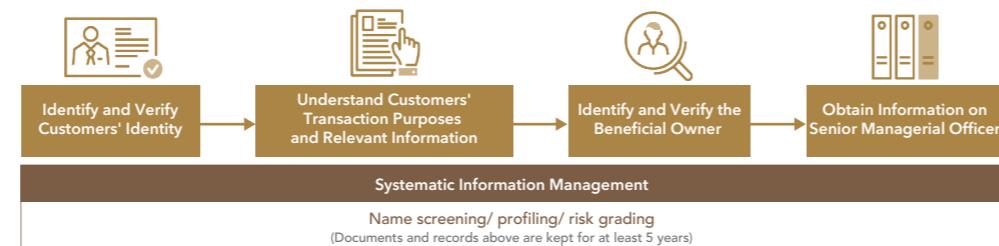
4 Green Questions

E-Sustainable Finance

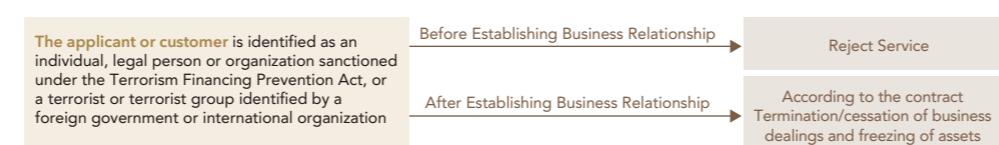
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2. Customer Due Diligence (CDD) Procedure



3. Exit Measures for AML/CFT Violations



4. Five Actions and Three Lines of Defense

Five Actions		
1 Internal regulations and SOP added or modified in terms of the changes in local or foreign external AML/CFT regulations.	4 Convention of senior management meetings, such as group risk management committee meeting, group AML/CFT meeting, AML/CFT committee of the subsidiary bank, risk management committee of the subsidiary securities, and relevant management meetings of other subsidiaries.	5 The organization adopts three lines of defense to ensure the effectiveness of its controls. The Compliance officer convenes monthly meetings to discuss issues concerning compliance, risk management and the 2 nd and 3 rd lines of defense, whereas the Chief Auditor convenes quarterly audit seminars involving the parent company and subsidiaries.
2 Institution Risk Assessment (IRA) and customer risk assessment.		
3 Setting the transaction monitoring scenarios.		

5. AML and CFT Education

The Company continued to include anti-money laundering and counter terrorism financing training for corporate governance courses for the Directors of Taishin FHC in 2023 for the purpose of enhancing the awareness of the management and general employees for anti-money laundering and counter terrorism financing. The Group also provided significant amounts of training for the Group's AML/CFT officers/personnel with 664 total training hours. The training provided by the Group for Taishin FHC and subsidiaries including Taishin Bank, Taishin Life, Taishin Securities, Taishin Securities Investment Trust, Taishin Securities Investment Advisory, and Taishin D. A. Leasing included physical, online e-learning, and external education courses. Total training hours amounted to 38,320.02 hours and employees registered 25,117 attendances in such courses. The course contents encompassed reflections and outlook of anti-money laundering risk management, compliance and audit education, anti-proliferation of weapons of mass destruction, customer risk review, system operations, due care in business operations, suspicious transaction patterns, cases, and reporting, and explanation of common errors with more than 100 courses. The 2023 AML and CFT training completion rate was 100%.

AML and CFT Training in 2023	Number of Participants	Hours
Periodic training courses that share cases (common types of deficiencies, case sharing, etc.)	3,948	2,952.13
Internal online training courses and tests (AML/CFT regulations for the financial industry and communication)	17,256	27,374.32
Online training course offered by the internal compliance/dedicated unit (international sanctions on proliferation financing, US OFAC sanctions, customer due diligence, and investigation of suspected ML/TF)	2,614	1,664.72
In-person training courses offered by the internal compliance/dedicated unit (domestic and overseas regulations, national risk assessment report on ML/TF and proliferation financing, and sharing of practices)	678	806.93
In-person training courses provided by external professional institutions (international conferences on financial supervision of AML/CFT and proliferation financing, types of AML, and FinTech and AML)	165	548.92
Required continuing education courses each year (introduction to laws and regulations, investigation of suspicious transactions, analysis of crimes, anti-corruption, etc.)	456	4,973.00
Total	25,117	38,320.02

Note: As the employees of the Group changed many times in the year, the number of participants is used for calculations.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2.3 Risk Management and Internal Control

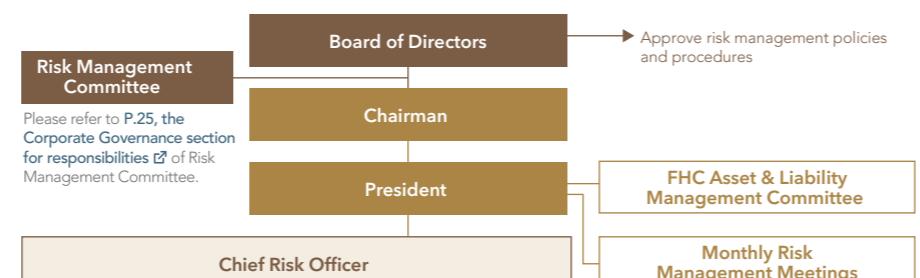
2.3.1 Risk Management System

1. Operations of Risk Management Committee

Taishin FHC has the Risk Management Committee to follow the "Taishin FHC Organization Rules of Risk Management Committee" and have the board of directors appoint its members. The number of members shall not be less than three, and more than half of the members shall be independent director. The committee shall meet at least twice a year, and is responsible for reviewing risk management policies and reviewing regularly integrated risk management reports and TCFD. The average attendance rate of Risk Management Committee is 100% in 2023.

Day-to-day risk management is spearheaded by the Chief Risk Officer (CRO) and executed through the CRO Office. The CRO Office communicates with corresponding units of the 3 lines of defense to enforce risk management within the organization.

• Framework of the Risk Management



Chief Risk Officer

- Regularly summarize and report the overall status of credit risk, market risk, and operational risk for Taishin FHC and its subsidiaries.
- Oversee and evaluate the planning, management, and execution of control mechanism for credit risk, market risk, and operational risk in the subsidiaries.
- Plan, implement, and oversee execution of the Taishin FHC integrated risk management platform.
- Assist the subsidiaries in planning, managing, and executing identification, measurement, and monitoring of risks in wealth management products.

The General Manager will serve as the convener, with the Chief Risk Officer as the deputy convener. Committee members will be appointed by the General Manager, and the meetings will be held monthly in principle.

Monthly Risk Management Meetings

- Establish or review the overall risk management mechanism of the Taishin FHC.
- Review or acknowledgment of exceptions to risk management practices in the subsidiaries.
- Supervise the establishment and implementation of risk control mechanisms for market, credit, operations, etc. in the subsidiaries.
- Review the performance reports of risk management units in the subsidiaries and analyze reports on the overall risk aggregation of the Taishin FHC.

Taishin follows three lines of defense in managing risks related to operational activities on an ongoing basis. An overall policy and management structure are designed and implemented. In addition, an internal audit system is in place to ensure risks are managed and handled effectively. Upon occurrence of a risk incident or identification of a potential risk, the unit should report the incident or risk immediately and promptly clarify the cause, potential loss and impact, and then devise a proposal for improvement. Improvement measures must be followed up until improvement is completed.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2. Risk Management Policy

Taishin has risk management policy in place to control primary risks associated with business operations. The policy also takes into account climate change risk and emerging risk etc.



The Company include mandatory and voluntary stress test results into the capital adequacy plan and implement quarterly stress tests on risks and scenarios in the overall and individual business environment. We shall also report the results to the Board of Directors and the annual stress test results shall be reported to the competent authority and disclosed on the website. We also incorporated the results of the stress tests into our long-term strategies. We adjusted asset allocation and continued to increase profitability and capital utilization to enhance the overall financial structure and capital adequacy ratio of Taishin FHC.



3. Risk Management Measures

The Company operates a wide variety of business. The risk management process starts with the identification of risks related to the Company. Once they are confirmed, the risks are measured to find out the degree of each risk exposure, and then the relevant units will develop and discuss mitigation measures and management procedures. Afterwards, the risks undergo management and reporting. The actual management of each risk is summarized in reports to enhance risk management performance and allocate capital adequately to individual business units. The Group's required ratios for authorized capital are used as the basis to effectively manage the business development of Taishin FHC and subsidiaries while also taking into account risk management. Taking the major subsidiary banks as an example, the proportion of accrued capital calculated based on the risk-weighted assets (RWA) is used to compare and rank the materiality of the degree of exposure to different types of risks as well as the probability of occurrence. The main risk categories are, in order, credit risk (accounting for 86.7%) and operational risk (accounting for 9.3%). The risks encountered and risk management frameworks by business for Taishin FHC and subsidiaries are explained below. For details of the risk management methods and quantified data on risk exposure, please see Chapter VII, Section 6 of the [2023 Taishin FHC annual report](#) for more details.



Overseeing by
Board of Directors

- Corporate governance
- Risk management policies
- Risk Appetite



Every year, each responsible department reviews risk profiles and performs risk identification according to the nature of its business. Risk identification is performed constantly for new businesses and new processes in order to confirm risk issues.

Each responsible department evaluates the probability of incidence and degree of impact of each risk identified and then quantifies the risks and measures potential impacts on Taishin as a group.

After evaluating the impacts of risk, each responsible department will develop management measures and perform analysis and monitoring on an ongoing basis.

- The responsible departments reports statistical data regularly to the managers in charge who supervise and monitor the processes.
- The risk management units report risk issues regularly at the monthly risk management meetings and the quarterly meeting of the Risk Management Committee and to the board of directors.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

3. Risk Management and Internal Control

[3.1 Information and Transaction Security](#)

[3.2 Sustainable Supplier Management](#)

[3.3 Climate Strategy](#)

[3.4 Green Operation](#)

[3.5 Sustainable Finance](#)

[3.6 Smart Services](#)

[3.7 Employee Care](#)

[3.8 Social Inclusion](#)

[Appendix](#)

Risk Topics	Risk Types	Risk Appetite and Risk Tolerance	Mitigation Measures and Managing Procedure
	Credit Risk To track financing and investment credit risks, Taishin FHC manages and monitors concentration risk through risk limits and controls by the same person and the same related party in a group, sector, and country risk.	<ul style="list-style-type: none"> Changes in net flows are monitored regularly in order to effectively stay up to date on asset quality, which will provide a basis for modifying the credit policies, collection strategies and investment regulations. Risk positions are monitored constantly through the use of an internal credit rating/score system, interim management and second reviews, and diversification of lending/investing positions (or customer bases) and setting limits. In addition, risk averse and mitigation strategies are reviewed as needed to reflect macroeconomic conditions, financial environment and other factors, or modified according to internal procedures. To manage credit risk in financial transactions, the boards of directors of the subsidiaries set the credit risk appetite for financial transactions, and the Risk Management Committee (or the equivalent at a subsidiary) sets the credit risk limits for different categories of financial transactions. In addition, the risk management units of the subsidiaries are responsible for monitoring and reporting credit risk exposures on a daily basis. All excesses over the limits should be reported to the appropriate levels of authorization according to the respective subsidiaries' rules, and the relevant measures should be taken in response. 	Response measures regarding credit risk management and personal lending management are described in detail in the chapter on credit risk management. Risk identification is refined constantly through development, validation, and application of different risk models. Changes in exposures in retail banking and credit card assets are measured, and action plans are made and executed to modify asset structures in order to optimize personal financial assets. Risk tolerance limits are added to participation in international syndicated loans. Internal mechanism are implemented with respect to material information undisclosed by loan applicants. In addition, rules regarding overseas property appraisal, residual stock loans, credit ratings, and sectors are amended to monitor and manage different aspects of credit risks.
	Operation Risk Losses caused by inappropriate or negligent errors in internal operations, personnel and systems or by external events	Expected annual losses arising from operational risks in each subsidiary are assessed every year. Operational risk exposures and losses are summarized and analyzed every month and reported at the monthly risk management meetings.	Management systems including risk incident reporting, risk self assessments, and key risk indicators are utilized to monitor frequency of operational risk incidents and losses incurred by each subsidiary. In addition, business continuity management systems are created to increase risk response capabilities and operational resilience.
	Market Risk Impact of market volatility on the financial statements of proprietary investments	The subsidiaries review and set risk appetites and limits based on risk tolerance and risk adjusted returns every year in order to increase returns under given capital constraints and maximize shareholder value.	The risk management units are independent from the risk taking units. Exposures are measured and analyzed. Price sensitivity limits are set according to different risk factors for different products in order to provide a standard for risk measurement. Systems have been implemented to use the internal model approach to calculate the value-at-risk (VAR) for integrated portfolios. Risk limits are set to track the impacts of market volatility on the Company's positions. Results are reported to the executive management to facilitate decision making. In addition to complying with the competent authority's rules, the Company hopes to measure risks with accuracy and standardize management and processes.
	Liquidity Risk The level of funds needed to ensure that at present and under any circumstances in the future, the company's liquid funds will be able to meet the obligations of asset increase/growth or at maturity	Following the asset and liability policy for the Company and its subsidiaries as a whole provides the basis, the liquidity risk appetite and related limits are inspected regularly every year in order to ensure liquidity risk remains under control.	<ul style="list-style-type: none"> Diversification principle: It should be avoided to have overconcentration in terms of maturity date, allocation tool, currency, region, funding source or counterparty. Stability principle: Strategies should be devised to acquire stable funding and reduce dependency on unstable funding sources (e.g. interbank lending) so to avoid the impact of market volatility on funding sources. Maintaining adequate market liquidity for assets: The level of market liquidity will indirectly affect the funding liquidity. In addition to ensuring that total assets are sufficient to meet total liabilities, a certain percentage of assets that can easily be turned into cash or used as collaterals to obtain loans should be maintained to at least meet short term liabilities.
	Climate-related Risk Impact of climate-related risks on a company's operation and finance	<ul style="list-style-type: none"> To strengthen the link between existing risks and climate risks, Taishin has added climate risk to the risk management policy and set a risk appetite. Furthermore, to effectively manage the impacts of climate change, the Climate Risk Management Guidelines are established and covers management methods such as identification of climate risks, management of carbon intensive industries, scenario analysis, and reporting and disclosure mechanisms. Taishin performs major climate-related risk and opportunity identification and climate risk scenario analysis every year, and uses analysis to set indicators that are linked climate strategies. Indicators for banking services include carbon emissions from investment and financing positions, exposures in carbon intensive industries, and performance in promoting a low carbon economy. Indicators for own operations include energy saving and carbon reducing actions, energy consumption, and GHG emissions. 	Dynamic climate risk controls are in place to regularly monitor exposures in carbon intensive industries in investment and financing positions and to report in monthly risk management meetings and to the Risk Management Committee and the Board of Directors. The system is designed to effectively channel funds towards sustainable economic activities and encourage businesses to make the sustainability and low carbon transition.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

2.3 Risk Management and Internal Control

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

4. Credit Risk Management

Individual Customers

- Credit risk management: Taishin Bank continues to enforce risk management on four main aspects: "compliance," "early alert," "credit tool refinement" and "pre-event/post-event/ interim management." This approach ensures the growth of its credit portfolio amidst changes in the market environment.

- Consumer credit risk management: By combining internal and external data, Taishin Bank has developed an early alert system that constantly monitors market movements (e.g. macroeconomic indicators, changes in market-wide consumer loan exposure etc), structure of consumer loan portfolio (e.g. changes in mortgage LTV ratio, changes in customer profile of unsecured exposure etc), and the Bank's performance relative to the overall market.

- Climate risk management: To monitor climate change induced impairment risk in collaterals for mortgage loans, Taishin Bank includes climate risk factors in the loan approval process. In addition to the three-level classification of collaterals, A, B, and C based on real estate market conditions, the level of physical climate risk corresponding to each district, on top of categories such as urban center, rural area, coast town or hillside, is also considered in determination of credit risk. Furthermore, large hillside residential communities across Taichung are flagged in the system because of previous landslides and mountain collapses induced by heavy rainfall. The latest safety inspection records and related documents must be provided for loan application review. The loan-to-value ratio and authority required for approval is determined after comprehensive evaluation.

- As banking and service scenarios grow and customer behaviors change, Taishin Bank continues to devote resources into risk model development, validation and application and make ongoing improvements to its risk identification practices. The Bank has also been applying big data analysis to assess changes in retail banking exposure and credit card assets, and devising action plans to make optimal adjustments to its retail banking portfolio.

Corporate Customers

- Based on the characteristics of corporate credit banking, Taishin Bank uses bilateral internal credit ratings, include the Obligor Risk Rating and the Facility Risk Rating, as its foundation of lending risk management. The obligor risk rating assesses the probability of a borrower meeting its debt obligations by quantifying the probability of default. The facility risk rating assesses the effects of loan limit and guaranteed terms on credit risk reduction by quantifying the ratio of default loss. In addition, expert opinion is also used to adjust Ratings Overrides to strengthen the deficiencies of the statistical models.

- For the reinforcement of post-loan management and borrower tracking, Taishin Bank supplements its existing corporate finance post-loan management system with automation of post-loan management systems such as post-loan condition review, re-examination, early warning indicators, and important information notifications so that interim management information of borrowers can be tracked and processed more quickly to reinforcement the post-loan management on borrowers and reduce credit risks.

- For the implementation of green and sustainable finance, Taishin Bank incorporates the Environment, Social, and Governance (ESG) risk assessment of business counterparties into the scope of credit risk management. By methods such as formulating Credit Guidelines, enforcing ESG assessment, and creating review charts, Taishin Bank incorporates ESG and the Equator Principles into the reviewing process, and also manages ESG credit risks of high sensitivity industries via the Know Your Customer (KYC) standards.

5. Internal Audit

Taishin has an internal audit system in place and an Audit Division that reports directly to the Board of Directors in regard to its audit practices. Apart from the Chief Auditor, the Audit Division also has 8 full-time audit personnel who are responsible for audit of the Company and its subsidiaries business and operational practices, supervising and management of subsidiary audits, supervising internal control self-audits, evaluating internal audit practices of subsidiaries, coordination of financial examination, tracking, management and reporting of identified defects, and consultation from other units. The audits on the Company and subsidiaries in 2023 showed that there were no discrepancies or irregularities with material impact in the systems of the Company and subsidiaries. The audit opinions proposed and the improvement measures formulated by the inspected units were included as items to be tracked in routine audits to follow up on the improvements of the audited units.

Key Audit Items in 2023

- Implementation of the compliance system
- Co-marketing and confidentiality management of customer information
- Related-party transactions
- Implementation of Group-wide AML/CFT policy
- Implementation of financial consumer protection (including the principle for fair treatment of consumers)
- Implementation status of the whistleblowing system
- Compliance with the Ethical Corporate Management Best Practice Principles and other key audit matters (including risk management)
- Ethical Corporate Management Best Practice Principles





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

2.3 Risk Management and Internal Control

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

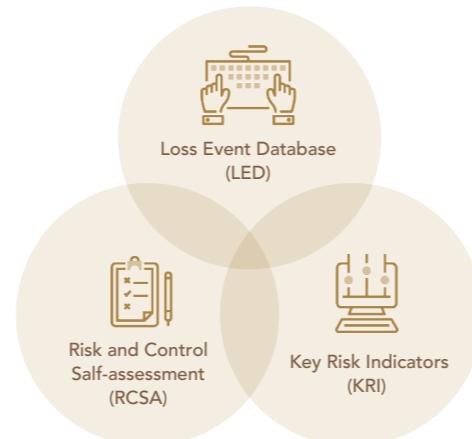
2.3.2 Establish the Culture of Risk

1. Establishment of Measures for Creating a Corporate Risk Sensitivity Culture

A culture of risk awareness is an important foundation for Taishin's sustainable development. In addition to introducing the Loss Event Database (LED), Key Risk Indicators (KRIs), Risk and Control Self-Assessment (RCSA), and regular reporting to senior management and the Board of Directors, we continue to expand risk education and training to embed the culture of risk awareness in our operations and increase the risk awareness of all employees.

Taishin understands the importance of risk management. To create an effective risk management system, we link risk management performance with remuneration, and use a balanced scorecards (BSC) and key performance indicators (KPI) to make operational risk related indicators part of performance evaluation. In addition, performance evaluation for Level 1 managers and above covers at least 4 risk related items, including anti-money laundering, operational risk losses, compliance, and internal and external audits. Regarding the workplace conduct evaluation for all employees, risk management performance indicators are included through the item "compliance and support for company policies", and the item "enforcement of a risk culture in everyday business" is also added. These two items account for more than 15% of the workplace conduct evaluation. This regular performance evaluation process creates a link between risk management and employee remuneration.

Taishin encourages employees to put forward ideas and proposals for improvement anytime through the innovation and reform platform. Division heads lead their teams to participate in the business process management (BPM) program every year. Activities include combining the company's strategic development and process reform strategies, inspecting end-to-end processes in transactions between customers and the bank, identifying opportunities for optimization and risk control points in businesses and processes, and preventing and monitoring risks. These activities effectively reduce the chance of incurring risks and make companies pay more attention to the risk culture, which translates to a higher number of proposals. A total of 1,732 risk proposals were made in 2023, up by 11.7% compared to the previous year. A process improvement proposal competition is held every year. In particular, the Best Risk Proposals selects outstanding proposals from all submissions (including creative reform and BPM proposals) in the current year. The competition encourages employees to take the initiative to implement risk control points in processes and make constructive suggestions regarding operational risk, credit risk, friendly banking, and net zero related topics in order to develop better risk management and enhance the risk culture and awareness.



The Best Risk Proposal in 2023 suggested having the systems automatically generate irregularity reports in order to increase audit efficiency and enable early identification of fraud and corruption committed by financial advisors. Aimed to prevent failure to identify irregularity when a financial advisor shares one mobile device with a customer, the proposal also suggested implementing a monitoring system. A total of NT\$1.38 million in benefit is expected to be generated every year.



• Risk Management Proposals in Recent Years

Year	2021	2022	2023
Proposals (cases)	1,196	1,550	1,732
Percentage to Total Case Count (%)	9.83	10.48	12.84
Annualized Benefits (NT\$ million)	32.4	103.3	173.1

2 . Risk Management Training and Results

Taishin FHC arranges for board members and managers of the company to attend risk identification and management courses every year. A total of 409 sessions were provided in 2023. These courses covered topics such as operational risk self assessment in internal control, AML/CFT, foreign exchange and derived product risks, information security and personal information protection, risk management know-how and system utilization, new business opportunities and accompanied risks, climate risk, and sustainable banking. Taishin FHC works to enhance employees' risk management knowledge on an ongoing basis. In particular, the directors on the board of Taishin FHC as a whole attended courses 30 times and completed a total of 82 hours of training. The employees of Taishin FHC and its subsidiaries as a whole attended courses 65,955 times and completed 115,260 hours of training.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

2.3 Risk Management and Internal Control

[2.4 Information and Transaction Security](#)

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Risk Management Training				
Category	Course Count	Enrollments	Participants × Hours	Completion Rate (%)
Board of Directors	12	30	82	100
Employee	Compulsory	6	42,627	83,398
Employee	Optional	391	23,328	31,862

Note: Employees who do not complete their training in time will be instructed to take make up training on another date. Employees who failed their make up tests are commonly attributed to personal reasons such as childcare, extended unpaid leave, and resignation.

3. Product Risk Management

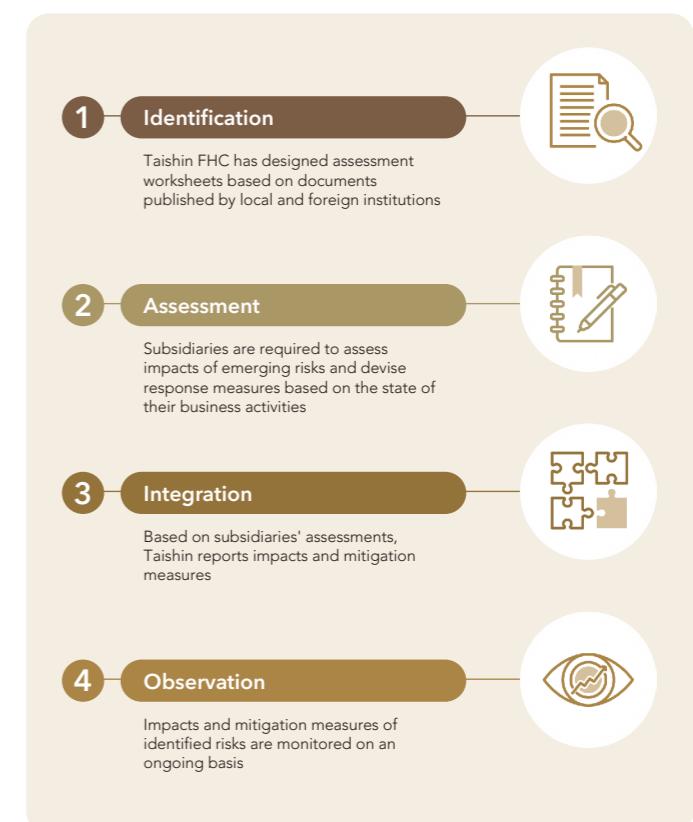
Taishin Bank has the Organizational Rules for Product Review Committee and Review Guidelines in place to govern review of products provided to customers with respect to financial investment products or new banking products. Product review meetings are held to examine the nature, structure, and terms of products, risk classification and appropriateness, documents and information disclosures, protection of customers' rights, compliance, risk management, operational management and internal control, and ESG assessments. In addition to reviewing the soundness and reasonableness of products, Taishin Bank follows the sustainable finance policy and makes environmental and social risks part of the review in order to avoid providing investments with negative ESG performance or controversies. In addition to review by the review committee, new, complex, and high risk products must also be submitted to the board of directors for approval.



2.3.3 Management of Emerging Risks

Taishin FHC implements procedures specifically to identify, manage and respond to emerging risks, and prepares assessment worksheets based on documents published by local and foreign institutions. All subsidiaries are required to assess emerging risks associated with their business activities to assess the possible impacts and devise response measures, which are consolidated by Taishin Holdings to facilitate ongoing monitoring on the effectiveness of risk control and mitigation measures.

• Risk Identification Process





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

• Emerging Risks

Emerging Risk Topics	Type	Description	Impact on Operations and Businesses	Mitigation Measures and Response Strategies
 Digital Financial Crimes in the era of generative AI	Technological	<p>In the Global Risks Report 2024 published by the World Economic Forum (WEF), fake news generated by AI will be the largest global risk in the coming two years. Furthermore, financial crimes which involve the use of generative AI have become a global problem in recent years. According to the Securities and Futures Bureau, investment frauds amounted to 787 cases in 2023, which is the highest in the last three years. Due to rapid technological advances, financial institutions are shifting their focus from traditional financial services to new financial technological applications. As such, the operational risk of financial crimes is affecting financial institutions insidiously.</p>	<ul style="list-style-type: none"> In the face of major financial technology advances, the company is always guided by customer needs when contemplating the nature of various financial services. Via innovative services and process optimization made possible by new technological development, we are able to promote good financial services that meet customers' actual needs. However, as generative AI has made authenticating information very difficult, defraudation of customers' personal data, leak of sensitive company information, unauthorized use of payment apps are rampant. As a result, many have become targets of online hackers, exposing the company to operational, financial and reputational risks. 	<ul style="list-style-type: none"> Enhancement of transaction security mechanism: Multiple information security mechanisms have been implemented for the IT systems, internal/external network, and transaction sites to integrate the relevant information with security data and incidents related to information security equipment. Association analysis is performed on the information before being presented on the Security Operation Center (SOC) platform. The goal is to optimize the company's information security network, support real-time monitoring of information security incidents, and introduce the SOC to monitor internal and external information security risks 24 hours a day. Cultivation of human resources for digital development: The company continuously cultivates its digital financial capabilities. Apart from elevating the professional technological caliber of existing employees via internal training, the company also participates in external seminars, e.g., seminars on diversified identity validation mechanism, resolutions for financial and online transaction fraud held by the FinTech Research Center of the National Cheng Chi University. Meanwhile, the company also proactively recruits external digital tech talents to expedite the upgrade of its overall digital capabilities. Establish real-time communication channels to facilitate clients obtaining accurate information: Appropriately improve control on operational processes, and system check and detection mechanism risk management, and identify the validity and accuracy of information sources so as to prevent scams and mitigate risks of misjudgment. Meanwhile, establish customer information transmission channels, e.g., establish a fraud prevention section on the official website, send out information on new or common types of financial crimes on an ad hoc basis to raise customers' awareness of fake investments and scams.
 Sluggish global economy and changing business environment	Economic	<p>As the era of low interest rates coming to an end and the monetary policy rapidly normalizes, the heralding of the low growth and low investment era imposes major influence on enterprise operations and individuals. Coupled with soaring inflation, the cost of living has increased substantially and the burden of debt repayment of enterprises has been aggravated significantly. Even though the economy is generally expected to undergo "soft landing," the recent global economy outlook is still highly uncertain. According to the latest Global Economic Prospects published by the World Bank, the global GDP growth rate in 2024 is forecasted to drop to 2.4% from 2.6% last year, for which the economy has slowed down for three consecutive years. The world sees the most sluggish five years since the 1990s.</p>	<ul style="list-style-type: none"> Central banks around the world are increasing interest rates to curb inflation, resulting in an overall increase in business capital for enterprises. This is an unfavorable condition for promoting financing businesses. Meanwhile, during the period of sluggish economy, market fluctuation gives rise to much uncertainty, which also increases the risk of investment positions, causing business profits to drop. Global financial supervision requirements are always evolving. For e.g., new regulations and supervision requirements on ESG may influence business operations and cost structure. These requirements are closely related to changes in local and international supervision standards. Therefore, business models must be adjusted to meet the relevant regulatory requirements. 	<ul style="list-style-type: none"> Continuously monitor the credit market, and establish early warning reporting to regularly review the market and the credit business of the company, as well as implementing the relevant action plans. Implement multi-dimensional risk ranking to strengthen the credit policy. Regularly perform product quality analysis and default commonality analysis to make adjustments to various risk management indicators and customer segmentation management in a responsive manner. Timely monitor trends of international supervision to effectively assess and formulate response strategies and seek new business opportunities in the process.
 Opposition amidst regional conflicts	Geopolitical	<p>As relationships between great powers and American hegemony deteriorate, the world is facing geopolitical tensions, trade wars, economic security and many other issues. Uncertainties caused by escalation of the Russo-Ukrainian War, and the Israel-Hamas War, as well as the U.S.-China trade conflicts, result in market turmoil, damaging investors' confidence and influencing the development of financial businesses.</p>	<ul style="list-style-type: none"> Regional conflicts e.g., the Russo-Ukrainian War, and the Israel-Hamas War fuel the instability of energy and food supplies, influencing the financial and liquidity market, raising the overall risk exposure of investment positions. The U.S.-China trade war has resulted in the restructuring of global supply chain, causing substantial changes in global industries distribution and the macro economy, and giving rise to adjustments to investment and transaction strategies. 	<ul style="list-style-type: none"> Continuously monitor changes in regional politics and economy and assess whether the scope of conflict is expanding, which may further influence the global economy. In addition, appropriately monitor the risk exposure assessment on positions related to the regions in conflict to build enterprise resilience, e.g. formulate country risk limits, including limits on a single country, credit rating limits and the overall country risk limits to prevent major impacts caused by over concentration of assets. Establish warning and implement response measures, as well as quicker and more frequent reporting and followup to strengthen the management of credit customers.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

2.1 Corporate Governance

2.2 Business Integrity

2.3 Risk Management and Internal Control

2.4 Information and Transaction Security

2.5 Sustainable Supplier Management

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2.3.4 Business Continuity and Technology Risk Management

1. Business Continuity Management Framework

For the purpose of providing customers with solid and interruption-free service, all subsidiaries of Taishin FHC should follow the competent authorities' rules and the scale of their own businesses and internal management needs and establish business continuity management (BCM) regulations or plans consistent with their own businesses. These regulations and plans serve to maintain key operations and restore normal operation as soon as possible in an emergency involving a natural disaster, emergency fund transfer, IT system disaster, or human error. They mitigate the impact and disruption caused by such disasters and protect the rights of customers and shareholders while reducing risk impact and making the company more competitive.

2. Responses and Recovery Plans

Business Continuity Plan

Our Business Continuity Plan (BCP) is a pre-planned response and recovery process in response to a disaster to ensure that Taishin FHC can continue to reliably provide key services to important customers at an acceptable minimum operating level. This planning also provides for operational impact analysis, minimum resource requirements, and test drills.

Business Impact Analysis

Serve to determine the target time of recovery, data loss tolerance and the order of restoration as well as the minimum resource requirements for recovery in order to facilitate preparation

Minimum Resource Requirements

It refers to the backup resources needed to restore one specific operation to the acceptable minimum service level, including personnel, office venue and facilities, computer equipment, software and applications, communication equipment, computer network, important documents, electronic or paper copy of information, means of transportation, and office supplies. The minimum resource requirements should be sufficient to maintain continuity of relevant operations for a period of time

Test Drills

Once a year. See the section "Drills and Tests" for details

Drills and Tests

Business Continuity Plan Drill

The Business Continuity Plan Drill (BCP Drill) is to ensure that after a disaster emerges, the BCP can be activated immediately and to ascertain that it is indeed feasible, so that key operations can be restored to their normal state within the recovery time limit.

Information Business Continuity Walkthrough

Major irregularities of key IT systems are simulated every six months, and the response plan is carried out under different scenarios to validate and ensure all key IT systems are able to meet the target recovery time and data loss tolerance requirements set in the business impact analysis (BIA). After each drill, test results are reviewed and improvements implemented. The review reports should be submitted to the executive management to ensure the integrity of the system backup environment and smoother system and data recovery processes. The goal is to provide more stable and reliable financial system services and ensure transaction security for customers.

2.4 Information and Transaction Security

2.4.1 Information Security Management Mechanisms

Taishin FHC established the "Cybersecurity Policy" and "Internet Security Management Guidelines" to provide continuous and effective guidance for information security protection. We also established the "Information Security Committee" with members composed of the Directors, President, and Chief Information Security Officer of Taishin FHC with IT/cybersecurity expertise as well as the President and level 1 supervisors of Taishin Bank. The Committee convenes quarterly meetings to discuss information security issues and improvement measures. In the first half of each year, a report on the overall information security governance conditions and an annual security management plan is submitted to the Board of Directors and the implementation results of the annual plan are reported to the members of the Board of Directors in the second half of the year. Summarize the latest information security threats and trends every six months, report it to the Board of Directors, and obtain information security governance guidelines. The Information Security Committee held 4 meetings in 2023 and the attendance rate of directors was 100%.

The Company appointed a Chief Information Security Officer (CISO) as the highest level supervisor of information security, supervising company-wide information security operations and the effectiveness of information security management mechanisms. For sound planning of the Company's business continuity management and management of information security risks, and also to increase overall information security capabilities, the information security contacts of various units formed an Information Security Team, which periodically convenes meetings to communicate information security issues and related requirements. Members of the Information Security Team are seed members that raise information security awareness during various gatherings.

- Framework of Information Security Governance





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

2.4 Information and Transaction Security

[2.5 Sustainable Supplier Management](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

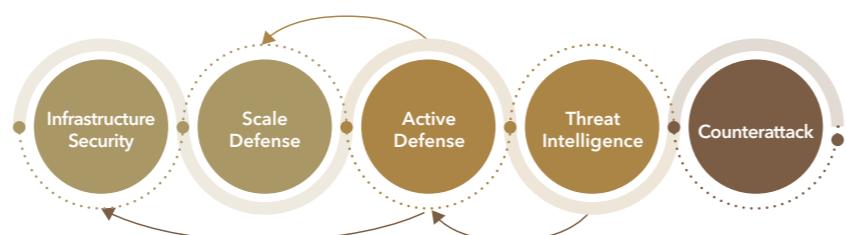
Information Security Management System Certification

Taishin's major subsidiaries and businesses have all obtained related international certifications for information security management system. Taishin Bank, Taishin Securities, and Taishin Life Insurance have all obtained ISO 27001 Information Security Management System, creating a safe and trustworthy information security environment, and protecting company assets and stakeholders' interests.

Taishin Bank passed the ISO 22301 business continuity management system certification in 2023. It ensures fast recovery of core business operations after a major disaster or incident in order to reduce impacts on stakeholders, financial markets, and the community and to fulfill Taishin's commitment to sustainability.

Information Security Event Response Exercises

For the purpose of building a complete information security chain, Taishin gathers information security data, such as hacker techniques and latest threats and trends from around the world. Taishin also checks whether internal security measures are able to detect and respond in real time. Cyber Offensive and Defensive Exercise and social engineering drills based on hacker logic and techniques are conducted regularly to identify hidden risks and reduce attacks and exposures and improve overall information security. The FFIEC/CAT framework is used to assess the development of IT security governance. Drills in 2023 included distributed denial of service drills and red team drills. All drills were completed on time, and system vulnerabilities and the effectiveness of cybersecurity defense systems were checked on an ongoing basis. Taishin has the Computer Security Incident Response Team (CSIRT) working under Taishin FHC to coordinate financial information security defense and facilitate real-time access and support for response measures taken by the Company and its subsidiaries in information security incidents and to reduce damages. Furthermore, Taishin has purchased information security insurance to prevent escalated losses and reduce damages caused by information security incidents in order to protect company assets and rights.



Enhancement of Transaction Security

The rampant use of Internet fraud and fraud app by hackers for watering hole attacks, spear phishing attacks, and ransomware attacks in recent years have severely damaged the interests of customers of banks worldwide. Taishin Bank and major subsidiary had established multiple information security controls for the information system, internal and external network environments and online transaction sites. The security status are presented on the Security Operation Center (SOC) platform to assist security operator to enhance Taishin Bank's information security, providing real-time information security event monitoring services.

Transaction Security Protocols

Global Digital Corporate Banking Network	Enhancement of multiple security certification and transmission encryption protocols to ensure data protection.
Mobile Devices	Use biometrics/account and password, and one-time passwords to provide rapid, convenient, and secure NFC sensing applications and remote credit card transactions.
Electronic Channels	Use mobile device binding, real-time payment notification SMS, transaction detection system, and other transaction verification protocols.
Transaction Website and App	Introduce anti-phishing detection services to reduce significant numbers of fraudulent websites and apps to protect consumers' transaction security.

To enhance overall information security abilities, the Company deployed a number of information security measures and became a member of the Financial Information Sharing and Analysis Center (F-ISAC) to enjoy information security intelligence, warning, and joint defense services, so that we can plan preventive, detection, and corrective security controls. We signed a MOU with a domestic government agency in 2022 and joined the key infrastructure information security joint defense system, becoming a pioneer of the financial industry in participating in Taiwan's information security national team. This has allowed us to further strengthen the security of stakeholders and the overall financial environment.

2.4.2 Information Security Promotion and Information Security Incident

Information Security System

General Information Security Training	<ul style="list-style-type: none"> All employees of Taishin receive at least 3 hours of "information security awareness training" courses and evaluations each year. The contents include regulations, social engineering, basic information security awareness, customer personal information protection, and case studies of information security incidents which help enhance information security. The training coverage rate and completion rate in 2023 were both 100%. The Information Security Department issues information security notices to all employees of the Bank based on current events involving information security to continue to enhance their information security awareness.
Professional Information Security Training	<ul style="list-style-type: none"> All employees of dedicated information security units have completed (e.g. bank) have completed at least 15 hours of external training based on the requirements for their operations to enhance their professional information security skills. Information security contacts of all units are invited to attend professional information security training courses provided by external professionals to strengthen the information security capabilities of all units.
Social Engineering Drills	<ul style="list-style-type: none"> 4 social engineering drills such as simulated phishing email tests are implemented for employees of the Bank on an irregular basis each year. The test results are analyzed to identify employees with insufficient information security incidents to enhance training and reduce the risks of potential vulnerabilities.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

2.5 Sustainable Supplier Management

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Supplier Management

Taishin FHC has a set of "Information Service Outsourcing Guidelines" in place that outlines the standard operating procedures and rules concerning outsourcing of information service. Taishin Bank has the IT Outsourcing Guidelines in place to provide the standard operating procedures and rules for IT outsourcing, which covers outsourcing custody of computer hardware/software and outsourcing IT processes and services. To ensure security and feasibility of outsourcing, the persons in charge of the bank's projects and the relevant personnel of the Information Technology Division will perform full and rigorous supplier evaluation, and assess the access risk in selected suppliers and perform background or credit checks as needed in order to ensure the quality and security of internal operation and protect the rights of the bank and its customers.

Vendor's Criteria for Outsourcing of Major Information Processes

- Having adopted appropriate measures to ensure data security in customers' best interest.
- Having adopted appropriate measures to ensure the integrity of account data and transaction records.
- Having adopted appropriate measures, based on the sensitivity of the data and the transmission/storage method involved, to maintain the confidentiality of key information.
- Having adopted appropriate measures to protect customers' privacy with respect to the products and services offered.
- Having adequate capacity for the outsourced information system, and having developed an effective business continuity and disaster recovery plan to ensure the continuity of the information system and its service.
- Having implemented emergency procedures to ensure proper functioning of the information system and services.

Information Security Incident Reporting and Handling

Taishin FHC has implemented the "Taishin FHC Information Security Incident Management Guidelines" to establish the reporting and response procedures for information security incidents. The Company and its subsidiaries will each consider the scope and severity of impact of information security incidents and proceed to determine and analyze such incidents. For example, major information security incidents will be reported to the supervisors in charge as well as Taishin FHC Chief Information Officer and Chief Information Office. The information security response procedures will be carried out for incident management, cause confirmation and correction, service restoration, and review and improvement in order to reduce hazards and losses. Taishin adheres to the domestic regulatory requirements as well as local regulatory requirements in other countries, and checks and reports compliance regularly to the local competent authorities. In 2023, Taishin FHC and its subsidiaries did not incur any information security incidents or other major extraordinary events that were required to be reported to local financial authorities, and did not have any compliance deficiencies. In the past three years, there had not been any major information security incidents that affected customers, such as hacker attacks on the system causing business impact or affecting business activities or online phishing causing leakage of customer or confidential data.

	2023
Number of violations of information security regulations or cyber security incidents	0
Number of data breaches	0
As a percentage of data breaches events involving personally identifiable information (%)	0
Number of customers and employees affected by breaches of company information	0
Fines for information security or network security incidents (NT\$)	0



2.5 Sustainable Supplier Management

Sustainable supply chain management is a cornerstone for boosting business competitiveness and reducing operational risk. Taishin's suppliers are all key partners on the path to business growth. Every stage from preliminary supplier screening to medium- and long-term observation of fulfillment of the sustainability promise embodies the commitment of Taishin to working together with suppliers to build a strong sustainable supply chain.

2.5.1 Supplier Management Policies

1. Management Policies

The general administration departments of the subsidiaries of Taishin FHC follow the Taishin FHC Supplier Management Regulations for better ESG supplier management. All suppliers who establish a purchasing relationship with the Company are required to sign a "Supplier Commitment Statement" at the time of contract signing. The signing rate has been 100% every year. The statement covers requirements in areas including corporate ethics and integrity, risk management, labor and human rights, social welfare, and environmental protection. It also provides the basis for monthly satisfaction surveys, annual supplier self assessment questionnaires, annual Supplier Human Rights Risk Assessment questionnaires, annual supplier assessment, and supplier conferences to be conducted afterwards to monitor and assess supplier performance.

Supplier Management Regulations	Supplier Maintenance & Management Regulations	Supplier Commitment Statement
Eligible suppliers have to meet one of the following criteria:		
<ul style="list-style-type: none"> Selection principles: <ul style="list-style-type: none"> Certified for ISO or other quality assurance systems of equivalent nature; Legally qualified registered suppliers; Having developed sound reputation in the business, is highly willing to accommodate the Bank's needs, and delivers good service quality; According to procurement specifications designated supplier; Having produced a sample that passed requirements; Having passed an on-site inspection. 		<ul style="list-style-type: none"> Corporate ethics and integrity Risk management Labor and human rights Public welfare and environmental protection Continual implementation Scope of Application

2. Management Methods





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

2.5 Sustainable Supplier Management

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

(1) Human Rights Policy and Supplier's Commitments

The Taishin Supplier Management Regulations are based on international guidelines including the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the UN Global Compact, ISO 26000, the International Labour Organization, the Social Accountability 8000, and the Code of Conduct - Responsible Business Alliance (RBA) as well as ISO 27001. The regulations share the same emphasis on protection of human rights as the rest of the world and include "prohibition of child labor", "prohibition of human trafficking", "anti-harassment", and "collective bargaining" in the Supplier Management Guidelines and the Supplier Commitment Statement.

(2) Supplier Conference

In 2023, Taishin set "Internal Carbon Pricing" as the theme of the supplier conference, and invited 50 major suppliers to discuss carbon pricing methods and future trends. Outstanding suppliers of the year were also recognized at the event. Taishin also took the suppliers on a tour of the Taishin Bank Neihu Building Innovative Finance Laboratory and smart recycling machines as a way to encourage suppliers to come up with new ideas of energy saving products and to promote sustainability along the supply chain.

2.5.2 Supplier Risk Assessment



1. Supplier Assessment

Taishin follows the Supplier Maintenance & Management Regulations and categorizes suppliers according to nature and amount of procurement every year. For purchases of NT\$2.5 million or above, suppliers are categorized as major suppliers, which are divided by amount further into Level 1 major suppliers and Level 2 major suppliers. Supplier self-assessment questionnaires are intended for major suppliers. The contents of supplier self-assessment questionnaires, satisfaction surveys, and special notes provide the basis for supplier assessment and written review. Then assessment results will be used to ask suppliers make improvement or terminate partnership in order to keep risks under control.

Supplier assessment scores are A to D, and if the survey results are listed as C, will be contacted by phone and be visited if necessary. They will be required to attend the supplier conference. Suppliers with rating of D will have purchase orders suspended until improvements are made and their rating changed back to C.

Supplier Assessment Aspects		
<ul style="list-style-type: none"> Business considerations Quality Management Time of completion/delivery 	<ul style="list-style-type: none"> Service/Coordination and communication Technical/Design capabilities Trade Secret Protection 	<ul style="list-style-type: none"> Environmental protection Supplier Management Sustainability Governance

• Types and Percentage of Major Suppliers in 2023

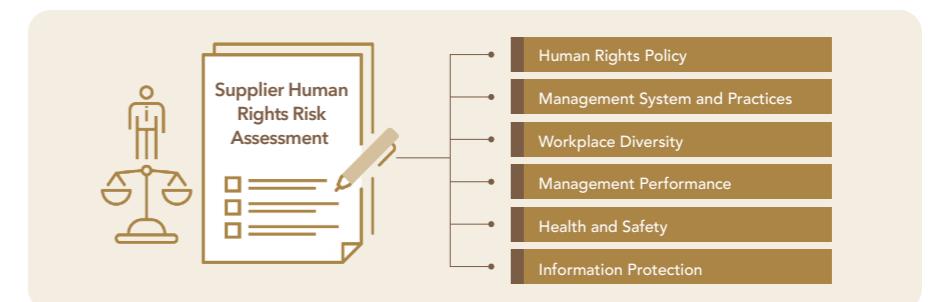
IT/ Telecommunication	Equipment/ Construction	Cards/Printing	Services	Marketing Activities	General Affairs
52.1%	24.7%	5.1%	9.8%	0.5%	7.9%

Note: Taishin engages a wide variety of suppliers including system developers, telecommunication carriers, insurance companies, fund companies, card manufacturers, overseas investment consultants, financial information suppliers, advertising companies, media, printing companies, and office consumables suppliers.

• Supplier Assessment Results

Year	2021	2022	2023
A. Priority purchase	50.0%	40.5%	27.4%
B. Second priority purchase	49.0%	59.5%	72.6 %
C. Purchases can be made, provided that improvements are made	1.0%	0.0%	0.0 %
D. No purchase will be made until the supplier improves to Grade C	0.0%	0.0%	0.0%

2. Suppliers Human Rights Risk Assessment





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

2. Sustainability Governance

[2.1 Corporate Governance](#)

[2.2 Business Integrity](#)

[2.3 Risk Management and Internal Control](#)

[2.4 Information and Transaction Security](#)

2.5 Sustainable Supplier Management

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

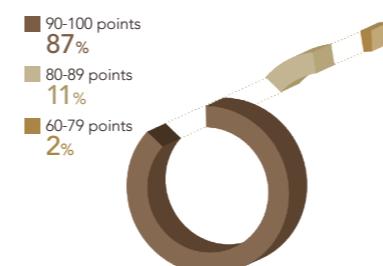
[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

A human rights risk Assessment and training was carried out for all 215 suppliers in 2023, responding to disputes and violations in the past through a risk questionnaire to verify the risks of suppliers. The survey results show that 2.3% of the suppliers are high risks (including 1 major supplier). 1 out of the 5 high risk suppliers is a proprietary construction firm, which is not subject to the human rights risk survey. The other 4 are in the process of designing and implementing human rights policies, and so have not set human rights policy related indicators. Taishin will adhere to the supplier human rights risk mitigation measures to keep close watch and follow up regularly on improvements. Taishin will also use the supplier conference as an opportunity to provide training and help suppliers understand the direction of future improvement.

• 2023 Supplier Human Rights Risk Assessment Results



• Results of Supplier Human Rights Risk Assessment

Risk Assessment Results	2021	2022	2023
Number of Suppliers	226	258	215
High Risk (%)	3.0	5.8	2.3
Major Risk Incident	- Failure to appoint indigenous peoples or people with disabilities - Failure to compile related data on disabling injuries - Failure to implement education and training to protect employee privacy		

• Supplier Human Rights Risk Mitigation Measures

Human Rights Questionnaire Score	Human Rights Risk Assessment Results			Human Rights Risk Mitigation Measures	
	Qualified supplier	Priority purchase	None	Major Suppliers	Suppliers Ranked Level 2 and Below
Higher than 80 Points	Qualified supplier	Priority purchase	None	None	
60-80 Points	High-risk suppliers: Purchases can be made	Adjustments must be made in accordance with the Company's requirements	Telephone communication	Rigorous oversight	
Lower than 60 Points	High-risk suppliers: No purchases will be made	First questionnaire response: One warning	Telephone communication		
		Not the first questionnaire response: No purchase will be made until the supplier's score in the following year increases to at least 60 points or until the supplier formulates its human rights policy again and submits it to the Company.	1. Site survey 2. Mandatory participation in the training in the supplier conference of the current year	Rigorous oversight	

Note: The supplier's rating shall be based on the annual procurement amount.

Supplier Human Rights Risk Remedial Measures

According to the Supplier Commitment Statement, if a supplier violates the provisions in the statement, the supplier may agree to Taishin's unilateral termination of the agreement. Furthermore, all risks that occur during a partnership will be entered into the special notes, and the corresponding suppliers will be removed from the list of outstanding suppliers. Serious cases may lead to permanent removal from future consideration for partnerships.

2.5.3 Green Procurement

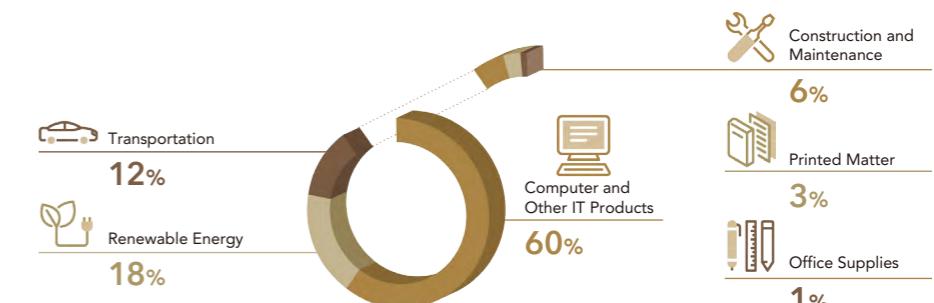
In order to reduce carbon footprint of items purchased, Taishin states in the "Supplier Maintenance and Management Guidelines" that priority should be given to purchasing products with environmental protection, water-saving, energy-saving, or green building materials labels or meeting other green procurement requirements. The percentage of green procurement has also been made part of executive performance evaluation. Taishin's green procurement has been growing in multiples every year. In 2023, total green procurement was NT\$187 million (up by 96.2%), and the percentage of green procurement out of total procurement was 7.1% (up by 3.7%). In December 2023, Taishin was awarded the Outstanding Unit of Green Procurement of NT\$50 million or more by the Ministry of Environment.

• Amount of Green Procurement in Recent Years

Year	2021	2022	2023
Amount of Green Procurement (NT\$)	73,045,413	95,462,474	187,299,663
Increase from the Previous Year (%)	6.2	30.7	96.2

In 2023, green procurement included 21 items, including electric cars (official vehicles), renewable energies (renewable energy certificates), computers, monitors, environmentally friendly toner cartridges, paper towels using recycled paper, energy saving light tubes, gypsum boards with the green building materials label. Of these items, computer and other IT products account for the highest percentage.

• Amount of Green Procurement Percentage in 2023





- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [**3. Climate Strategy**](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Climate Strategy

- 57** 3.1 Net Zero Emission Goal
- 62** 3.2 Climate-related Financial Disclosures (TCFD)

3





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

3.1 Net Zero Emission Goal

3.1.1 Taishin FHC's Goal for Net Zero Emission

Taishin FHC's Overall Net Zero Roadmap

Climate issues create various challenges for businesses. In response to the future demand for climate risk management, Taishin has taken practical actions to respond to the "environmental sustainability" of its own operations and the "net zero carbon emission" of its financial business. Since joining a member of the Taiwan Net-Zero Emissions Association in 2021, Taishin FHC has been working hard to achieve net-zero emission target on its own business operations.

In addition, Taishin has launched the Science-based target (SBT) since 2021 to conduct an inventory of carbon emissions from its own operating scopes 1, 2 and important asset classes in Scope 3 investment and financing, and obtained the Science-Based Targets approval in July 2022 by the Science-Based Targets Initiative (SBTi). In terms of Scope 1 and Scope 2, the greenhouse gas reduction strategy is set to limit the increase in temperature within 1.5°C, and the target is set to reduce carbon emissions by 46% compared with the base year of 2019 by 2023, which is equivalent to an annual carbon reduction of 4.2%; In terms of Scope 3, 2019 is also the base year for the reduction targets of financing and investment positions by well below 2°C scenario.

Net zero is now a global issue, and it is also the responsibility and mission for all corporations. In order to more actively implement net zero, **Taishin Financial Holdings has committed to SBT Net Zero in 2023**, with 2050 as the comprehensive long-term goal of net zero.

3.1.2 Net Zero Strategy and Implementation

In order to perform the SBT target management, Taishin established an SBT task-force team (SBT team) after the SBT target approval in 2022, focusing on carbon inventory, implementation and progress tracking of carbon reduction targets, and formulating response strategies. The SBT team reports the implementation results and submits action plans to the Sustainability Committee or the Board of Directors according to the topics. In addition to the short-term goal of 2030, Taishin has publicly committed to 2050 as its long-term net-zero goal, planning various net-zero schedules for Scope 1 to Scope 3, with the aim of moving towards achieving the net-zero goal in terms of carbon emissions from its own operations, upstream and downstream activities.

Net Zero for Our Own Operations

The 30th anniversary of Taishin made its focus on "Dedicated to Sustainability & Living Green" and strongly advocates "From Zero to Hero"- everyone can be a hero in helping resolving the climate crisis. We actively take the following actions to ensure net zero emissions for our own operations:

- Net Zero Pathways of Our Own Operations (scopes 1+2)

2024	2025	2030	2043
Reached 21% for renewable energy use	Reached 26% for renewable energy use	expected reaching 46% for renewable energy use	expected reaching 100% for renewable energy use

Note: 1. Taishin has committed to SBT net zero in 2023. According to the 1.5 °C carbon reduction path, it is expected to achieve Scope 1 and 2 net zero in 2043.

2. The actual renewable energy electricity purchase volume in each year will be regularly reviewed and adjusted on a rolling basis based on energy policies and technologies.

- Bringing in renewable energy as electricity use: Taishin started to bring renewable energy in 2022, the renewable energy accounted for 18% of total consumption in 2023. We expect to gradually increase the proportion of renewable energy usage by purchasing more green electricity year by year.
- Purchasing new company vehicles to hybrid or electric vehicles: In order to reduce the carbon emissions generated by business travels, Taishin actively promotes the replacement of in-person meetings with video conferencing, purchasing of new company vehicles to hybrid or electric vehicles, subsidizing employees to replace old motorcycles with new electric motorcycles; moreover, we evaluate if setting the shared motorcycle battery stations, shared bicycle parking docks and electric vehicle charging stations at each branch office to actively reduce oil consumption.
- For the other branch offices, the performance of energy-saving and carbon-reduction action plan please see [4.2.1 Energy-saving and Carbon-reduction Guidelines](#) for details

- Own Operations' SBT Targets and 2023 Achievement Status

Scope of the Target	Scenario Setting	Science-based Targets (SBT) for Carbon Emissions Reduction	Achievement Status	Action Plans
Scopes 1 & 2	1.5°C	Reduce absolute GHG emissions 46% by 2030 from a 2019 base year	Reduction of 19%	<ul style="list-style-type: none"> • Continue to increase green-building certification buildings (currently 4 buildings in total) • Continue to expand the solar panel area (currently 10 locations equipped in total) • Introduce energy management system • Replace with power-saving devices • Continue to increase the purchase of renewable energy (we have been purchasing TREC since 2017 and have signed a renewable energy purchase contract with renewable energy sellers since 2022) • Purchase electric/hybrid vehicles and install charging stations (6 stations had been installed in total)

Net Zero for Our Investment and Finance Portfolio

2019 is the base year for Taishin's investment and financing positions and made 2027 or 2030 the short term target year respectively depending on the asset type or industry, and 2050 is the long-term (net zero) target year (or some industries, such as coal related or unconventional oil & gas, will be more aggressively to achieve net zero in 2030 or 2040). For short-term targets, we started to reduce emissions every year according to plan by setting SBTs. We hope to encourage investment and financing counterparties to join the carbon reduction and transition efforts for lowering the impact of transition risk. For long-term targets, Taishin committed the SBT Net Zero in 2023 and will follow the net zero pathway (anticipated to set 2023 as net zero base year to submit net zero targets to SBTi in 2025) and the framework of carbon management of financial assets to plan decarbonization strategies and various low carbon investment and financing actions in order to achieve net zero by 2040 or 2050.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

In terms of financing for the power generation industry, **Taishin Bank is the first bank in Taiwan of power plant financing portfolio with 100% in renewable energy**, and has divested 100% of its investment in zero coal power. At the same time, SBT's 2030 target for power generation-related loans has achieved ahead of schedule.

• SBT Scope 3 – 2023 Achievement Status for Investment and Finance

Scope of the Target	Scenario Setting	Science-based Targets (SBT) for Carbon Emissions Reduction	Achievement Status	Action Plans
Scope 3 from Investment Portfolio	Well below 2°C	Adopted Portfolio Coverage as engagement method for investment ^(Note 1) , and the 38% of long-term investment portfolio by invested value setting SBTi validated targets by 2027	25% of the portfolio	<ul style="list-style-type: none"> In the future, the main investment targets will be focused on the enterprises committed SBT or targets approval by SBTi No new coal mining investment from 2023 No new coal-fired power plants investment from 2025 (except for green energy power generation investment) Decarbonization strategy (investment): <ul style="list-style-type: none"> Completely global phase out the coal business by 2030 Completely global phase out the unconventional oil and gas by 2040
Scope 3 from Financing Portfolio	Well below 2°C	<p>Financing – emission intensity for commercial real estate loan (kgCO₂e/m²): adopts SDA, targets to reduce 59% by 2030</p> <p>Financing – emission intensity for power generation related loan (ton CO₂e/MWh): adopts SDA, targets to reduce 50% by 2030</p> <p>Financing – long-term loans for fossil fuel ^(Note 2): Adopted Portfolio Coverage as engagement method, and the 38% of long-term loan portfolio by invested value setting SBTi validated targets by 2027</p> <p>Financing – emission intensity for service/commercial construction industry long-term loan ^(Note 2, Note 3) (kgCO₂e/m²): adopts SDA, targets to reduce 58% by 2030</p> <p>Financing-emission intensity for steel industry long-term loan ^(Note 2)(ton CO₂e/ton): adopts SDA, targets to reduce 45% by 2030</p> <p>Financing-long-term loans for other industries ^(Note 2): including "semiconductors", "LCD panels and their components", "computer, electronic product and optical product manufacturing", "other electronic components manufacturing", and "printed circuit board manufacturing": Adopted Portfolio Coverage as engagement method, and the 42% of long-term loan portfolio by invested value setting SBTi validated targets by 2027</p>	Reduction of 32%	
Scope 3 from Financing Portfolio	Well below 2°C		Reduction of 52%	<ul style="list-style-type: none"> Coal mining: No new coal mining financing from 2022 Coal-fired power plants: No new project finance financing for coal-fired power plants from 2022. No new coal-fired power plants financing from 2025 (except for green energy power generation investment). Starting from 2023/10, Taishin Power Plant financing has 100% coverage with renewable energy, and the purpose of power plant financing is limited to renewable energy Decarbonization strategy (financing): <ul style="list-style-type: none"> Completely Global phase out the coal business by 2030 (Taishin Bank currently has no finance positions on coal mining project finance/corporate finance and coal power plants project finance/corporate finance.) Completely global phase out the unconventional oil and gas by 2040
Scope 3 from Financing Portfolio	Well below 2°C		Reduction of 24%	
Scope 3 from Financing Portfolio	Well below 2°C		Reduction of 61%	
Scope 3 from Financing Portfolio	Well below 2°C		23% of the portfolio	

1. The latest achievement status of Scope 3 SBT target is the calculation result for 2023/12.

2. The methodology "SDA" is the abbreviation of Sector Decarbonization Approach.

3. Taishin Life Insurance was merged into Taishin FHC on June 30, 2021 and became a 100% subsidiary. From 2022, Taishin Life Insurance has been included in the investment carbon inventory.

Note 1: Only the SBT required asset classes were included for calculation: Stocks (ordinary shares and preferred shares) and corporate bonds of Exchange-listed and OTC-listed companies. Sovereign bonds, green bonds, private equity, and derivatives are not included.

Note 2: Long-term loans do not include small and medium-sized enterprise loans, corporate loans under one year.

Note 3: Service/commercial construction-related enterprise loans exclude wholesale and retail industries.

Note 4: SBTi is not currently accepting applications for target approval from the fossil fuels sector, for which the Sectoral Decarbonization Approach (SDA) is still being amended. Therefore, none of the customers in the oil and gas industry has completed setting SBTs.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Carbon Management of Financial Assets

Taishin follows the group's core climate strategy - "net zero carbon emissions" for financial business and launches relevant specific actions. Taishin FHC, together with its subsidiaries, conducts carbon management of financial assets at various levels to manage the transition risks faced by Taishin:

1. Decarbonization Strategy

Through consultation with external experts and the opinions of Taishin FHC's industry economic experts, we committed the in 2022 that no new financing for coal mining and no new project finance for coal-fired power plants, then Taishin further researches and plans to set threshold, escalation schedule and phase-out for the entire coal business and unconditional oil and gas to implement the decarbonization strategy of Taishin FHC, therefore to actively response to global divestment actions.

• Phase-out Schedule for Coal and Uncon. Oil & Gas

Coal industry	2022	2023	2025	2030
1. Coal mining 2. Coal power 3. Coal infrastructure	<ul style="list-style-type: none"> No new coal mines finance No new coal-fired power plants project finance 	<ul style="list-style-type: none"> No new financing or investment to transactions of existing coal-fired operations more than 40% proportion for coal-fired power No new financing or investment to more than 40% proportion for land transport and warehousing of coal business 	<ul style="list-style-type: none"> No new coal-fired power plants financing or investment No new financing or investment for land transport and warehousing of coal business 	<ul style="list-style-type: none"> Globally phase out for coal industry
Uncon. oil & gas	2023	2025	2030	2040
1. Tar sands 2. Arctic oil & gas 3. Ultra deep water oil & gas 4. Shale oil & gas 5. Liquified natural gas (LNG)	<ul style="list-style-type: none"> No new Tar sands, Arctic oil & gas, Ultra deep water oil and gas financing or investment 	<ul style="list-style-type: none"> Globally phase out for Tar sands, Arctic oil & gas financing or investment Globally phase out for Ultra deep water oil & gas investment 	<ul style="list-style-type: none"> No new Shale oil & gas, LNG financing or investment Globally phase out for Ultra deep water oil & gas financing 	<ul style="list-style-type: none"> Globally phase out for unconditional oil & gas

- Financing coverage for business activities: credit lines/lending activities, underwriting fixed income product activities, infrastructure finance/project finance
- Investment coverage for business activities: active investment, passive investment, third-party managed investment
- Exclusions for coal finance/investment: Green energy with transition of exist coal-fired power plants or develop new power plants
- Coal infrastructure for land transport including business with coal land transport or coal warehousing/storage

Taishin has also formulated a decarbonization mechanism for existing customers. The purpose is to have a complete and gradual plan for management, supervision, engagement, and relative thresholds in the process of decarbonization and comprehensive phase out, and to assist them to gradually decarbonize carbon transition.

• Inventory

Each subsidiary immediately takes inventory of investment/financing outstanding and positions, in the meanwhile, confirms the outstanding matured date and its mechanism for gradual decarbonization

• Management

Regularly (ex: quarterly) report the outstanding decrease situation of existing positions, or observe the curve change in carbon emissions of investment/financing clients over the years

• Supervision and engagement

Continuously evaluate the investment and financing clients before the matured date, or communicate through engagement in accordance with Taishin's decarbonization strategy to simultaneously understand the carbon reduction, transformation or net zero plan of the investment and financing clients, moreover, actively supervise and observe the engagement result in order to assess whether business transactions are in line with Taishin's decarbonization path

• Decision made for whether to cooperate any more

If the engagement meets the various decarbonization and phase-out deadlines of Taishin, then we can periodically pay attention for their progress of net zero, or reviewed if the carbon emission reduction curve of the investment/loan target is significant over the years as a basis of decision; if not met, no longer cooperation when agreement is matured

2. Science-based Targets (SBT) for Carbon Emissions Reduction

Taishin completed the submission of commitments and targets in 2022, and the targets were approved by the Science Based Targets Initiative (SBTi) in July at the same year. For the pathway to reach the targets and the latest target achievement status of each asset category, please refer to the section of "Net zero for our investment and finance portfolio".

3. Industries with High Carbon Emissions

In order to manage industries with high transition risks, Taishin FHC's Chief Risk Office and major subsidiaries further jointly formulated Taishin FHC's "high carbon emission industry list". By referring to the industry code of the Directorate General of Budget, Accounting and Statistics, the overall industry classification of the financial holding group is unified and the industries that are more sensitive to transition risks are identified, which include "Electricity and gas supply industry (excluding green energy power generation)", "Extraction of Crude Petroleum and Natural Gas Industry", "Petrochemical-related industries", "Manufacture of Paper, and Paper Product Industry", "Manufacture of basic metal industry", "Manufacture of textile industry", and "Cement industry".



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

3. Climate Strategy

3.1 Net Zero Emission Goal

[3.2 Climate-related Financial Disclosures \(TCFD\)](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

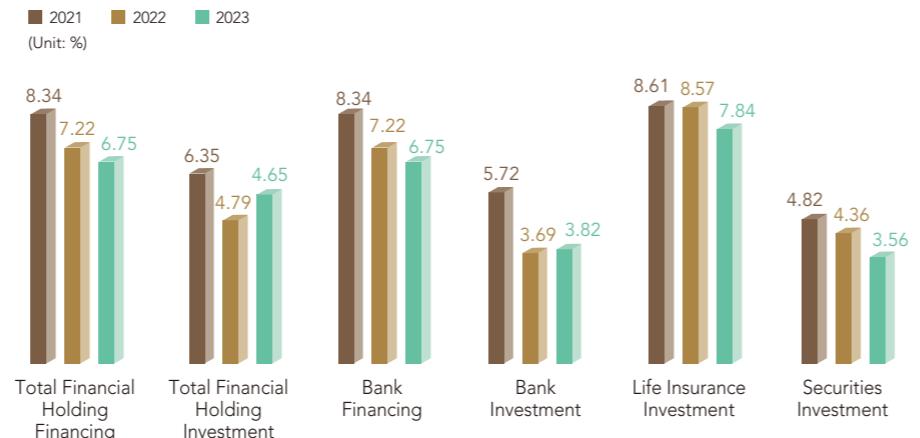
[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

All business responsible units of the subsidiaries shall prudently assess the climate risks of investment and financing targets, use the "high carbon emission industry list" as one of the risk assessment factors for their business dealings and transaction decision making, and integrate it into the review process or decision-making management mechanism; meanwhile, they shall regularly report the statistical data of high-carbon-emission industries' risk exposure to the responsible supervisors for relevant supervision and control. From 2023, risk management of Taishin FHC also regularly reports the status of positions in high-carbon emission industries in the Risk Management Monthly Meeting and through reviewing the position differences to continuously manage transition risks. After taking the investment and financing positions from 2021 to 2023, the proportion of exposures in high-carbon emission industries has shown a downward trend. In terms of overall investment and financing, the proportion of exposures in high-carbon emission industries has dropped from 6.35% in 2021 to 4.65% in 2023 and 8.34% in 2021 to 6.75% in 2023 respectively.

• 2021-2023 Exposure Ratio for High Carbon Emission Industries



Note 1: The exposure statistics include banks (with overseas branches), life insurance, and securities subsidiaries.

Note 2: Investments include equity and debt. Equity exposure is identified by cost, and the debt exposure is identified by face value.

4. Support Financing for Renewable Energy

In order to support the renewable energy power generation industry, Taishin formulated the "Guidelines for Solar Power Plants Financing" to respond to the government's renewable energy policies and encourage financing related to the construction, purchase, and compensation of solar power plants. The effort to get involved in financing renewable energies led to significant growth in carbon reduction. In 2023, the electricity generated from loans to renewable energies was associated with 59,419 tons of avoidable GHG emissions. Please see the table below for details.

• 2023 Performance of Financing to Renewable Power Plants

Type of Renewable Energy	Solar Power	Wind Power
Loan Balance (NT\$ million)	5,498.000	1,284.00
Percentage (Note 1)	0.800	0.19
Electricity Generated (MWh)	120,037.676	0.00 (note2)
Electricity Emission Factor (kg CO ₂ e/kWh)	0.495	59,419.00
Emissions Reduced (tons CO ₂ e)	59,419	0.00
		59,419.00

Note 1: The percentage out of the outstanding balance of loans issued by the Wholesale Banking Group.

2. Carbon reduction performance of renewable power plants is assessed on the basis of power generated by plants connected to the grids. Zero electricity is generated by wind power plants as they are not yet connected.

5. Climate Engagement

To achieve its own SBTs and Taiwan Net Zero, Taishin actively engages investment and financing counterparties on low carbon transition and climate issues. For example, Taishin Securities engaged and communicated with 17 major counterparties in 2023, and discovered that 41.18% of them had set long-term net zero targets for 2050. Meanwhile, Taishin Life Insurance put forward, as an example, one steel company that it engaged. This steel company had made the commitment to 2050 net zero, too, and made action plans for EU's CBAM and Taiwan's electricity price issues. Taishin will focus on engaging carbon intensive and high climate risk counterparties on an ongoing basis in the future. The goal is to apply its influence as a funding provider to motivate customers and investment counterparties to embark on low carbon transition.

• Climate Engagement Example

Case	Engagement Statement	Post-engagement Plan
 A Steel company (Taishin Life Insurance)	The scope of engagement included 1.High energy consumption issues Increased electricity prices having an impact on gross profit margins	Electricity price adjustments will impact gross margins by 1% to 1.5%. The steel company will modify the production configuration for peak electricity consumption hours in order to save on electricity bills. In addition, solar power generators have been installed on rooftops of the plants to supply 25% of the electricity that they consume. The self-supply is expected to keep growing, and the production equipment and processes will be upgraded to reduce energy consumption
	2.Carbon credit issues Impacts of EU's CBAM	The steel company is not currently exporting directly to the EU. Possible development of carbon credits is still being explored



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

3. Climate Strategy

[3.1 Net Zero Emission Goal](#)

[3.2 Climate-related Financial Disclosures \(TCFD\)](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

• Carbon Emissions from Investment and Financing Positions

Taishin follows the PCAF standards to perform carbon inventory on Scope 3 investment and financing positions. Carbon inventory data over the years will be disclosed by overall investment/financing emissions, asset type, industry, and region.

Emission Unit: ton CO ₂ e Carbon Footprint: ton CO ₂ e/NT\$ million	2020	2021	2022	2023
Investment Portfolio	Carbon Emissions	236,277	422,070	716,672
	Carbon Footprint	1.25	2.37	2.52
Financing Portfolio	Carbon Emissions	359,226	323,623	632,736
	Carbon Footprint	2.25	1.52	2.77
Total Carbon Emissions From Investment and Financing	595,503	745,693	1,349,408	1,304,554
Total Carbon Footprint from Investment And Financing (tons CO ₂ e/NT\$ million)	1.71	1.91	2.63	2.54
Portfolio Coverage (%)	18.89	18.42	21.70	19.60

Note: 1. Carbon emissions from investment and financing are calculated by PCAF methodology
 2. Carbon footprint of investment and financing = carbon emissions from investment and financing/outstanding of inventoried investment and financing.
 3. Portfolio coverage = outstanding of inventoried investment and financing/balance sheet of FVPL, FVOCL, AC, short-term loans, medium-term loans, long-term loans and non-accrual loans
 4. Taishin Life Insurance was merged into Taishin FHC on June 30, 2021 and became a 100% subsidiary. However, because it merged into Taishin FHC for less than one year, the data was not included for 2021 but has been included starting from 2022.
 5. The investment and financing carbon emission data in 2022 has been revised due to the calculation coefficient update.
 6. The scope of carbon inventory includes only required SBT settings, and the scope of calculation covers: Stocks (ordinary shares and preferred shares) and corporate bonds of Exchange-listed and OTC-listed companies. Sovereign bonds, green bonds, private equity, and derivatives are not included

• 2023 Carbon Emissions from Investment and Financing Positions: by asset type

Asset Type	Carbon Emissions (tons CO ₂ e)	Carbon Footprint	Carbon Percentage (%)
Listed and Unlisted Equity	37,487	1.41	2.87
Listed and Unlisted Corporate Bonds	648,584	2.16	49.72
Business Loans	596,995	3.91	45.76
Commercial Real Estate	21,488	0.78	1.65
Total	1,304,554	2.54	100.00

• 2023 Carbon Emissions from Investment and Financing Positions: by industry

Industry <small>(Note)</small>	Carbon Emissions (tons CO ₂ e)	Carbon Footprint	Carbon Percentage (%)
Extraction of Crude Petroleum and Natural Gas Industry	11,640	4.97	0.89
Electricity and Gas Supply Industry	429,082	23.54	32.89
Manufacture of Basic Metals Industry	232,406	22.51	17.82
Petrochemicals-related Industry	147,751	13.34	11.33
Manufacture of Paper, and Paper Products Industry	13,442	10.64	1.03
Manufacture of Textiles Industry	6,515	3.00	0.50
Cement Industry	36,444	26.03	2.79
Others	427,274	0.92	32.75
Total	1,304,554	2.54	100.00

Note: Industry classification follows the Taishin FHC High-Carbon Emissions Industries List, which is based on the sector categories published by the Directorate General of Budget, Accounting and Statistics

• 2023 Carbon Emissions from Investment and Financing Positions: by region

Region	Carbon Emission (tons CO ₂ e)	Carbon Footprint	Carbon Percentage (%)
Taiwan	692,349	4.45	53.07
Asia Pacific (excluding Taiwan)	384,263	2.78	29.46
The Americas	187,534	1.56	14.38
Europe	17,651	0.29	1.35
Others	22,757	0.60	1.74
Total	1,304,554	2.54	100.00

• 2023 Financed Carbon Emissions: Exposure - by asset type

Asset Type	Exposure (NT\$ million)
Listed and Unlisted Equity	26,558
Listed and Unlisted Corporate Bonds	299,872
Business Loans	152,757
Project Finance	6,782
Commercial Real Estate	27,386



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

3.2 Climate-related Financial Disclosures (TCFD)

Taishin FHC became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019. Taishin FHC disclose the company's climate related information according to the four TCFD thematic areas. Taishin FHC started independently compiling climate-related financial disclosure reports in 2023 for the purpose of helping stakeholders gain a better understanding of Taishin's measures for managing climate risks and opportunities. Please refer to the "Taishin FHC 2023 TCFD Report" for details of climate-related financial disclosures. The disclosures are summarized as follows:

Aspect	Disclosure	Current Progress			Section of TCFD Report		
Governance	Board supervision	The board of directors is the highest governance unit on climate and sustainability-related issues. It has functional committees including the "Risk Management Committee" and the "Corporate Sustainability Committee" established beneath, which are responsible for the supervision and management of climate and sustainability-related issues.					
	Role and responsibilities of management	An inter-department and inter-subsidiary climate task force and a corporate sustainability unit have been assembled under the President to integrate the group resources and ensure proper implementation of climate actions and sustainability strategies.					
	Climate Task Force	TCFD Task Force Team	The Chief Risk Officer serves as the convener, whose responsibilities are to coordinate scenario analysis for climate-related risks and opportunities, gather execution results, and regularly present them to the Risk Management Committee and the board of directors.		1.1 Climate Governance Framework 1.2 Roles and Responsibilities of the Board and Management		
	SBT Task Force Team	The CEO of wholesale banking serves as the convener, whose responsibilities are to coordinate carbon inventory, gather results, enforce carbon reduction goals, and present yearly progress to the Sustainability Committee and the board of directors depending on the issue of concern.					
	Corporate Sustainability Units	The Corporate Sustainability Office supervises operations of the functional units. The functional units are responsible for carrying out various sustainability projects, and are required to make regular reports to the President, the Sustainability Committee, and the Board of Directors.					
	Risk and opportunity identification	Taishin considers the TCFD recommendations on the types of climate risks and opportunities, and assess them in terms of nature and relevance of business and different aspects including the company's own operations, investment and financing, products and services, and suppliers. 10 topics on climate risks and opportunities have been selected and then ranked in the order of materiality by two dimensions of "probability", "severity", and by two dimensions of "probability", "severity", and by "controllability" to show the degree of adaptability and resilience to risks and opportunities; for that, being able to identify short-, medium-, and long-term time frames and impacts of the value chain.			2.1 Climate-Related Risks and Opportunities 2.2 Climate Strategy and Actions		
	Impacts and response actions of material risks and opportunities	Material climate risks identified by the process above are low carbon transition costs, energy/resource price risk, and more climate/environmental regulations. Material climate opportunities include digital banking trends, promotion of green energies and sustainability related loans and green banking products and services. Taishin moves on to quantify financial impacts based on the results, and develops detailed action plans in terms of two main strategies, "net zero for financial services" and "environmental sustainability for its own operations", in order to reduce climate-related impacts.					
	Scenario Analysis	<ul style="list-style-type: none"> Investment and financing positions: A financial impact assessment is performed according to "Climate Change Scenario Analysis Planning for Domestic Banks" to estimate the impacts of physical and transition risks on investment, wholesale banking, and retail banking positions in 2030 and 2050 in various scenarios. Own operations: Four climate scenarios, RCP 2.6, RCP4.5, RCP 7.0, and RCP 8.5, are used in physical risk assessments to analyze disaster potential and sensitivity of the company's domestic offices. Regarding transition risks, transition actions for Scope 1 and Scope 2 reduction are simulated for carbon reduction targets such as commitments, initiatives, and regulatory requirements, and potential financial impacts and expected management costs are evaluated. Suppliers: The four climate scenarios above are used to assess physical risks faced at suppliers' places of business. 			2.3 Climate Change Scenario Analysis and Resilience Assessment 3.1 Climate Risk Management Framework 3.2 Climate Risk Management		
	Integrated Risk Management Mechanisms	<ul style="list-style-type: none"> Taishin has added climate risk to the existing risk management framework. The "Risk Management Policy" covers climate risk and sets climate risk appetite. Furthermore, to effectively manage the impacts of climate change, the "Climate Risk Management Guidelines" are established and covers management methods such as identification of climate risks, management of high carbon emission industries, scenario analysis, and reporting and disclosure mechanisms. Taishin performs material identification for climate-related risks every year. The process identifies climate-related risks with potential impacts on the business, analyzes the potential financial impacts and associated traditional risks, and devises response strategies and management mechanisms in order to mitigate climate change impacts. 					

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Aspect	Disclosure	Current Progress	Section of TCFD Report
Risk Management	Risk management process	<ul style="list-style-type: none"> Using the three lines of internal control, Taishin has divided the scope of responsibility and management on climate risk for each line of defense, and is able to maintain effective and appropriate implementation of the internal control system. The responsible units follow their own responsibilities in the review process or decision making mechanisms and consider impacts of climate risk. For example, Taishin Bank had made high carbon emission industries one of the factors to be considered in investing and amended the Pre-Investment Assessment and Post-Investment Management Regulations for equity and bond investments. Exposures in high carbon emission industries in investment and financing positions are monitored regularly and reported in monthly risk management meetings and to the Risk Management Committee and the Board of Directors. 	3.1 Climate Risk Management Framework 3.2 Climate Risk Management
Metrics and Targets	Metrics setting Management of Targets	<p>Taishin matches material climate-related risks and opportunities identified to climate strategies and sets indicators. Indicators for banking services include carbon emissions from investment and financing positions, exposures in high carbon emission industries, and performance in promoting a low carbon economy. Indicators for own operations include energy saving and carbon reducing actions, energy consumption, and GHG emissions.</p> <p>Taishin discloses annually for the performance achievement of SBT reduction targets by energy management, renewable energy use, internal carbon pricing and other measures in Scope 1 and 2. In Scope 3, it is committed to actively promoting low-carbon related investment and financing as well as high-carbon emission industry management to reach carbon reduction goals.</p>	4.1 Science-Based Targets (SBT) and Achievement 4.2 Environmental Data of Own Operations 4.3 Net-Zero Emission Data of Financial Business

3.2.1 Results of Materiality Assessment of Climate-related Risks and Opportunities

In 2023, for the purpose of understanding the impacts of climate change on Taishin, the TCFD task force and relevant departments conducted materiality assessment of climate-related risks and opportunities through workshops. Taishin FHC and major subsidiaries conducted the assessment based on their own operations, investments, financing, products and services, suppliers and other different aspects according to the nature and relevance of their businesses, and followed the climate risk definitions released by the Intergovernmental Panel on Climate Change (IPCC) for hazard, exposure, and vulnerability and rated (on a scale of 1 to 5) the probability, severity, and controllability of each risk and opportunity. Time frames in terms of short-term (1 to 3 years), medium-term (3 to 5 years), and long-term (5 years or more) as well as the impact on the value chain (upstream, own operation, and downstream) were also identified at the same time.

In 2023, Taishin identified 3 material climate-related risks and 3 opportunities, described as follows:

• Material Climate-related Risks

Risk Type	Climate Risks	Impact Assessment	Time Scale	Response Strategy	Corresponding Existing Risk
Transition risk - Technology	Costs of low carbon transition	Increased operating costs caused by low carbon transition measures in product development aimed to mitigate climate change impacts	Short-term	<ol style="list-style-type: none"> Investing in and lending to carbon intensive industries to support low carbon transition Increase ESG and green investment and financing to inject funds into sustainability industries and support industry transformation Develop ESG and green products and services to channel funds towards low carbon products and work with customers in supporting sustainability industries Expand digital transition by providing online banking, digital policy documents, remote virtual services and other digital services 	Credit risk Market risk
Transition risk - Market	Energy resource price fluctuation risk	According to the Taiwan Power Company's data, electricity bills may increase if nuclear energy is replaced by renewable energies in Taiwan in the future	Short-term	<ol style="list-style-type: none"> Promote various energy saving and carbon reducing procedures on an ongoing basis to reduce environmental impacts of operations Implement the ISO 50001 energy management system to adopt renewable energies in stages and reduce GHG emissions Apply for green building labels for own office buildings and increase energy/resource utilization efficiency at office buildings Encourage employees to develop habits to save energy and expenses and adopt energy saving, carbon reduction and resource reduction in everyday life 	Operational risk
Transition risk - Regulations and Policies	Increased climate/environment-related regulations	Climate change and other environmental policies and regulations continue to grow around the world (e.g. renewable energy use, carbon fees/water fees, and carbon trading) and businesses need to incur additional expenses	Short-term	<ol style="list-style-type: none"> Implement the list of carbon intensive industries to carefully assess climate risks in investment/financing counterparties and manage high risk industries The responsible units add climate risk factors to the review process or decision making mechanisms. The list of carbon intensive industries is one of the risk assessment factors to be considered in business dealings and transaction decision making Regularly report positions in carbon intensive industries in monthly risk management meetings and to the Risk Management Committee and the Board of Directors since 2023 as part of effective climate risk management 	Credit risk Market risk



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

• Material Climate Opportunities

Opportunity Type	Climate Opportunities	Impact Assessment and Potential Financial Impact	Time Frame	Response Strategy
Products and Services	Digital financial trends	Reduce operating expenses on energy/resource consumption in operations through use of digital technologies	Short-term	1. Continue to increase penetration of e-bills 2. Promote mobile/virtual policy application 3. Develop online customer services 4. Provide the pay+ service for merchants to combine mobile payment services and build merchant wallets
Products and Services	Promoting green and sustainable credit	Respond to climate change and sustainability issues and help borrowers complete sustainability transition in order to increase operating return on green financing	Short-term	1. Financing for power plants was made 100% to renewable energies starting in October 2023 2. For wholesale banking, continue to promote sustainability-linked loans, sustainable infrastructure loans, and green and sustainability themed lending. For retail banking, continue to promote electric vehicles, green building loans, and green loans
Products and Services	Green financial products and services	Develop sustainability or low carbon products and services to meet the demands of customers and investors and increase operating revenue	Short-term	1. Underwrite green bonds and sustainability bonds 2. Issue ESG and sustainability themed funds 3. Organize climate related forums to raise ESG awareness

3.2.2 Scenario Analysis

In order to specifically quantify the impact of climate-related risks on Taishin Financial Holdings and its major subsidiaries, after identifying the significance of climate-related risks, we further used climate scenario analysis methods to evaluate potential financial impacts. For investment and financing positions, we referred to the "Domestic Bank Operation Guidelines for Climate Change Scenario Analysis" issued by the Bankers Association and uses NGFS and IPCC scenario data to make assumptions, estimates the losses caused by climate risks under different scenarios in 2030 and 2050, and analyzes the industrial climate risk levels of hazardous areas, and selects high-risk scenarios. Climate risk industries are assessed, and the content is briefly described as follows:



(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

3.1 Net Zero Emission Goal

3.2 Climate-related Financial Disclosures (TCFD)

4. Green Operation

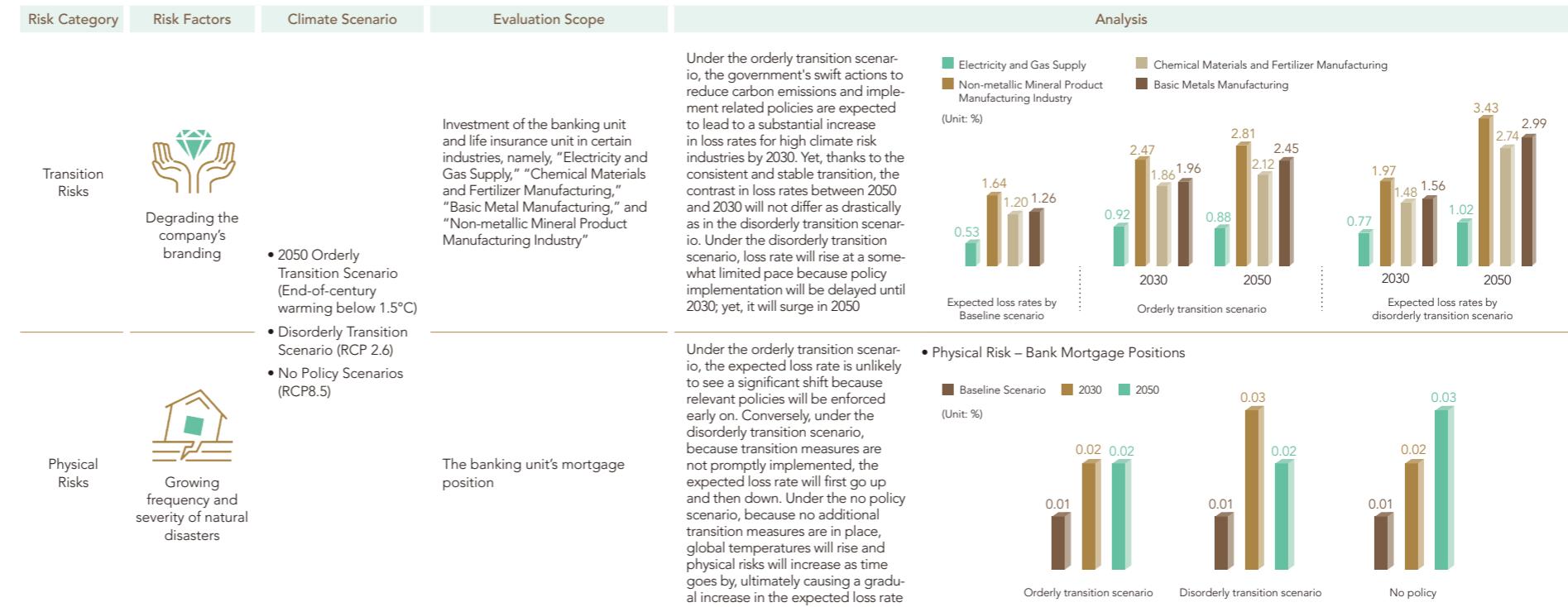
5. Sustainable Finance

6. Smart Services

7. Employee Care

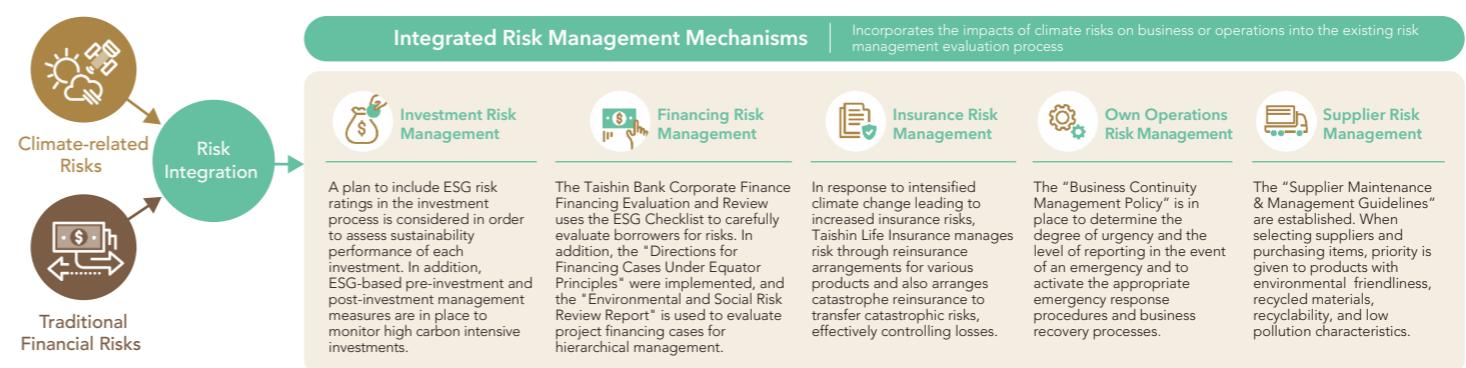
8. Social Inclusion

Appendix



3.2.3 Integrated Risk Management Mechanisms

To address the challenges climate change poses to the financial system, Taishin FHC and its subsidiary banks, life insurance, and securities companies have incorporated climate-related risks into their existing risk management systems. By integrating with traditional risks, they have established a comprehensive risk management mechanism.





- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [**4. Green Operation**](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Green Operation

- 67** 4.1 Environmental Management Framework
- 68** 4.2 Energy Conservation & Carbon Reduction
- 71** 4.3 Waste Management and Water Resource Management

4





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

4.1 Environmental Management Framework

The Taishin green operations team follows the Taishin FHC Environmental Sustainability Management Handbook and performs ISO 14064-1 GHG inventory standards, ISO 50001 energy management system, and ISO 14001 environmental management system certification regularly every year. In addition, the team follows the procedure for managing energy review, baselines, and performance indicators to check progress on the environmental targets. Energy usage and nature of operation in each stage are analyzed in order to set necessary performance indicators. The scope of ISO 14001 inventory was expanded in 2023. The life insurance and securities subsidiaries followed ISO certification to add waste (recycling) inventory.

Taishin has passed the green living and green office certification. The company continues internally to follow the green office standards and raises the number of supporting measures in order to create a low carbon environment and implement a comprehensive environmental sustainability management policy that works both inside and outside the company.

• Progress of Taishin's Environment Management

ISO Standards	Scope of 2023 Inventory	Future Plans
ISO 14064-1 GHG Inventory Standard	Taishin FHC (including subsidiaries)	In 2025, expanded to Second-tier subsidiary of the FHC
ISO 14001 Environmental Management System	Taishin FHC (including subsidiaries)	Taishin FHC (including subsidiaries)
ISO 50001 Energy Management System	Taishin FHC and Taishin Bank	In 2025, expanded to FHC (including subsidiaries)

• Taishin Green Sustainability Management Chronology





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

4.2 Energy Conservation & Carbon Reduction

4.2.1 Energy Conservation and Carbon Reduction Guidelines

Energy Saving and Carbon Reduction Action

Taishin began to control GHG emissions through energy conservation, creation, and purchase measures starting in 2016. Everyday energy- and cost-saving habits are encouraged throughout Taishin FHC as a means to mitigate rising energy costs in the future. Energy creation and purchase are employed in active support for the development of renewable energies through an increased percentage of renewable energy use and external purchases of renewable energy certificates. As of 2023, the cumulative carbon reduction translates to 5,722 tons a year, which equals to the annual carbon absorption of 14.8 Da'an Forest Park.

Carbon Reduction Methods	Action Plans	Accumulated Amount as of the end of 2023	2023 Electricity Savings (kWh)	2023 Carbon Reduction (tCO ₂ e)	Accumulated Saved Electricity (kWh)	Accumulated Reduced Carbon (tCO ₂ e)
Energy Conservation	Replacement of energy saving air conditioner	49 locations in total	8,092	4	1,226,983	606
	Replacement of energy efficient lights	9 location in total	647,115	320	818,187	404
	Green Building	4 buildings in total	-	-	117,521	58
	Building cooling tower construction	2 buildings in total	-	-	143,104	71
Energy Production	Solar Power Plant	10 locations in total	-	-	53,775	27
	Renewable energy certificates	304,000 kWh in total	-	36	-	150
	Renewable energy	7,820,689 kWh in total	-	3,528	-	3,863
Energy Purchasing	carbon credit	543 tons in total	-	-	-	543

Note 1: Electricity savings and carbon reduction each year are estimates; the electricity carbon emission factor of 0.494 kgCO₂e/kWh in 2023 is used for calculation.

Note 2: Electricity generated by solar panels at the Neihu Building are sold to Taiwan Power Company in wholesale. Solar power generation at the remaining 9 sites are for self-use. Hence, the Neihu Building is excluded from solar power electricity savings and carbon reduction in the table.

2023 Highlights in Carbon Reduction

First Carbon Neutral Certification

In 2023, Taishin selected the Wholesale Banking Center-Jianbei Building to be the candidate for carbon neutral certification. The building received the company's first green building certification by starting to replace energy intensive air conditioning equipment in 2020. The building later implemented the energy saving measures with controlled air conditioning hours for energy saving. The campaign, coupled with purchases of renewable energy certificates and carbon credits, enabled the building to complete carbon neutral certification. This is the company's only building that has passed both carbon neutral and green building certification.

Taiwan Carbon Solution Exchange (tcx) - First Buyer on an International Carbon Trading Platform

Taishin made early preparations for the government's 2050 net zero path. At TCX's invitation, the company became one of the first financial institutions to participate in carbon trading in December 2023. Carbon credits purchased for landfill gas capture for electricity generation project will be used to offset carbon emissions of the company's businesses, financial products/services, and brand events.

Continuing "Earth Hour" Campaign and the electricity saving measures

In 2023, Taishin FHC, 101 branches of Taishin Bank, Taishin Securities, and Taishin Life Insurance participated again in Earth Hour by turning off their neon lights, marquees and other energy intensive light fixtures. In addition, the Cool Biz - dress for summer event was turned into a year round dressing code. The electricity saving measures and e-newsletters were used to raise carbon awareness in the workplace.

Continuing Use of Renewable Energies, Replacement of Energy Intensive Equipment, and Green Building Certification

3 new electric vehicle charging stations and 1 green building certification (Yongfu Building) were added in 2023. 2 offices switched to energy saving air conditioning units and 8 offices to energy saving LED lighting. Taishin also followed the SBTs to purchase a total of 7,213,689 units in renewable energies and certificates to increase use of renewable energies.

• Estimated Usage Proportion of Renewable Energy Electricity

Year	2023	2024	2025	2026	2030
Renewable Energy Electricity Usage Rate	18%	21%	26%	30%	46%

Internal Carbon Pricing

Taishin uses shadow price to devise the internal carbon pricing mechanism. The carbon price, set at NT\$2,400/ton, is based on the internal cost of carbon reduction and domestic and foreign carbon market information. The price is used as an assessment tool in purchases of energy intensive equipment in order to include carbon price, equipment specifications, and input cost in cost evaluation. The approach reflects carbon pricing factors in energy saving action planning.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

4.2.2 Performance and Result

GHG Emission Intensity

In accordance with the SBT path, Taishin had set a 4.2% reduction target for Scope 1 and 2 for carbon reduction management, which is achieved through energy conservation and carbon reduction action plans every year. In 2023, the total emissions of Scope 1 and Scope 2 calculated on a market basis were 17,931 tCO₂e, a 16% decrease compared to the total emissions in 2022.

1. GHG Emission

Scope	Unit	2020	2021	2022	2023
I		1,128	1,150	1,418	1,465
II (Location based)		20,956	20,717	20,409	20,029
II (Market based)	tCO ₂ e	20,944	20,655	20,031	16,466
I+II (Location based)		22,084	21,867	21,827	21,494
I+II (Market based)		22,072	21,805	21,449	17,931
Carbon emission intensity	tCO ₂ e / person	1.99	1.96	1.90	1.55
(Market based)	tCO ₂ e / NT\$1 million in revenue	0.38	0.31	0.32	0.26

Note: 1. Taishin is in the financial industry, so it does not have any ODS, NOx, or SOx emissions. The electricity carbon emission factor used for calculation is the latest factor announced by Energy Administration, MOEA.

2. Taishin Life joined Taishin FHC in July 2021. Therefore, the 2020-2021 data are retrospective estimates, and actual data from Taishin Life are used starting in 2022.

3. The number of people with carbon emission intensity was the sum of the full-time and non-full-time employees of Taishin Financial Holdings and its subsidiaries.

4. Revenue (NT\$) per metric ton of carbon was NT\$ 3,899,366 in 2023, an increase of 26% compared with the previous year.

2. Scope 3

Scope	Unit	2020	2021	2022	2023
Total Scope 3 Emissions (excluding investment)		30,861	33,499	34,002	34,991
Investment	tCO ₂ e	4,014,123	4,208,440	1,050,870	1,304,554
Total Scope 3 Emissions (including investment)		4,044,984	4,241,939	1,084,872	1,339,545

Note: 1. ISO 14064-1 Scope 3 verification projects include: fuel and energy-related activities, industrial investment and product use (water dispenser, ATM, credit card manufacturing, Credit card use and disposal has been added in 2022, and paper purchasing has been added in 2023. The remaining items were internal statistics and have not been verified by ISO).

2. In conjunction with the verification and setting of carbon reduction targets for paper purchases in 2023, the emissions of the original purchased goods and services are self-disclosed and adjusted to reflect the emissions of paper purchases from 2020 to 2022. Fuel and energy related activities, Processing of Sold Products is also adjusted to reveal ISO verification numbers.

3. Taishin Life joined Taishin FHC in July 2021. Therefore, the 2020-2021 data are retrospective estimates, and actual data from Taishin Life are used starting in 2022.

3. Scope 3 Emissions target-Purchased goods and services

Taishin had set 2021 as the base year and set an annual carbon reduction target of 0.5% for paper purchase emissions. By the target year of 2025, the carbon emissions need to be reduced by 2%; the carbon emissions from paper purchase will be 0.8311 tCO₂e in 2023. Compared with the base year, the carbon reduction was 1.4%, which is higher than the target of 1% carbon reduction for the current year.

Purchased Goods and Services	2020	2021	2022	2023
Photocopy Paper (tCO ₂ e)	0.8281	0.8426	0.8312	0.8311

Note: In 2023, Taishin FHC's paper procurement passed ISO 14064-1 verification, covering 100% (including subsidiaries), and accounting for 100% of Category 1 carbon emissions. From 2020 to 2022, some subsidiaries were calculated based on estimates.

• Scope 3 Emissions by Category in 2023

Category	Emissions (tCO ₂ e)	Statistical Method
1: Purchased Goods and Services	1	The purchased paper is verified by ISO 14064-1, and the data covers the paper purchased by Taishin FHC's subsidiaries. The source of the emission coefficient is the product carbon footprint information network - virgin wood pulp photocopying paper.
2: Capital Goods	16,763	The data include electronic and video and automatic equipment (computers, automatic equipment, and printers), and the emissions are calculated based on the economic approach for the procurement amount.
3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	4,004	Upstream activities of purchased electricity, diesel and gasoline were verified by ISO 14064-1. The sources of activity data and emission coefficients are from the Ministry of Environment and the Energy Administration of the Ministry of Economic Affairs.
4: Upstream Transportation and Distribution	2,232	The data include the distance of transportation and the weight of computer equipment and printing paper; the vehicle emission factor is provided by the Ministry of Environment.
5: Waste Generated in Operations	286	The data include the total weight of waste, data on activities, and emission factor, which are provided by the Ministry of Environment; incineration is the main method of treatment.
6: Business Travel	98	The data include the emissions from the use of aircrafts, taxis, and high-speed rail by Taishin Holdings (including all subsidiaries); the aircraft emission factor is based on the online tool provided by ICAO; the taxi and high-speed rail emission factors are based on public available data and data provided by the Environmental Protection Administration, Executive Yuan.
7: Employee commuting	6,256	The data include all employees of Taishin Holdings (including all subsidiaries); data on the transportation vehicle and starting and ending points of activities are provided by employees; the emission factor is provided by the Ministry of Environment.
8: Upstream Leased Assets	4,210	The emissions of water dispensers and ATMs received ISO 14064-1 certification; the data include emissions of leased water dispensers, ATMs outside branches, and ATMs in convenience stores and the emissions are based on the rating plate or specifications provided by the manufacturer; the emission factor is based on the latest announcements of the IPCC and the Energy Administration, MOEA.

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

Category	Emissions (tCO ₂ e)	Statistical Method
9: Downstream Transportation and Distribution	24	The data include the weight of credit card mail and statements; the emission factor of transportation vehicles is provided by the Ministry of Environment; the transportation distance is based on the average distance.
10: Processing of Sold Products	135	The emissions from the production of credit cards received ISO 14064-1 certification; the data include upstream and downstream emissions from the use of credit cards and the number of cards issued in the current year is the activity factor; the emission factor is based on the factor announced for the Rose Giving Card on the Carbon Footprint Information Platform.
11: Use of Sold Products	277	Emissions downstream of the use/disposal of credit cards had been verified by ISO 14064-1, and the emission coefficient adopts the Product Carbon Footprint Information Network-Rose Giving Card Announcement Coefficient.
12: End of life treatment of sold products	2	The data include the total weight of canceled and replaced cards and the calculation is based on disposal by means of incineration; the emission factor is provided by the Ministry of Environment.
13: Downstream Leased Assets	704	The data include the electricity consumption of premises leased to other companies and the emission factor is provided by the Energy Administration, MOEA.
14: Franchises	-	No such sources of emissions.
15: Investment	1,304,554	The carbon emissions from investments received ISO 14064-1 certification; the scope of the data includes investments (equities and bonds) and financing reviewed based on science-based targets (SBTs) for carbon emissions reduction, and the calculations are based on the investment (amount) and financing (balance) as well as the PCAF methodology.
Others (upstream)	-	-
Others (downstream)	-	-

Energy Use

The largest source of Taishin's renewable energies is externally purchased solar power. The company started following SBTs and the 4.2% reduction pathway in 2022 and increasing the percentage and number of offices using renewable energies. The second source is transition renewable energy certificates (TRECs) from externally purchased solar power. However, energy self sufficiency is constrained by factors such as roof area, and so the power generated accounts only a small percentage.

For non-renewable energy sources, gasoline is the main source next to purchased electricity. Taishin promised to stop purchasing new pure fossil fuel vehicles for business cars in 2022. The goal is to retire existing business vehicles gradually and replace them with hybrid or electric vehicles. Taishin also encourages employees to adopt virtual meeting systems, and assesses the feasibility of installing charging stations for motorcycles, shared bicycles, and electric cars at different locations in order to reduce gas consumption.

Boundaries	Energy	Unit	2020	2021	2022	2023	
Renewable energy	Self-generated for self-use	kWh	1,000	3,000	16,300	33,506	
	Purchased renewable energy	kWh	0	0	680,000	7,140,689	
	Purchased renewable energy certificates	kWh	25,000	123,000	63,000	73,000	
	Subtotal	kWh	26,000	126,000	759,300	7,247,195	
Within the Organization	Gasoline	L	136,806	116,105	153,127	154,675	
		kWh	1,240,799	1,053,045	1,388,826	1,402,866	
	Diesel fuel	L	5,402	9,348	11,698	8,572	
		kWh	52,764	91,306	114,260	83,727	
Non-renewable energy	Purchased electricity	kWh	41,220,729	40,713,398	39,439,951	33,339,965	
	Subtotal	kWh	42,514,291	41,857,749	40,943,037	34,826,558	
	Renewable energy + Non-renewable energy	Total	kWh	42,540,291	41,983,749	41,702,337	42,073,753
		kWh/person		3,712.91	3,670.96	3,559.03	3,504.63
Outside the Organization ATM	Electricity consumption intensity	kWh/NT\$1 million in revenue	712.90	580.22	605.02	580.50	
	Electricity consumption	kWh	4,539,406	6,636,782	7,114,639	6,947,204	

Note: 1. The Energy Heat Value Chart of the Energy Administration, MOEA is used for converting the heat value of energy, in which electricity (consumer) (860kcal/kWh), gasoline (7,800kcal/L), diesel fuel (8,400kcal/L); Using the conversion factor from joule to calorie (4.186 kJ/kcal),
 2. The self-generated power generation is the estimated value after excluding the Neihu Building
 3. The number of people with electricity intensity was the sum of the full-time and non-full-time employees of Taishin FHC and its subsidiaries
 4. Taishin Life Insurance joined Taishin Financial Holdings in July 2021. Oil consumption in 2020~2021 replaced by 2022 figures, and electricity consumption calculated based on actual electricity consumption. From 2022, Taishin Life Insurance included in the inventory scope.
 5. Electricity consumption intensity calculation includes renewable energy and non-renewable energy. Revenue (NT\$) per kWh of electricity consumption was NT\$1,723 in 2023, an increase of 4% compared with the previous year.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

4.3 Waste Management and Water Resource Management

4.3.1 Waste Management and Water Resource Management Guidelines

In an attempt to reduce waste and environmental burden, Taishin has been advocating the idea of waste classification, recycling and reuse within the organization. All employees have been invited to participate in this initiative to ensure efficient use of resources. With respect to products and services, Taishin has been introducing digital products and services in line with the green finance trend to minimize the use of paper and energy. Services such as virtual cards, e-statements, mobile banking and online application features have all been designed to incorporate the organization's environmental protection philosophy and invite customers to join our cause.

1. Paperless Promotion

Taishin lets employees voluntarily think of opportunities to become paperless via creative proposals and BPM, in order to create a sustainable environment and effectively reduce paper use. Taishin strives to reduce paper consumption in the operating process through electronics, digitalization, automation, API, and AI. To provide customers with greater convenience, Taishin has allowed customers to fill out electronic forms online or directly access financial services through cyber and physical channels, which effectively reduces paper use in application, inquiry, printing, transmission, and promotion. It also improves the quality of customer services and Taishin Bank's processing efficiency.

In 2023, printed materials and paper use were reduced through optimized mailing of overseas summary of investment linked products, elimination of paper copies of loan agreements where both application and verification are completed online, and elimination of credit card activation stickers. In 2024, the effort continues in elimination of paper-based new feature application for merchants and transition of the Checklist for Suspected Money Laundering of Terrorism Financing Transactions in Accounts Receivable from paper to electronic in order to save energy and reduce carbon emissions. In 2023, Taishin reduced paper use by 4,107,538 sheets, which reduced carbon emissions by approximately 87 tonnes CO₂; carbon emissions was reduced by a total of 1,613 tonnes CO₂ over the years, which is the equivalent of saving 9,129 trees from being cut down.

Item/Year	2021	2022	2023
Cumulative Paper Saving (sheets)	57,841,949	71,974,890	76,082,428
Cumulative CO ₂ Emission Reduction (ton)	1,226	1,526	1,613
Increase in Cumulative Carbon Emissions Compared with the Previous Year (%)	114.3	24.5	5.7

Note: According to carbon footprint data of the Environmental Protection Administration, carbon emission per sheet of paper is 21.2 g CO₂; according to data of the Construction and Planning Agency, Ministry of the Interior, 0.6 trees are cut down for each tonne of pulp.

2. Water Management Measures

All water consumption of Taishin is tap water. Domestic wastewater generated by operations is discharged according to relevant regulations. Taishin continues to promote water consumption internally, inspects equipment every day, and uses parts with the water conservation mark, including Taishin installed water saving faucets in sinks in the Taishin Tower, Neihu Building, Jianbei Building, Taishin Life Building, and Bade Building to conserve water resources.

3. Waste Management

Taishin supports Taipei City Government's ban on disposable and melamine tableware, and requires employees to bring their own cups, paper double-sided printing, and reuse the blank back side of recycled paper. Taishin also placed a stationary recycling box to encourage reusing resources, to create a green office environment.

To increase the percentage of waste recycled, Taishin set a recycling target of 30% for three buildings (Taishin Tower, Neihu Building, and Taishin Life Building) from 2023 to 2025. The percentage of recycling was 38% in 2023.

In 2023, Taishin was first to introduce smart recycling machines, which were installed in 10 of the company's offices in northern, central, and southern Taiwan and made available to employees and the public. These smart recycling machines utilize smart identification technology to recycle waste batteries and PET bottles. The machines also sort, shred, and store PET bottles, significantly reducing volume and cutting the number of necessary trips. Recycled materials are ultimately used in reproduction to create a circular economy of green living. As of the end of 2023, the 10 offices recycled a total of 276.4 kg of PET bottles and 12,621 batteries, which were the equivalent of 0.498 tons in GHG emission reduction. More machines will be added gradually in the future.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

4.1 Environmental Management Framework

4.2 Energy Conservation & Carbon Reduction

4.3 Waste Management and Water Resource Management

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

4.3.2 Performance and Results

• Water Withdrawal Volume and Water Withdrawal Intensity

Item	Unit	2020	2021	2022	2023
Water Withdrawal Volume	Kiloliter	137,194	133,331	141,494	139,872
Water Withdrawal Intensity	Kiloliter/per person	12.35	11.98	12.53	12.08
Data Coverage	%	100	100	100	100

Note: 1. 1,000 Kiloliter = 1 million liters

2. Water withdrawal volume calculation is based on Taishin Bank and Taishin FHC and weighted by the number of employees. Taishin Life joined Taishin FHC in July 2021, and so its water consumption is estimated retrospectively for 2020 and 2021.

3. Water withdrawal intensity is the sum of full-time and non-full-time employees of Taishin FHC and its subsidiaries. The coverage ratio is based on the number of employees.

4. Revenue (NT\$) per cubic meter of water consumption was NT\$499,871 in 2023, an increase of 6% compared with the previous year.

5. Taishin is in the financial services industry and does not involve manufacturing. Therefore, the water used is mainly for daily office work. The water withdrawal and discharge are almost the same.

• Total Weight of Waste and Waste Intensity

Item	Department	2020	2021	2022	2023
Total waste recycled/reused	Tonne	422.27	385.37	416.29	433.61
Waste incinerated with energy recovery (A)	Tonne	827.42	804.81	795.71	795.04
Waste incinerated without energy recovery (B)	Tonne	0	0	0	0
Waste landfilled (C)	Tonne	0	0	0	0
Other (D)	Tonne	0	0	0	0
Total (A+B+C+D)	Tonne	827.42	804.81	795.71	795.04
Waste Intensity	Ton/person	0.0745	0.0723	0.0704	0.0687
	tCO ₂ e/NT\$1 million in revenue	0.014	0.011	0.012	0.011
Data Coverage	%	100	100	100	100

Note: 1. The total weight of non-recyclable waste generated by Taishin FHC prior to 2022 is calculated using the total waste generated in Neihu, Taishin Tower, and Jianpei Buildings, and then projected based on the percentage of Taishin FHC's employees accounted for by employees in the three buildings. Taishin Life Building was added in 2023. Taishin Life joined Taishin FHC in July 2021, and so its waste is estimated retrospectively for 2020 and 2021.

2. Waste intensity is calculated based on the total amount of non-recyclable waste, data coverage is calculated based on number of employees.

3. In 2023, revenue per ton of waste was NT\$87,942,686, an increase of 5% compared with the previous year.

Waste Treatment Methods and Volume in 2023

• Non-recyclable General Waste (Unit: ton)

Item	Treatment Method	Treatment after Recycling	Neihu Building	Taishin Tower	Jianpei Building	Taishin Life Building	Total
Domestic Waste	Collected by supplier	Incineration	108	121	42	22	293

• Recyclable General Waste (Unit: kg)

Item	Treatment Method	Treatment after Recycling	Neihu Building	Taishin Tower	Jianpei Building	Taishin Life Building	Total
PET			2,067	1,537	80	354	4,038
Iron Cans			295	502	80	40	917
Aluminum Cans	Recycled by supplier	Sold to wholesaler	51	245	0	12	308
Paper			9,737	23,455	6,832	6,156	46,180
Outsourced Documents	Water Destruction (destruction of important documents)	Employees are assigned to supervise the destruction; destroyed materials are recycled and reused by the service provider			93,320	10,790	104,110
IT Equipment (hard disks)	Recycled by supplier	Once data is erased, the IT Division will make random checks for any omissions			1,239		1,239
		Not included in statistics this year					

Note1: Recycling of outsourced documents and IT equipment - hard disks were based on the Bank's own estimates.

Note2: Domestic waste in Neihu Building and Jianpei Building were calculated based on the contracts with cleaning company; domestic waste in Taishin Tower and Taishin Life building was calculated based on the cleaning cost per month.

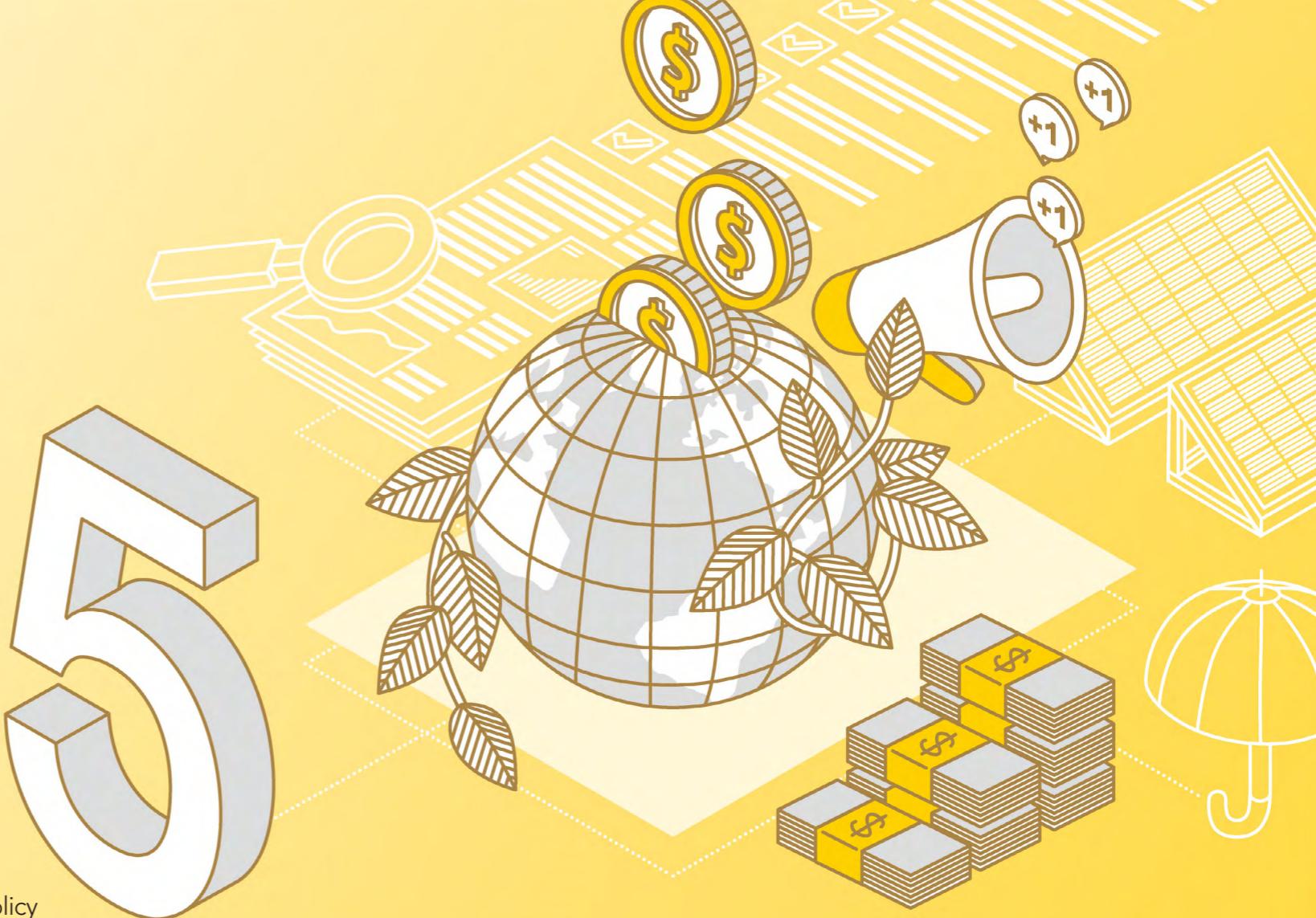




- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Sustainable Finance

- 74** 5.1 Sustainable Finance Policy and Actions
- 78** 5.2 Responsible Financing
- 82** 5.3 Project Finance
- 83** 5.4 Responsible Investment
- 85** 5.5 Asset Management
- 86** 5.6 Sustainable Insurance





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

5.1 Sustainable Finance Policy and Actions

5.1.1 Policies or Guidelines for Sustainable Finance

In order to keep pace with the times, Taishin actively responds to the "Sustainable Development Goals"(SDGs) and supports Taiwan's major policies for net zero strategies, energy transition, and environmental conservation, green energy industry and technology development. We actively drive the capital to green energy technology and development with the aim of encouraging companies to pursue low-carbon economy and sustainable development. In recent years, Taishin formulated relevant policies or taking sustainable financial actions in accordance with global initiatives as the basis for sustainable finance actions.

• Milestones for Sustainable Finance





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

[5.2 Responsible Financing](#)

[5.3 Project Finance](#)

[5.4 Responsible Investment](#)

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

1. Formulate Sustainable Financial Policies

Taishin FHC understands that the financial industry has an impact on flow of funds and, therefore, formulated the Taishin FHC Green Finance Principles in 2018 with reference to the International Finance Corporation (IFC) exclusion list and UN Global Compact among other international principles. The Principles apply to all subsidiaries and various businesses within the group. It specifies subjects that should be supported and avoided and emphasizes that ESG risk management should be included in transaction review and post-transaction management. Taishin FHC and its subsidiaries have adjusted their business regulations or processes in accordance with the Green Finance Principles. ESG risk assessment is conducted on 100% transactions and financial products of all subsidiaries. According to high-risk factor assessment results, industries involved in narcotics, manufacturing of illegal weapons, and gambling are customer attributes that we should decline to deal with or exclude from our business so as to practice the vision of responsible financing development.

In light of the fast-changing trends and growing attention paid to sustainable financing around the world, in 2023, Taishin established the Sustainable Finance Policy to replace the Green Finance Principles. The policy has been approved by the Board of Directors and details key points of recent developments in sustainable finance, including public commitment, ESG topics of concern, engagement and communication, and voting policy. We referenced international sustainable finance initiatives, such as the Principles for Responsible Banking (PRB) and Principles for Responsible Investment (PRI), and comply with green finance related policies and the Stewardship Policy for Institutional Investors, in order to align with sustainable development trends and achieve better performance in sustainability practices.

Emphasized Topics	Contents
Expand Applicability	The policy applies to Taishin FHC, its subsidiaries, and the trading counterparts and parties involved in the investing/financing activities of overseas branches/institutions. The policy serves as the basis for setting management rules for different business activities and asset categories.
Public Commitment	In response to the goal set forth in the Paris Agreement to control global temperature rise within 1.5°C, the Company made a commitment to reduce Scope 1 and Scope 2 emissions in 2030 by 46% compared to the baseline year (2019). We also set carbon reduction goals for Scope 3 asset categories based on the SBT methodology, in order to work towards net zero emissions.
ESG topics of Concern	<p>Environmental Taishin cares about ESG topics and has incorporated this principle into its business evaluation process, taking action to show that we care about sustainability issues.</p> <p>Social We expect trading counterparts to implement low carbon transition in their business activities, raise their environmental protection awareness, and pay attention to biodiversity.</p> <p>Governance We expect trading counterparts to take diversity and equality seriously, pay attention to local communities, improve labor rights and interests, and pay attention to occupational health.</p>
Establishment of Driving Business Rules	<p>Taishin expects trading counterparts to uphold the spirit of sustainability, and establish ESG management measures, indicators, and goals. To effectively assess and manage ESG risks, we took trading counterparties and the contents of transactions into management according to different levels. All subsidiaries shall comply with the Sustainable Finance Policy and provide financial products and services aligned with the spirit of sustainability. To achieve sustainable finance and drive the industry transition, Taishin expressly stated specific industries and trades those are prohibited, decarbonization strategies, companies that it should avoid cooperating with, and industries for careful assessment. Taishin also actively supports the economic activities with more sustainability and forward-looking, and makes substantial contributions to the mitigation of climate change.</p> <ul style="list-style-type: none"> • Industries or counterparties prohibited: Industries or trading counterparties that produce a direct or potentially significant negative impact on ESG, such as: industries involved in pornography, manufacturing of illegal weapons, and health-endangering activities; or trading activities in which operations or use of fund are/is detrimental to ESG factors, such as: activities in serious violations of financial laws and regulations (money laundering, corruption, etc.) or other laws and regulations. • Decarbonization commitment: With coal companies (including coal mining, coal-fired power plants, and coal infrastructure) and unconventional oil & gas industries, including global investment and financing activities should plan a timetable for no new undertakings or investments in various businesses from 2022 to 2030; and aim to completely phase out of investing/financing coal-related companies by the end of 2030 and unconventional oil & gas businesses by the end of 2040. • Avoided from direct cooperation or prudent assessment is required: 7 industries included in the list of high carbon emission industries (e.g., Petroleum and Natural Gas Mining, Cement, Electricity and Gas Supply, Manufacture of Basic Metals, etc.) or for business types which can be traceable for purpose of funds are also required to carefully assess the harmful to the ESG-oriented from operational activities. (examples of such industries: tobacco and alcoholic beverages, those caused negative impacts on biodiversity and the ecosystem, those caused systematic damage to the environment or health, or those in serious violation of laws, human rights, and occupational safety regulations, etc.) • Industries to which active support may be given: Industries engaged in sustainable and forward-looking economic activities, such as: those involved in renewable energy, water recycling or frontier technologies, energy conservation or energy storage facilities, protection of natural resources and biodiversity promotion, etc.
Optimization for Engagement and Communication	Taishin exerts the influence of its core business through engagement mechanisms and understands ESG topics of concern and results through channels for interacting and communicating with subjects. Taishin also raises the sustainability awareness of companies and drives the companies to improve their sustainability performance, prioritizing the SDGs in engagement.
Development of the Voting Policy	Taishin is aligned with the long-term interests of fund providers (including customers, beneficiaries, or bank shareholders) through appropriate concern and dialogue with investees, improving the quality of investees' corporate governance through good interactions, and further driving industrial and economic development.
Comprehensive Review and Management	All industries, businesses, and customers that Taishin deals with "should" comply with the principles set under the sustainable finance policy. Taishin carefully evaluates if trading counterparts or transactions have potential risks that will harm the environment or society, and if there are actions that negatively impact ESG topics. The review process includes three stages: evaluation, inspection, and comprehensive review, and items that require follow-up are periodically examined after approval.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

2. The Development of Related Rules for Principles of Responsible Investment

To fulfill requirements for responsible investment, Taishin FHC actively complies with the six major principles of Principles for Responsible Investment (PRI) initiated from United Nations as the basis for operations and disclosure to ensure that investees implement environmental protection, corporate social responsibility, and corporate governance.

• Implementation Status of the UN Principles for Responsible Investment (PRI)

Principles for Responsible Investment	Summary for implementing status
① We will incorporate ESG issues into investment analysis and decision-making processes	<ul style="list-style-type: none"> Incorporate ESG principles into investment policies Evaluate investment targets before investment based on ESG risk indicators, and include evaluation results in the investment analysis report Actively invest in environmental sustainability and establish guidelines for investing in controversial industries Regularly review ESG risk-related scores of investment targets
② We will be active owners and incorporate ESG issues into our ownership policies and practices	<ul style="list-style-type: none"> Comply with "Stewardship Principles for Institutional Investors" and signed the "Statement of Compliance with Stewardship Principles for Institutional Investors" Develop policies for investment personnel to avoid personal investment behavior and conflicting company interest Practice the influence of shareholders' actions and exercise voting rights at shareholders' meetings
③ We will seek our invested companies to properly disclose ESG information	<ul style="list-style-type: none"> Disclosure on ESG issues by investees can be determined using the following methods: <ol style="list-style-type: none"> Regularly review ESG risk-related scores of investment targets Ask for sustainability report or public information Ask for information from companies if disclosure of information in sustainability report is not available If none of the above is available, confirm through an internal review mechanism whether it is required of an investee or whether investment is made Conduct in-depth assessment or engage directly with investee companies in the event of negative news concerning corporate governance or sustainability matters
④ We will promote acceptance and implementation of the Principles within the investment industry	<ul style="list-style-type: none"> FHC and subsidiaries: Taishin has formulated decarbonization strategy, has set a timeframe for exiting thermal coal, unconditional oil & gas, and will follow this strategy to strive toward responsible investment in concert with industries in which we invest Issue ESG funds and promote ESG investment and management across industries (Taishin Investment Trust) Enter into discretionary investment agreement with discretionary investment organizations, which specifies incorporating ESG issues into investment analysis and decision-making processes (Taishin Life Insurance)
⑤ We will work together to enhance our effectiveness in implementing the Principles	<ul style="list-style-type: none"> Attend ESG forums or seminars organized by external parties Observe the SBTs of Taishin FHC and achieve low-carbon transition Participate in renewable energy investments with industry peers (Taishin Life Insurance)
⑥ We will issue report on our activities and progress towards implementing the Principles	<ul style="list-style-type: none"> Regularly review and disclose how ESG is practiced in responsible investment Communicate, through Sustainability Report and Stewardship Report (see form below - Information Disclosure), with the general public and stakeholders about the importance we attach to responsible investment The Subsidiaries Taishin Securities and Taishin Futures to separately release first sustainability report

Subsidiaries Taishin Bank, Securities, Investment Trust, and Life Insurance have successively signed the Stewardship Principles for Institutional Investors in compliance with PRI. Taishin Bank also established the Stewardship Principles for Institutional Investors and a voting policy. Each year, the bank discloses its attendance and voting status at investee companies' shareholders' meetings and publishes stewardship report. We continue to monitor issues pertaining to investee companies, including news reports, financial performances, environmental practices, social responsibilities, labor rights, and corporate governance. We participate in shareholders' meetings through various channels, communicate with investees via phone/email, attend company meetings by video conferencing, and maintain an appropriate dialog and interaction with investee companies in order to determine the industry overview and business prospects of investee companies and to encourage investees to pay attention to ESG issues. Taishin Life Insurance was included in TWSE's 2023 list of companies with better institutional investor stewardship disclosure.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

In 2023, Taishin carried out the influence of shareholders' actions and exercise voting rights at shareholders' meetings; As a result, the attendance rate of the investees' shareholders' meeting of Taishin Bank, Securities, Investment Trust, and Life Insurance was 100%.

	Subsidiaries	Internal Policies/Rules	Information Disclosure
Taishin FHC	Taishin Bank	Statement of Compliance with Stewardship Principles for Institutional Investors ↗ Taishin Bank Stewardship Principles ↗	Attendance and voting status at investee companies' shareholders' meetings ↗ Stewardship report ↗ Engagement record ↗
	Taishin Securities Investment Trust	Statement of Compliance with Stewardship Principles for Institutional Investors ↗	Attendance and voting status at investee companies' shareholders' meetings ↗ Stewardship report ↗ Engagement record ↗
	Taishin Securities	Statement of Compliance with Stewardship Principles for Institutional Investors ↗	Attendance and voting status at investee companies' shareholders' meetings ↗ Stewardship report ↗ Engagement record ↗
	Taishin Life	Statement of Compliance with Stewardship Principles for Institutional Investors ↗	Attendance rate in the shareholders' meetings of listed/OTC companies ↗ Stewardship report engagement record ↗

3. The Announcement of Environmental and Social Risk Management Sector Guidelines

Taishin FHC conducted a comprehensive evaluation of the environmental and social risk ratings of the industries in investment and loans and identified five major industries including the "Manufacture of Basic Metals", "Power Supply", "Chemical Materials Manufacturing", "Manufacture of Electronic Parts and Components", and "Manufacture of Electric Equipment" and announced the "Environmental and Social Risk Management Sector Guidelines" (hereinafter referred to as the "Guidelines"). The Guidelines are aligned with the spirit of the "Sustainable Finance Policy" and provide a summary of the expectations and requirements of Taishin FHC with respect to human rights protection and climate change. We identified significant environmental and social risks by industry-specific and provided an assessment framework with best management practice principles. By understanding the appropriateness of our partner's management of major environmental and social issues to improve our decision-making foundation.

4. Developed Decarbonization Strategies & Pathways, and High Carbon Emission Industries in Response to Climate Change

In response to climate change, Taishin has further developed decarbonization pathways for coal, unconditional oil & gas. For the investment and financing of coal industry, the pathways are planned to be completely phased out in 2030 for coal mining, coal-fired power generation, and coal infrastructure for land transportation and warehousing in the financing with credit lines/lending, underwriting fixed income product, infrastructure finance/project finance as well as in the investment of active investment, passive investment and third-party managed assets. For unconventional oil & gas, then the pathways are planned gradually to be completely phased out in 2040 for tar sands, shale oil & gas, arctic oil & gas, ultra deep water oil & gas, liquefied natural gas (LNG). The details for decarbonization pathway, relative thresholds or time frame please check 3.1.1 Taishin FHC's goal for net zero emission [↗](#).

In addition, in order to carry out relevant statistics, disclosure and further management of high-carbon-emission industries further, the "Taishin Financial Holdings Climate Risk Management Guidelines" were formulated in 2022, specifying the "List of High-Carbon Emission Industries" that will be applied by financial holdings' level: "Petroleum and natural gas mining", "electricity and gas supply industry" (excluding green energy power generation), "basic metal manufacturing industry", "petrochemical related industries", "pulp, paper and paper products manufacturing industry", "textile industry", "Cement Industry" as one of the risk assessment considerations for its business dealings and transaction decisions.

5. Established the "Guidelines for Loan Applications Applicable to the Equator Principles"

Considering that project finance may cause direct and irreversible environmental and social risks, Taishin Bank signed the Equator Principles and formulated the "Guidelines for Loan Applications Applicable to the Equator Principles" to conduct additional environmental and social risk review and management for cases applicable to the Equator Principles. For detailed management instructions please see 5.3 Project Finance. [↗](#)

5.1.2 Disclosure of Sustainable Finance by Business Category

Taishin's responsible investment and lending in sustainable finance are implemented mainly in six pillars: "Corporate Banking", "Consumer Banking", "Project Finance", "Advisory Business", "Asset Management", and "Insurance". By these pillars, we disclosed the ESG-related products/services and the performances for each category are listed. All related businesses are assessed the ESG risks in terms of 100% of transaction activities and financial products. Assessment of environmental and social risks is incorporated in each financing and investment policy, which applies to all subsidiaries.

• Revenue Breakdown for Each Business Category (Unit: %)

Business Category	2023	ESG Report Chapter
Consumer Banking	40.58	5.2.2 Responsible Financing (Retail Banking)
Corporate Banking	22.17	5.2.1 Responsible Financing (Wholesale Banking)
Project Finance	0.02	5.3 Project Finance
Advisory Business ^(note 1)	0.06	5.4.2 Sustainable Advisory Products and Services
Asset Management ^(note 2)	1.13	5.5 Asset Management
Insurance ^(note 3)	29.56	5.6 Sustainable Insurance
Others ^(note 4)	6.48	5.4.1 Sustainable Investment for Proprietary Trading
Total	100.00	-

Note 1: Advisory business includes Taishin Bank's underwriting for bonds (with green bonds, social bonds, and sustainable bonds); no sustainable-linked bonds or securitization related business.

Note 2: Based on the asset management business operated by Taishin Investment Trust.

Note 3: Based on the insurance business operated by Taishin Life Insurance, whose main business category is life insurance.

Note 4: Others include Taishin Bank's proprietary trading(4.25%); and exclude the net revenue of Taishin Bank, Life Insurance, Investment Trust, and offset adjustment for related party transactions.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

5.2 Responsible Financing

Taishin incorporates sustainability issues into its corporate (wholesale) and consumer (retail) banking financing evaluation procedures. Sustainability issues are defined by environmental, social, and governance (ESG) factors according to the Taishin FHC Sustainable Finance Policy. We also frequently introduced ESG-related products as a means of encouraging clients or consumers to contribute to achieving sustainability.

5.2.1 Wholesale Banking Business

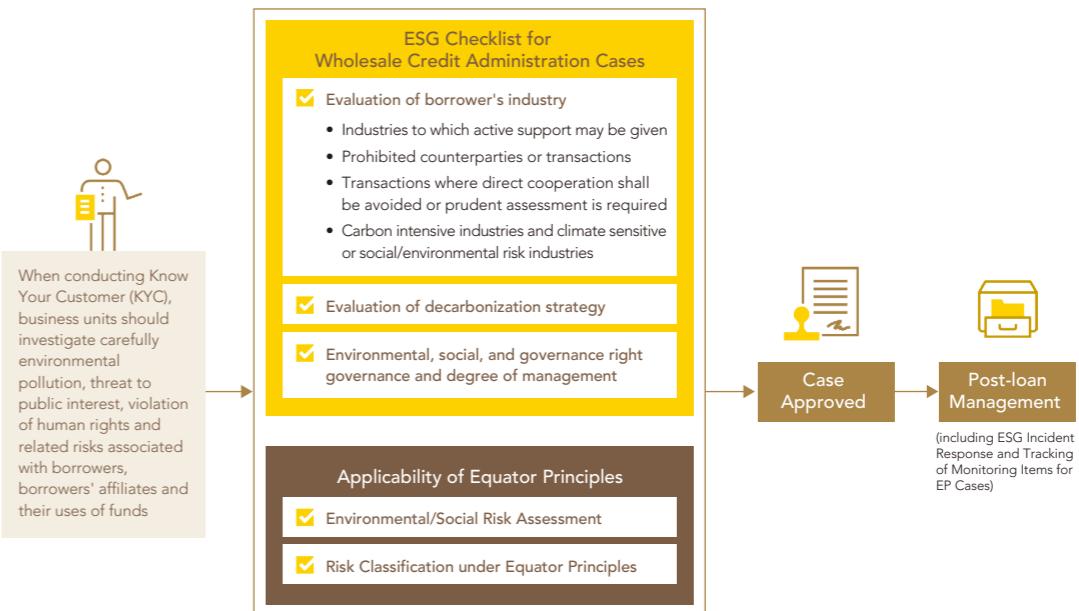
In terms of wholesale banking services in sustainable finance, ESG/sustainability-related issues are considered in credit check, credit evaluation, and review processes. Sustainability-related issues encompass ESG aspects and are defined in accordance with the Taishin FHC Sustainable Finance Policy. We also actively promote ESG-related products as a means of encouraging corporate clients to jointly practice sustainability.

Responsible Financing Guidelines for Wholesale Banking

In the evaluation and review of wholesale banking loans, all applied loans are checked against the ESG Checklist and against the business driving rules listed in our Sustainable Finance Policy to determine whether the applicant's business is associated with industries that can be actively supported, trading partners or contents that are prohibited or high carbon emission industries with whom direct cooperation should be avoided or that require prudent assessment. In addition, our credit review takes into consideration whether the applicant's company has addressed environmental and social issues by setting goals and conducting follow-up management. For climate or socially/environmentally sensitive industries (six industries: Real-Estate Development Activities, Electronic Parts and Components Manufacturing, Electricity Supply, Manufacture of Electrical Equipment, Manufacture of Basic Metals, and Manufacture of Chemical Material), a review of specific social and environmental issues is required. Given the decarbonization strategy developed in response to climate change trends, prudent assessment must be conducted on businesses involving specific coal-related business and unconventional oil & gas.

Because Taishin Bank is a signatory to the Equator Principles, it needs to review whether an application is subject to the Equator Principles(EP). EP and Project Finance related details please see [5.3 Project Finance](#).

• Process of Wholesale Banking Loan Application



ESG Due Diligence and Engagement Procedures

Corporate financing from Taishin Bank are subject to Know Your Customer (KYC), due diligence (DD) credit review, and post-loan early warning system control procedures in order to implement quality control, maintain both quality and quantity in characteristic development, and fulfill the bank's social responsibility. For example, a credit evaluation report for a chemical industry case will consider several factors when assessing a company's future operational risks and profit estimation. These factors include the soundness and compliance of pollution monitoring/treatment facilities, whether long-term capital expenditures are planned after taking into account future amendments to domestic/foreign environmental regulations, and how the above issues affect the business' operating costs over the long-term, and the company's past integrity performance (including individual management behavior, records of violation).

In engaging with customers on ESG-related risks and opportunities, all cases are assessed for risks with reference to JCIC credit reports. Apart from the above process, customer engagement or evaluation is also based on research reports published by Taishin Securities Investment Advisory. Before compiling a report, the research team will inspect a company's factory on-site or attend the company's meeting to establish a general assessment of the company's business status and industry dynamics, including sustainability-related issues, ethical management, social responsibilities, and the environmental impact of the company's operating activities.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

[5.1 Sustainable Finance Policy and Actions](#)

5.2 Responsible Financing

[5.3 Project Finance](#)

[5.4 Responsible Investment](#)

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Sustainable Products and Services for Wholesale Banking

With respect to sustainable financing and lending, Taishin is committed to strengthening the application of all aspects in response to environmental concerns (climate change and sustainability), and actively supports international trends and government policies. With reference to international ESG regulations, Taishin has developed sustainability-linked loan schemes, worked with clients to set sustainability-related indicators, and adopted market mechanisms to direct funds into sustainable development. Clients who meet the relevant criteria are offered special interest rates. This incentive helps clients to achieve sustainability transition and become more aware of their responsibilities toward sustainability. In 2023, we approved 75 applications for sustainability-linked loans. Other ESG products available to corporate clients include loans for electricity generation from renewable energy, loans for sustainable infrastructure, and loans for ESG industries, all of which support green and sustainability-related industries. By offering ESG-related products, we hope to exert the influence of the financial industry and contribute to sustainability.

No.	ESG Product Category	ESG Product in Wholesale Banking	Description	2023	
				Monetary Value (NT\$ million)	%
1	Green Loans	Loans on Renewable Energy for power generation	Those who have a "Renewable Energy Power Generation Equipment Consent Filing Letter" or a "Renewable Energy Power Generation Equipment Registration Letter" issued by the Energy Administration, Ministry of Economic Affairs, and the purpose of the funds belongs to renewable energy power generation.	6,136	0.90
2	Sustainable Loans	Loans for sustainable infrastructure	Based on financing related to environmental or social friendliness business for the statistics (by sectors as categorized from Directorate-General of Budget), such as public transportation, waste water/waste treatment, health care, and urban development, etc.	45,979	6.74
3	Sustainable Loans	Loans for ESG industries	Lending to ESG-related industries as part of the Program for Promoting Six Core Strategic Industries <small>(Note 1)</small>	48,096	7.05
4	Sustainability-linked Loans	Sustainability-linked Loans	According to our guidelines for sustainability-linked loans, Taishin must engage with clients to set sustainability relevant indicators, such as energy conservation, emissions reduction, waste management, and take into consideration the link or correlation between client's overall operations and future business plans, methodology consistency, and principles of being measurable, quantifiable, and comparable. Clients fulfilling the criteria are given special loan interest rates to direct their funds toward sustainable investments.	17,925	2.63
Total <small>(Note 2)</small>				118,137	17.32

Note 1: Calculation was based on the Six Core Strategic Industries, excluding national defense and strategic industries and emission-intensive industries, and minus the total for "loans on renewable energy for power generation," "sustainability-linked loans," and "loans for sustainable infrastructure."

Note 2: In total, 876 applications were received, and NT\$118.14 billion in loans were approved (balance excludes non-performing/non-accrual loans and calculated after collection), accounting for 17.32% of total corporate loans outstanding (total corporate loans amounted to NT\$682.2 billion in 2023). Financing partners include solar power plants and other green energy and sustainability-related industries.

Carbon Emission Reduction Performance of Renewable Energy Power Plant Financing

Taishin is committed to supporting green sustainability initiatives and the government's renewable energy policy. We take actions for making efforts on supporting renewable electricity, such as promoting energy conservation and carbon reduction and helping enterprises to invest in clean energy and energy storage systems, among other green projects. Taishin has established a Financing Guide to Solar Power Plants, and provides financing to clients who intend to build, procure, make repayments for solar power plants. In recent years, we have continued to improve our performance in financing solar power plants. Taishin Bank has also aggressively ceased providing financing for coal-fired power plants and as of October 2023, its financing business for power plants is 100% involved in renewable energy projects, being the first in Taiwan.

In 2023, borrowers of loans for renewable energy have a loan balance of NT\$6,782 million (NT\$5,498 million for solar energy and NT\$1,284 million for wind energy), which accounted for 0.99% of our total outstanding loans (0.80% for solar energy and 0.19% for wind energy). The renewable energy generated through these loans has a total installed capacity of 753MW, which is equivalent to a reduction of 59,419 tons CO₂e—and in turn mitigates the negative impact of climate change—based on the capacity installed and generated by Taishin and on the electricity GHG emission factor of 0.495kg CO₂e/kWh announced by the Bureau of Energy in 2022. In the future, we will introduce financing options for wind energy and energy storage projects in hopes of creating a greater variety of low-carbon financing options and achieving a net-zero economy.

• Financing Performance of solar PV Power Plants

Year	2020	2021	2022	2023
Loan Balance (NT\$ million)	3,488	3,599	5,510	5,498
Proportion (%)	0.58	0.55	0.85	0.80

Note: The proportion of the loan outstanding is from Wholesale Banking Group.

Promoting the Development of Small and Medium Enterprises (SMEs)

By leveraging financial technologies, Taishin improves the quality of services provided to small and medium enterprises (SMEs); accelerates the digital development of SMEs; and invests considerable resources to help SMEs transform digitally, develop a sound financial structure, strengthen their competitiveness, and forge competitive advantages. By optimizing our lending procedures and management mechanisms, we intend to build an ecosystem of digital financing, become a powerful partner to SMEs, and fulfill our social responsibilities. For SMEs with a revenue of less than NT\$100 million or employing fewer than 200 people, we continued to introduce loan plans for SMEs and use big data technology to provide financial services that best suit SMEs and can help them quickly obtain funds and capitals.

In 2023, Taishin Bank has assisted 15,960 SMEs to obtain funds for their business operations, and provided access to more than NT\$280.8 billion in loans for these SMEs. We strive to optimize our financial services for SMEs and aim to create a new corporate lending experience by building a SME digital financing platform to help SMEs overcome their predicaments.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

[5.1 Sustainable Finance Policy and Actions](#)

5.2 Responsible Financing

[5.3 Project Finance](#)

[5.4 Responsible Investment](#)

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Taishin Bank is committed to improving the safety of buildings in response to the government's policy for reconstruction of dangerous and old buildings. We offer "land and building construction loans" to builders who are subject to the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and have obtained consent from owners of all land and legal buildings within the scope of the reconstruction plan. In 2023, support 88 financing projects, with the balance exceeding NT\$19 billion. Enabling the accelerated reconstruction of unsafe and old buildings to improve the living environment.

Unit: NT\$1,000

Product Categories	Item/Year	2023
SMEs Loan ^(Note 1)	Number of small and medium enterprises financing accounts ^(Note 2)	15,960
	Outstanding of small and medium enterprises loans ^(Note 2)	280,824,449
	Number of overdue loan (including collection) accounts ^(Note 2, 3)	419
	Overdue loan (including collection) balance ^(Note 2, 3)	552,944
Community Development Loan	Number of financing cases for redevelopment of old buildings at risk ^(Note 4)	88
	Outstanding of loans for redevelopment of old buildings at risk ^(Note 4)	19,369,148
	Number of overdue loan (including collection) accounts ^(Note 3, 4)	0
	Overdue loan (including collection) balance ^(Note 3, 4)	0

Note1: The definition of small and medium enterprises is in accordance with the definition of small and medium enterprises by the Ministry of Economic Affairs, excluding overseas branches and OBU.

Note2: The number and balance of small and medium enterprises are calculated based on the results after tagging to account (that is, the same uniform number is only calculated once), and number of financing accounts and its balance exclude overdue loans (including collection).

Note3: Overdue loan (including collection) includes: (1) Loans transferred to collection have been classified as overdue loan, and (2) other overdue loans which do not belong to collection, for the definitions of the various items, please refer to the relevant regulations of the Bank's provision for asset valuation loss reserve and measures for handling bad debts from overdue loan collections.

Note4: Number and balance of reconstruction of old and dangerous houses are calculated based on the results after tagging to the account (that is, the same uniform number is only calculated once), and number of financing accounts and its balance exclude overdue loans (including collection).



Sustainable Loans for SMEs

As a way of encouraging domestic SMEs to address climate change, carbon reduction, and sustainability issues, we offer a variety of loans that will help our clients to engage in sustainability transition, such as loans for renewable energy generation, loans for building sustainable infrastructure, loans for ESG industries, and sustainability-linked loans. As of the end of 2023, our SME clients have obtained a total of NT\$85.349 billion in sustainability-related loans, which accounted for 30.39% of the total loans extended to SMEs.

No.	ESG Product Category	ESG Product in Wholesale Banking	Description	2023	
				Monetary Value (NT\$ million)	%
1	Green Loans	Loans on Renewable Energy for power generation	Those who have a "Renewable Energy Power Generation Equipment Consent Filing Letter" or a "Renewable Energy Power Generation Equipment Registration Letter" issued by the Energy Administration, Ministry of Economic Affairs, and the purpose of the funds belongs to renewable energy power generation.	5,138	1.83
2	Sustainable Loans	Loans for sustainable infrastructure	Based on financing related to environmental or social friendliness business for the statistics (by sectors as categorized from Directorate-General of Budget), such as public transportation, waste water/waste treatment, health care, and urban development, etc. based on the industry category of the Accounting and Accounting Department as the basis for classification.	47,322	16.85
3	Sustainable Loans	Loans for ESG industries	Lending to ESG-related industries as part of the Program for Promoting Six Core Strategic Industries ^(Note)	26,442	9.41
4	Sustainability-linked Loans	Sustainability-linked Loans	According to sustainability-linked loans guidelines, Taishin must engage with clients to set sustainability relevant indicators, such as energy conservation, emissions reduction, waste management, and take into consideration the link or correlation between client's overall operations and future business plans, methodology consistency, and principles of being measurable, quantifiable, and comparable. Clients fulfilling the criteria are given special loan interest rates to direct their funds toward sustainable investments.	6,447	2.30
Total ESG lending to SMEs				85,349	30.39
Total loans to SMEs				280,824	-

Note: Calculation was based on the Six Core Strategic Industries, excluding national defense and strategic industries and emission-intensive industries, and minus the total for "loans on renewable energy for power generation," "sustainability-linked loans," and "loans for sustainable infrastructure."

5.2.2 Retail Banking Business

Responsible Financing Guidelines for Retail Banking

Retail banking services related to ESG include loans for low-carbon transportation, personal online loans, and investment products that meet the spirit of ESG such as funds, stocks and offshore ETF. When processing personal loan applications, Taishin Bank conducts detailed assessments on the needs and financial capabilities of each applicant and approves credit limits accordingly. In engaging with customers on ESG related risks and opportunities, 100% of borrowers must be subject to credit check and review to ascertain their financial status. Environmental and social-related factors are incorporated and considered in the review of loan applications, for example the business involving in following activities will be denied: those included in the AML/CFT sanction lists, sale and manufacturing of illegal weapons, illegal gambling, pornography, narcotics, or environmentally/ecologically destructive activities that refuse to undergo environmental impact assessment, or illegal poaching of animals. Therefore, in the process of understanding ESG-related risks and opportunities with customers, all financing customers are required to conduct personal credit reports and guarantees to fully understand the customer's financial status.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

[5.1 Sustainable Finance Policy and Actions](#)

5.2 Responsible Financing

[5.3 Project Finance](#)

[5.4 Responsible Investment](#)

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

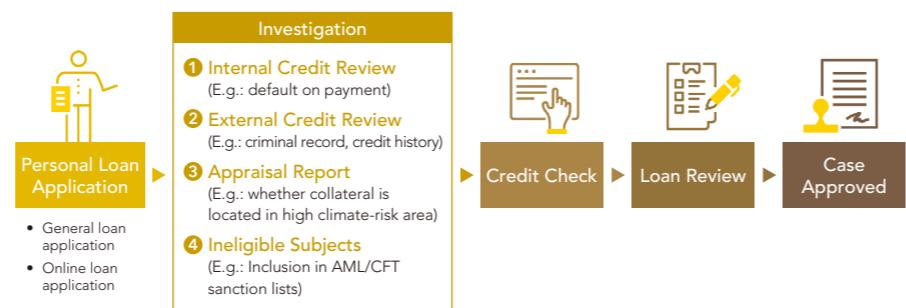
[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

If there is a default record from the external credit investigation data, the short-term default will be accepted after further KYC process understands that the customer has repaid and provided proof of repayment, and the credit evaluation will still be accepted. If it is a long-term default customer, it will not be accepted for undertaking. In the meantime, Taishin Bank's credit policies are also adjusted based on climate risk factors. For example, in cases of housing loans in high-risk areas prone to flooding or landslides, the loan amount will be reduced or even not accepted.

• Process for Retail Consumer Lending



Sustainable Products and Services for Retail Banking

Taishin Bank actively promotes its diversified retail banking businesses with the aim for green lifestyle.

1. Low-carbon Transportation

Including purchasing of energy-efficient transportation vehicles (including electric vehicles and hybrid vehicles) and electric scooters. In 2019, Taishin Bank has established the partnership with Gogoro and joined hands at the end of October 2022 to launch the "Taishin Bank Gogoro Rewards Co-branded Card" to create a green life with customers and implement a low-carbon future through actions; by the end of 2023, nearly 30,000 owners had purchased electric scooters, and the credit card spending amount was nearly NT\$25 billion. It also uses publicity resources inside and outside the bank to work with strategic alliance partners to convey the vision of electric vehicles and green energy mobile life, and encourage customers to join the ranks of sustainable transportation. For example: Sharing the battery life experience of electric vehicles in the Mercedes-Benz Co-branded Card Bill Monthly (on average once every two months), customers can enjoy up to 20% green energy rewards every month in 2023 by linking their cards with selected charging pile operators in Taishin. Nearly 2,500 customers responded to pure electric mobile life, an increase of nearly 50% from the number of participants in 2022.

In response to the green finance advocated by the government and to assist consumers in choosing to purchase environmentally friendly vehicles, the "Electric Vehicle (Hybrid Vehicle) Energy Saving and Carbon Reduction Preferential Car Purchase Loan Program" has been launched in January 2022. In 2023, the loan amount reached NT\$12.1 billion.

2. Online Personal Loan Services

Providing paperless, digital retail banking services has always been a top priority at Taishin Bank. With the rising awareness of environmental issues and climate change and accelerated development of digital technology, Taishin will slowly introduce consumer loan services online, including mortgage, car, and personal loans.

3. Green Building Loans

Taishin understands that supporting low-carbon transportation and green buildings is key to promoting green and sustainable finance. Low-carbon buildings are characterized by the use of architectural design and construction technologies. Real estate loans are inherently the core of financial businesses; therefore, recipients of Green Building Label or Green Building Candidate Certificate from Taiwan Architecture & Building Center will be actively supported and encouraged.

4. To Provide ESG-aligned Funds and/or Offshore ETF

The review of wealth management products must follow the ESG evaluation form or industry-specific guidelines to determine whether the category it belongs to requires secondary review. Alternatively, it can be presented to the Product Review Committee for approval to provide investors with financial products that are more closely aligned with ESG principles or that have positive impact on environmental/ecological development. These products include funds, overseas bonds, offshore structured products, stocks, and offshore ETF. In 2023, Taishin resolved to exclude 1 product from review and sale due to their association with tobacco, alcoholic beverages, gambling, and other controversial industries or excessively low S&P Global ESG scores and MSCI ESG ratings. Another 1 product was associated with an industry that is not actively supported by Taishin; therefore, the Company resolved to restrict its credit limit and incorporate a description of corporate sustainability in the product document.

With regards to personal finance planning and consulting services, all investment products recommended by financial advisors have been reviewed in accordance with product management principles prior to launch in the market. Information from independent, third-party sources such as Bloomberg, Morningstar is also referenced to perform ESG assessments on the products.

• Review Process of New Financial Products for Retail Customers





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

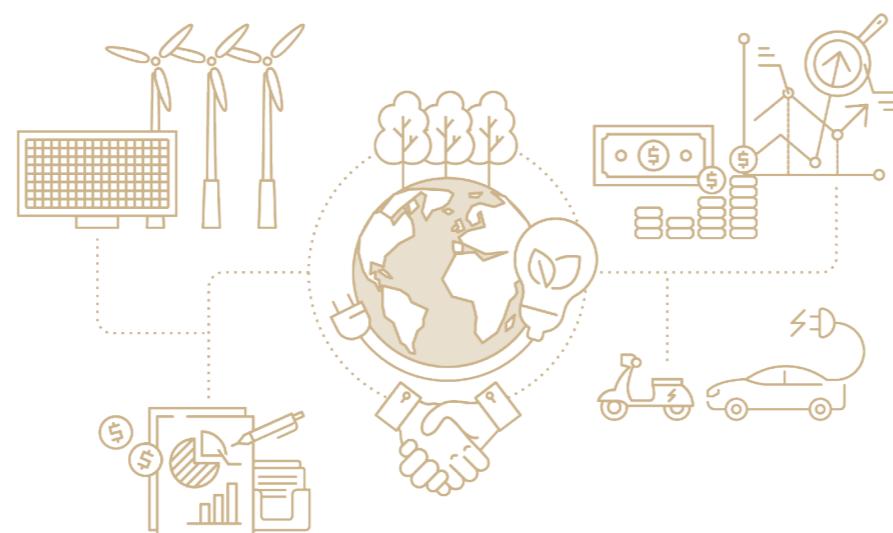
6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

No.	ESG Product Category	ESG Product in Retail Banking	Description	2023	
				Monetary Value (NT\$ million)	%
1	Sustainable Loans	Low-carbon transportation	Encompassing loans for purchasing energy-efficient transportation vehicles (including electric vehicles and hybrid vehicles) and electric scooters to reduce carbon emissions	12,061	40.2
2	Sustainable Loans	Online personal loan	Online personal loan application services are provided using digital technology so that customers are able to access funds, including mortgage, car, and personal loans, at any time and anywhere	84,927	58.6
3	Sustainable Mortgages	Green buildings	These loans are provided to recipients of Green Building Label or Green Building Candidate Certificate from Taiwan Architecture & Building Center	2,324	1.4
Total (Total retail loans and mortgages amounted to NT\$144,962 million in 2023)				99,312	68.5
4	Sustainable Credit Card Spending	ESG-related credit card spending	Specific portion of bike-sharing rental fees and credit card spending are donated to support organic farms or social welfare organizations	4,985	1.09
5	Sustainable Investment Product	Funds, stocks, and offshore ETF	ESG-aligned investment products such green energy and water resources are provided	6,524	4.41



5.3 Project Finance

Taishin Bank has been adopting the spirit of the Equator Principles since 2015. When an applicant applies for a loan for a project, we conduct an investigation into the applicant or the project location and disclose the social/environmental risk investigation results. Our findings also serve as the basis for our decision-making. In 2019, Taishin Bank became a signatory to the Equator Principles, becoming an official member of the Equator Principles Association. A task force was established by our Wholesale Credit Administration Division, an external professional consultant was hired to assist with interviews and inspections, and the "Directions for Financing Cases under Equator Principles" and the "Environmental and Social Risk Assessment Form" for project evaluation were implemented and adopted after our sales and review units were trained on it multiple times.

Projects to be financed under the Equator Principles are evaluated as follows: Risk factors related to environmental sensitivity, ecology, environmental pollution, community, labor, regulations and management mechanisms are rated and classified. If a loan application is classified as A or B as defined by the Equator Principles, we ensure compliance through independent, third-party experts for environmental and social risk assessment report provided to Wholesale Credit Administration Division for review. If a loan has been approved for a project, items requiring follow-up and monitoring must be examined regularly. When non-compliance is detected, the client shall provide an improvement plan, otherwise Taishin Bank can request the client to repay the loan in full. The evaluation procedures are adopted after the sales and review units have been trained on it a number of times.

For large clients, information is more publicly available and transparent. Negative news regarding the environment is more readily available, but onsite visits may be taken as needed. For small and medium sized clients, onsite visits are generally required in order to provide comprehension of a company's business operations. During an onsite visit, we can observe adverse impacts on the environment and include the factors in the determination of whether to start a business relationship. (For the evaluation process of Equator Principles for Project Finance, please refer to [5.2 Corporate Finance – Process of Wholesale Banking Loan Application](#)) ↗

In 2023, there will be a total of 9 project finance or project-related credit cases that are 100% in line with the definition of the Equator Principles, with a total loan application amount of NT\$8.4 billion. Review results: 5 cases were approved, 2 cases were conditionally approved, and 2 cases were rejected. The rejected cases were from the power supply industry, with a total application amount of NT\$1.8 billion. The reason for rejection was that the risk of undertaking the work was too high after assessment.

• 2023 Project Finance Review Result

Approved	Conditionally Approved	Rejected	Total Review	Total Amount Applied (NT\$ billion)
5	2	2	9	8.4



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

[5.1 Sustainable Finance Policy and Actions](#)

[5.2 Responsible Financing](#)

[5.3 Project Finance](#)

5.4 Responsible Investment

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Project No.	Activity Categories	Financing Purpose	Total Amount of Loan Application (NT\$ 1000)	Risk Category	Potential Risks	Third-party Independently Review	Review Results
1	Energy	For construction fund of solar power plant	300,000	B	The project is located near an environmentally sensitive area and is a fixed source of pollutant	Yes	Approved with Conditions
2	Energy	For purchasing factory buildings, expanding machinery and equipment	300,000	B	This activity emits a significant level of GHGs and is a stationary source of pollution. The project or its operations thereof will make the neighboring communities exposed to risks.	Yes	Approved with Conditions
3	Energy	For construction of energy storage systems payment	300,000	B	None	Yes	Approved
4	Energy	For Construction fund of solar power plant	800,000	C	None	Yes	Approved
5	Energy	For acquisition of power plants and construction project fund	1,500,000	C	None	Yes	Approved
6	Energy	For Construction fund of offshore wind farm	1,000,000	C	The project may force residents to relocate	Yes	Approved
7	Infrastructure	For construction project payment	2,431,870	C	None	No	Approved
8	Energy	Construction of aqua-photovoltaic fields	800,000	C	Corporate Governance	Yes	Rejected (Applicant lacks the experience in aquaculture business and in running a power plant; loan period spans 6 years causes higher risk level)
9	Energy	Construction of aqua-photovoltaic fields	1,000,000	B	Environmental issues	Yes	Rejected (The project is located near an environmentally sensitive area and is a stationary source of pollution)

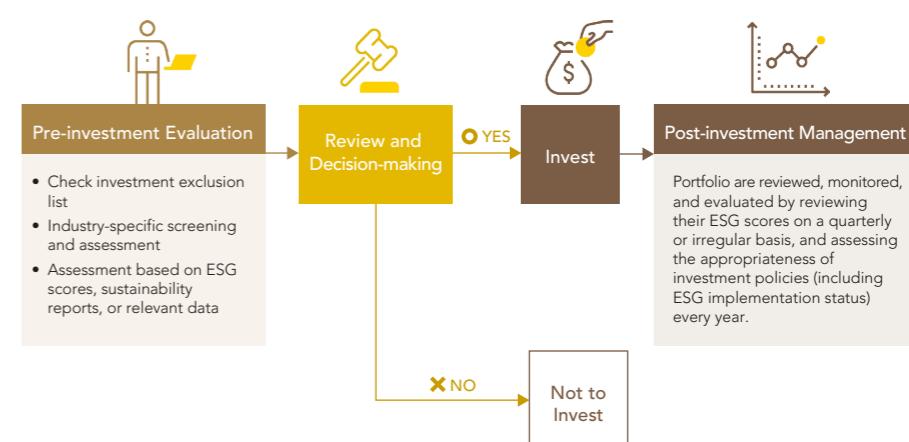
5.4 Responsible Investment

5.4.1 Sustainable Investment for Proprietary Trading

Guidelines on Responsible Investment

The Company invests in equities and bonds by screening industries or companies that should be supported or avoided. We incorporate ESG risk ratings (e.g., Bloomberg ESG scores, Sustainalytics ESG risk ratings, MSCI ESG ratings, and sustainability reports) into investment processes as a criteria to evaluate the ESG performance of investment targets. The results are then used as the basis for reviewing, approving, and monitoring investments. We also stipulated investment targets that should be banned, avoided, or those requiring careful assessment, which include enterprises that violate environmental, social, and human rights laws, such as those associated with tobacco, alcoholic beverages, gambling (including unlicensed and online gambling), confirmed to have caused harm to human health as a result of food safety incident, generated high levels of pollution, failure to comply with local environmental regulations, illegal activities, and highly controversial activities (e.g., pornography, manufacturing of illegal weapons). Investment targets are subject to post-investment monitoring and management, including a quarterly reviewing of their ESG scores and examining at least once a year whether ESG has been implemented properly in accordance with investment policies. Regarding discretionary investment, all discretionary investment organizations are also asked to comply with Taishin's ESG rules.

• Taishin's Investment Evaluation Procedures





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

5. Sustainable Finance

[5.1 Sustainable Finance Policy and Actions](#)

[5.2 Responsible Financing](#)

[5.3 Project Finance](#)

5.4 Responsible Investment

[5.5 Asset Management](#)

[5.6 Sustainable Insurance](#)

[6. Smart Services](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Sustainable Investing Products and Services

The investment of Taishin focused on investing and underwriting of green bonds, social responsibility bonds, sustainability bonds, and sustainability index constituent stocks, among other ESG-themed services. Since 2022, 100% of Taishin Bank's equity investment has been invested in the companies selected for ESG indexes or with excellent ESG ratings.

No.	ESG Product Category	ESG Product Items	Description	2023	
				Monetary Value (NT\$ million)	%
1		Green Bonds	Holding financial institution/company-issued green bonds	10,174	2.27
2	Investment	Social Bonds	Holding financial institution/company-issued social bonds	2,837	0.63
3		Sustainability Bonds	Holding financial institution/company-issued sustainability bonds	11,388	2.54
Total (Note 1)				24,399	5.44
4	Investment	Support Sustainability Index Constituent Stocks	Investing in or holding equities issued by companies who have been selected as Sustainability Index Constituent Stocks (Note 2)	778	100.00

Note 1: The denominator of the calculation ratio is the amount of the overall investment bond position. And, 82.28% of bond investments are moderate-to-low ESG risks

Note 2: By the end of 2023, 100% of equity investments are moderate-to-low ESG risks

The investment of Taishin Life Insurance is composed of bonds, equity, and project investments. Among these investments, positions related to sustainable investments include green bonds and solar energy projects. As of the end of 2023, our investments in green bonds and solar power plants amounted to approximately NT\$1.65 billion, which is an increase of about NT\$800 million compared with the NT\$850 million at the end of 2022.



5.4.2 Sustainability Advisory Products and Services

The sustainable advisory business of Taishin is focused on underwriting ESG bonds issued by financial industry and enterprises.

No.	ESG Product Category	ESG Investment Products	Description	2023	
				Monetary Value (NT\$ million)	%
1	Underwriting	Green bonds	Underwriting of financial institution/company-issued green bonds	3,922	9.57
2		Social bonds	Underwriting of financial institution/company-issued social bonds	1,780	4.34
Total (Note)				5,702	13.91

Note: The denominator of the calculation ratio is the amount of the overall investment bond position. In 2023, Taishin acted as the underwriter issued 5 green bonds and 4 social bonds, approximately NT\$ 5.7 billion in total. The above figures represent fixed-income products and have been assured by the British Standard Institute when the sustainability report was verified. There were no income from sustainability-linked bonds (SLB) in 2023.

Taishin also assists with raising capital for companies in the ESG sector (e.g., sustainable manufacturing, environmental protection). Since 2020, we have assisted 78 companies (48 companies in total between 2022 and 2023) and raised a cumulative capital of NT\$24.928 billion. In 2023, we assisted with raising capital for 19 companies.

No.	ESG Product Category	ESG Investment Products	Description	2023	
				Monetary Value (NT\$ million)	%
1	Fundraising	ESG-related industries fundraising	Evaluation corporates to be categorized as sustainability-related industries and provide fundraising assistance (Note)	6,919	44.14

Note: Before accepting a client's request, The Securities will carefully assess whether the client is associated with serious environmental pollution or violation of human rights; if so, the client will be asked to make improvement before Taishin Securities will help them apply for listing and funding. Since its establishment in 2010 through to 2023, Taishin Securities did not provide financial assistance to clients who are associated with serious environmental pollution or violation of human rights.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

5.5 Asset Management

Responsible Investment Guidelines for Asset Management

As an asset manager, Taishin Securities Investment Trust reduces the ESG risks of all its investments by responsibly using the "TSIT Green Finance Assessment Form", and created documents for risk review for various categories of assets and industries. The following industries are completely excluded from investments by Taishin: (1) Industries associated with tobacco, alcoholic beverages, gambling (including unlicensed and online operators), or confirmed to have caused harm to human health as a result of food safety incident, radioactive substance, or genetic engineering; (2) generating high levels of pollution, failure to comply with local environmental regulations, and are unable to propose feasible improvements solutions; (3) illegal activities; (4) violations of human rights; and (5) controversial nature, which we will avoid direct investment.

Taishin Securities Investment Trust complies with the principles for Socially Responsible Investment (SRI). When managing discretionary accounts for Taiwan equity funds and state funds, Taishin Securities Investment Trust includes ESG compliant businesses on the main list (stock pool) and gives priority to choosing ESG compliant businesses in the stock pool to invest in. The Main List is reviewed and updated on a quarterly basis. Taishin has incorporated ESG screening into its fund portfolio to strengthen the impact of investing, thus enabling citizens to invest their wealth while supporting global climate actions and ESG-conforming companies.

- Process of Sorting Investment Targets with SRI Rule



ESG Funds

Taishin is committed to promoting the development of sustainable investment products. In recent years, ESG has provided new opportunities for balancing environmental sustainability and corporate sustainability. Large organizations or international benchmark indexes now require their investment targets to meet ESG criteria. Taishin Securities Investment Trust has issued three ESG funds—Taishin ESG EM Bond Fund (a portion of this Fund is invested in high-risk bonds under non-investment grade and the dividends of which may be paid from the principal), Taishin ESG Global Environmental Growth Equity Fund, and "Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF Fund" (The fund's dividends source may be paid from income equalization and the fund has no guaranteed income or dividends).

By the end of 2023, Taishin Securities Investment Trust has undertaken approximately NT\$48.1 billion in SRI investments (including public and private equity funds, discretionary investment, etc.), which account for 15.49% of the total assets under its management.

ESG Product Name	Description	2023	
		Monetary Value (NT\$ million)	%
ESG Fund Portfolio	Compliant with SRI investment (including public and private equity funds, discretionary agency operations, etc.)	48,062	15.49





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

5.1 Sustainable Finance Policy and Actions

5.2 Responsible Financing

5.3 Project Finance

5.4 Responsible Investment

5.5 Asset Management

5.6 Sustainable Insurance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

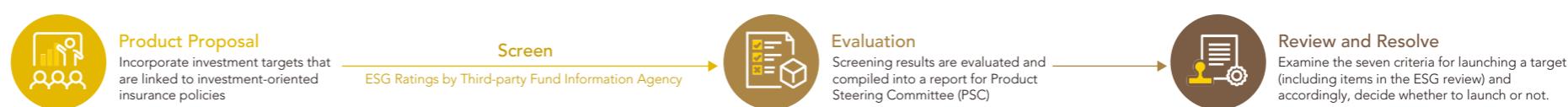
5.6 Sustainable Insurance

Sustainable Investment

Taishin Life Insurance has adjusted its ESG review procedures to align with the ESG rules prescribed in the Taishin FHC Sustainable Finance Policy. In planning investment-lined insurance products (including discretionary investment account and mutual funds), all products have been reviewed through pre-sale procedures before launch for sale, with ESG practices being one of the items reviewed. Meanwhile, information from independent, third-party sources such as Morningstar as well as ESG scores are referenced to perform product screening and evaluation. In 2023, Taishin Life Insurance has launched 179 mutual funds in total. ESG policies for each fund have been certified and explained by their respective fund management company, and reviewed and approved by Taishin Life Insurance's Product Evaluation Team (PET).

With a strategy of supporting insurance product development, Taishin Life Insurance is committed to developing a key digital transformation strategy that puts the needs of customers above all else. By optimizing three aspects—the experiences of digital customers, digital empowerment for efficient development, and infrastructure for a new end-to-end journey, we realize a smart financial partner who knows exactly what Taiwanese consumers and companies need. With powerful big data and digital capabilities, we support our customers all the way as they grow, and provide them with a comprehensive range of sustainable services beyond financing.

- Review Process for Insurance-linked funds



Sustainable Insurance Products

To develop sustainable insurance products and transition to a product line characterized by stable profit and loss, and to lower net worth fluctuations in order to align with the IFRS17, Taishin Life Insurance's product development strategy is focused on developing protection-type products and age-friendly products for senior citizens (e.g., injury and health insurance, term life insurance, regularly-due premium payment whole life insurance), which can be combined with non-guaranteed benefits (e.g., interest or dividends), and developing investment-linked products and funds linked to ESG topics.

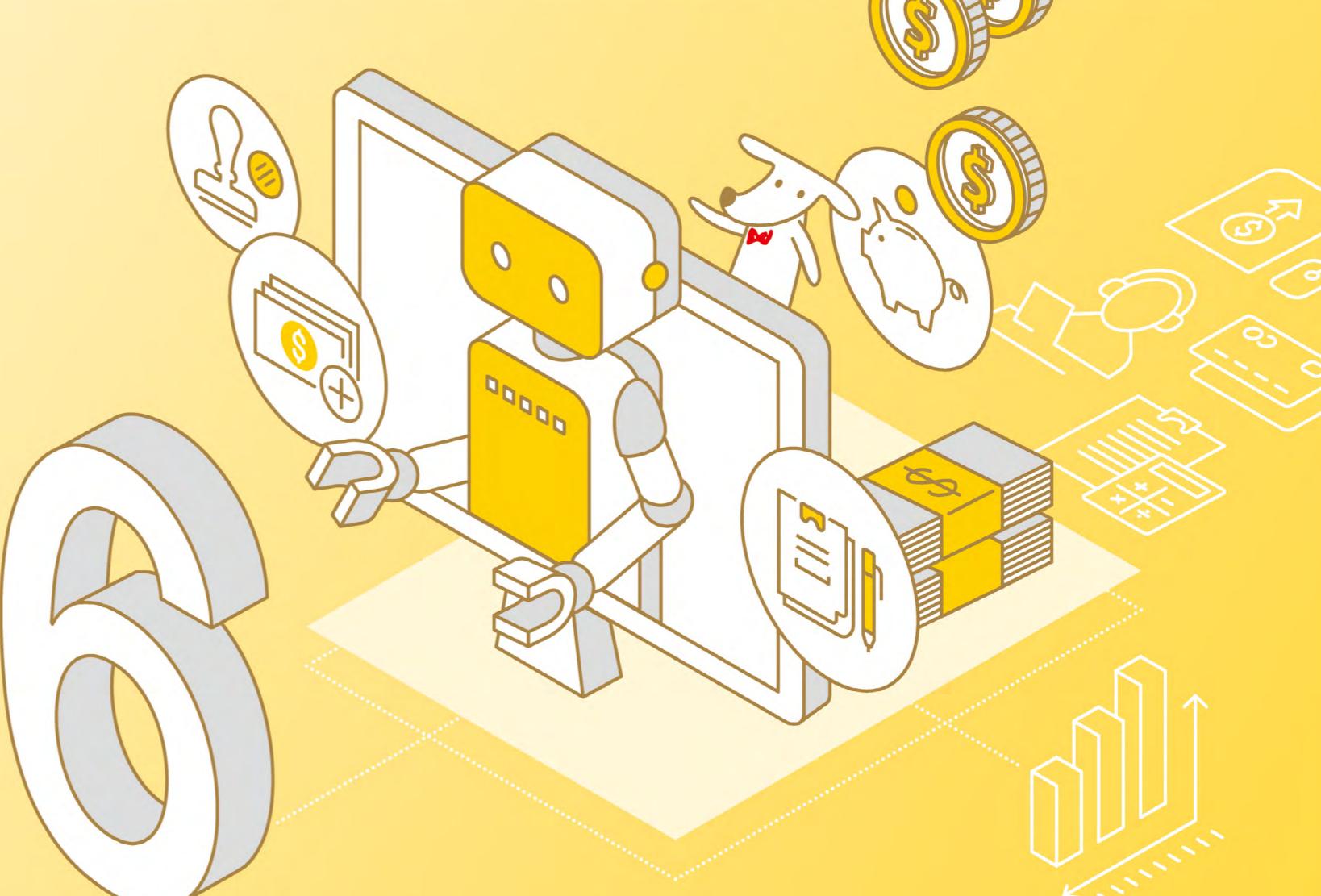
Strategy Focus	Performance Indicators and Goals	2023 Outcomes
Develop Protection-type Products and Products for Senior Citizens or other Age-friendly Products	At least 8 protection-type products and products for senior citizens, or account for 70% or more of all product categories	We launched 12 protection-type products in 2023, with insurance premiums totaling approximately NT\$18.1 billion.
Optimize the Experiences of Digital Customers	The online change rate improves by 55% and number of members increases to 53,230	We optimized the e-Corner website for Taishin policyholders by introducing a range of online self-service options, including a risk attribute assessment questionnaire for investment-linked products, beneficiary inquiry and change, consolidation of basic information, and a customized dashboard. Utilizing blockchain technology through the Life Insurance Association's InserTech Sharing Platform, we provided one-stop services such as electronic policy statements, the "Insurance Particulars/Claims Alliance Chain," and integrated medical insurance services. By the end of 2023, the online change rate had improved to 61.4%, and the number of members increased to 55,305.
Digital Empowerment for Efficient Development	60% Usage Rate of Mobile Insurance by Life Insurance Agents	To implement low-carbon insurance services, we have continuously promoted mobile insurance plans, providing customers with a fast and excellent insurance service experience. Since the initial implementation, the usage rate has steadily increased from 45% to 65% and continues to rise. Mobile insurance not only effectively reduces the notification rate and enhances the efficiency and quality of underwriting, but it also significantly shortens processing times, ensuring that various insurance products and policies are quickly delivered to customers.
Infrastructure for a new end-to-end journey	Continuously develop basic data and application abilities to facilitate sustainable development, increasing our digital talent pool by 12% or more and number of customers who opt for electronic notifications to 73,997.	We continued to monitor key activities within the insurance value chain, such as sales channels, marketing, underwriting, claims, investment management, and middle/back-end management, all of which leverage big data. Consequently, we established a data governance mechanism and upgraded our data infrastructure to support the various applications of insurance products and services. By the end of 2023, the number of customers who opted for electronic notifications increased to 76,509.



- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [**6. Smart Services**](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Smart Services

- 88** 6.1 FinTech/Digital Innovation
- 93** 6.2 Customer Relationship Management and Consumer Protection
- 98** 6.3 Privacy Protection
- 100** 6.4 Financial Inclusion





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.1 FinTech/Digital Innovation

6.1.1 FinTech and Digital Innovation Strategy

Facing the FinTech wave, Taishin has always adopted the customer-oriented approach, and considered the nature of the various types of financial services. Through the development of new technologies, it provides more friendly financial services that can better meet the actual needs of customers. Taishin actively explores the application of FinTech, introducing digital technology and artificial intelligence to improve operational efficiency and customer service satisfaction. In 2023, Taishin established a Innovation and Technology Department to include AI project planning and technical talents, in order to develop diversified AI application scenarios. We strive to create a more inclusive and sustainable financial environment through technologies such as AI and big data analysis.

Taishin promotes the integration of finance and technology in the following five aspects:



1. Customer Experience: Develop digital scenarios and improve the financial ecosystem

Customer experience is the first priority of fintech applications, with customer needs as the development core. Hence, Taishin accelerates the development of digital scenarios and strives to support various aspects of financial services. Take banking business as example, Taishin adheres to the agile principles, and continues to optimize its more than ten types of channels, including official website, retail internet banking, retail banking App, Richart App, corporate internet banking, corporate banking App, and branch teller channel, wealth management channel, customer service center, ATM and Richart Life channel, etc. In addition, the API platform and Richart Life are also developed to connect with external third parties to form a more diverse financial ecosystem.

2. Operational Synergy: Build information framework, and establish overall key capabilities for Taishin Financial Holdings

In response to the continually expanding financial services, and to achieve proper allocation of resources, Taishin modernized the information framework, dividing the various financial businesses into front, middle

and back office, in line with the corporate framework of the information architecture. In particular, the middle platform is based on the principle of modularization of application logic programs to facilitate the support of the various channels in the front office, thereby continuously promoting technological transformation and business innovation. The establishment can be used across the technological and business models of the subsidiaries of Taishin Financial Holdings.

3. Technological Development: Seize New Digital Technologies, Develop Innovative Financial Services Application Scenarios

Taishin values technological and business models of innovative research and development, and continues to cultivate employees in the practical ability of researching and developing and getting patents. By examining the categories such as technological innovation, unique or optimized operating procedures, innovative financial products, research and development results, it looks for technologies that can gain financial patents. Taishin has a stable growth of approved financial patents. Since 2022, Taishin Bank has been listed in the year's top 100 patent list by the Intellectual Property Office for the second year consecutively, and came in second among domestic banks for the number of patents granted in 2023, which demonstrates the company's emphasis on patents and technology.

• No. of Financial Patents Granted

Year	2021	2022	2023
Utility Model (item)	8	65	78 (Note)
Invention (item)	-	2	-
Design Patent (item)	-	-	1

Note: In 2023: 69 cases in banking, 8 cases in life insurance, and 1 case in securities

4. Cross-industry Alliance: Expand Cross-industry Alliance to Integrate into Customers' Lives, and Establish Innovative Business Models

Taishin has partnered with many institutions to develop technical applications for innovative FinTech, such as collaborating with Acer and APMIC at the Taipei International Financial Expo. Generative AI language models were combined with virtual avatars Rose and Sunny to provide customer service applications with more personalized interactions. By using AI speech recognition technology and a large amount of customer service data. Customer behavioral profiles can be leveraged to further provide customers with financial services such as investment planning and credit card activation. This cross-industry alliance will help the financial industry to formulate strategies for future marketing, services, and business directions. In the future, Taishin will actively establish a digital finance ecosystem and foster technological talent in response to new trends, and will realize corporate sustainability through more proactive and steady methods.

5. Digital Capabilities: Build Digital Capabilities and Continue to Innovate in the Digital Finance Field

Taishin continues to cultivate its digital financial capabilities. Besides improving the technical expertise of our current employees through education and training, Taishin also actively recruits digital technology talents from outside the bank in order to rapidly upgrade its overall digital capabilities.

By staying at the forefront of developments in financial technology, Taishin intends to build a top-notch digital financial ecological environment in the future and cultivate technological talents to serve the needs of the new generation and achieve sustainable business operations by being both active and stable.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.1.2 Financial Innovation Service

Digital Innovation in Multiple Scenarios

In response to the AI wave and the development of digital technology, Taishin is actively developing innovative digital services and technology application scenarios. It is integrated with the latest AI technology to develop a wide range of financial products and services, in the hope of providing customers with a smarter and more convenient financial experience, and to satisfy customers' needs comprehensively. In the face of the onslaught of generative AI, Taishin continues to pay attention to market dynamics and further plans for various AI application projects, including a knowledge management platform for internal us. Through the integration of generative AI, it will allow users to ask questions internally to the AI and receive relevant answers, thus enhancing operational efficiency. In addition, an experimental generative AI project has been planned to create an AI virtual customer service by utilizing voice-to-text, text-to-voice, and facial recognition technologies to recommend suitable financial products for customers.

In addition to the application of generative AI, Taishin's digital bank Richart also incorporated AI technology. We are cooperating for the first time with Authme, a new AI identity verification operator, to allow the public to experience smart anti-counterfeiting in the identity verification process through AI body detection technology, which will enhance trust in digital financial security. Richart Life, which has entered the healthcare business with its life-style finance ecosystem, has also joined hands with artificial intelligence start-up Lydia AI and FamilyMart to launch the "Richart Life AI Health Score" experience. It allows the public to calculate their personal health scores on-site, and get the most suitable products recommended by the system through AI technology, helping them to be up-to-date on the state of their personal health.

Category	Item	Method
 Self-service	Virtual teller ATM and bind to LINE account	ATM transactions can be completed through a dialogue with virtual teller, Rose, a warm self-service offered to the public. By binding with Taishin LINE account, customers will receive the transaction details and discount coupons through LINE upon completing the ATM transaction.
	VTM	In September 2021, the Bank launched the "VTM video teller" service (Video Teller Machine) with the approval of the Financial Supervisory Commission. The public can enjoy face-to-face financial consultation and deposit account opening service, scheduled account transfer, non-scheduled transfer using debit cards, account settlement and cancellation, replacement of debit cards, and updating basic information through VTM video conferencing with a remote operator. Currently, the bank has four VTMs in operation. To give members of the public in remote areas access to financial services, two VTMs have been set up outside the bank at a convenience store and hypermarket in Taitung. The service hours are from 09:00-17:00 on business days. In addition, two VTMs have been set up inside the bank to shorten the waiting time for customers at the bank, with service hours from 09:00 to 15:30 on business days, to provide more convenient financial services to the public.
	eFun Insurance	The online insurance services include car insurance, travel insurance, mobile phone insurance, pet insurance, interest-sensitive annuity insurance, which can be simply completed in just 3 minutes.
	Smart Invest	Smart Invest, built specifically for investment newbies, is set to provide convenient financial trial calculation services and investment strategies for trading funds and ETFs online.
	Banking GO Easy	"Banking GO Easy" breaks the limit of time and space, allowing customers to enjoy professional financial consulting right from their couch. Financial assistants will first enter all the investment or foreign exchange transactions information online. Afterwards, customers can log in their online account to confirm and close the deal. Everything is completed remotely and seamlessly.
 Investment	One-click Features	System process integration, quick completion of order key-ins (quick order function), one-click printing of important documents, all of which help shorten the order key-in time over the counter and reduce customer waiting time.
	Securities	Digital bank Richart and Taishin Securities have joined forces to add "Securities Can" function in Richart APP for the public to experience "bank securities settlement account" and "bills account" at the same time, and enjoy attractive current account interest rate and processing fees, a fast and simple securities investment experience.
 Consumer Shopping	Quick access to card number	Before receiving the physical card, the card holder is able to obtain card information such as "complete physical card number, validity date, security code", and then immediately bind it to mobile payment and spend it at physical stores. For customers with immediate need to use the card but are unable to collect it (example: those with mobility problems, or those who are going to other places and are unable to collect the card) may make use of this service and enjoy faster payment tools.

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

6.1 FinTech/Digital Innovation

[6.2 Customer Relationship Management and Consumer Protection](#)

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Category	Item	Method
Points Redemption	Taishin points redemption	Since August 2022, participating merchants of Taishin Pay fully support points redemption service. It can be used for transactions at Taiwan's three major convenience stores, leading department store, Shin Kong Mitsukoshi, and more than 70,000 stores. This lifestyle finance ecosystem significantly increases the places and diversity of points redemption.
Merchant Payment	Taishin mobile payment APP	Merchants can collect payment with their own Android device (mobile phone, tablet PC) by conducting sensing collection directly with consumers. This feature can be used in mobile services such as taxi, tour, direct sales, carnival market, water and electricity repair and maintenance, VIP home service, etc., as well as checkout at table of restaurants, and medium and large chain stores, a secure contactless payment function that breaks the limitation of offline transaction venues.
	iLoan online loan platform	1 minute fast loan calculation.
	Online Card Application	In combination with the friDay app, we launched the first such one-stop platform service (for applying for co-branded cards, opening a Richart account, and pairing consumption). Customers can upload their documents through their mobile phone for credit card application, reducing the time and paperwork process. A cumulative total of about 95,000 cards were issued by 2023, reducing the cost of paper applications by NT\$210,000, with an active rate of nearly 80%, which shows that the needs of customers' O2O digital lifestyle are being met.
Digital /Online Service Platform	Taishin Green Finance Service Platform	Taiwan's first and only bank with a complete multi-function platform comprising customer acquisition, application, document receipt, policy submission, scoring, review. Small and medium enterprises may make use of the one-stop service to conduct online authentication for basic loan application information. By connecting to the "SME Financing Service Platform" by the Ministry of Economic Affairs, small and medium enterprise information is imported into the review process. Together with the smart scoring model especially developed by Taishin for small and medium enterprises and new application of patent technology, it overturns traditional manual review model and satisfies the needs of SME to have one-stop and instant loan approval services, resolving the long-standing problem of the risk arising from information of small and medium enterprises not being transparent, and significantly increasing the review efficiency and reducing the risk. This platform continues to encourage financial innovation and has obtain 3 utility model patents.
	Mobile insurance application service platform	Financial advisors and frontline life insurance agents can directly assist customers in completing and submitting new contract applications using an iPad. Through digital data stream verification, this process effectively ensures the accuracy and completeness of the information provided, thereby accelerating the underwriting process and increasing the approval success rate.
	Credit Card Banking Digitization Payment in Installments	Taishin Bank's credit cards are committed to providing a variety of planned payment methods to help customers have control over the best stages of their lives. In addition to using revolving credit to defer payment, customers can also apply for "Single Spending Installment" after making a purchase with their credit card or "Monthly Bill Installment" before the payment deadline, and enjoy flexible payment services by paying only the interest charges for the installment. With the excellent development of Taishin Bank's digital platform, customers can simply open any Richart Life, Richart or Taishin Mobile Banking app and apply for installment payment while checking their credit card accounts. In 2022, the proportion of new installment applications on digital platforms was 54%, with a 62% reduction achieved as of 2023, making it the main channel for customers to apply for installment payments.
Digital Insurance after-sales Service	Policyholder e-Corner	After applying for an online member account and undergoing proper authentication, policyholders can easily view their policy information, including coverage details, payment information, policy value, and survival payout status, as well as track the progress of any changes or claims. Additionally, policyholders can use the e-Corner to manage various simple changes and apply for digital services, such as updating contact information, changing payment methods, updating the expiration date of credit cards for payment, applying for policy loans, and requesting electronic policies or electronic notifications, among other common services.
	Insurance Particulars/Claims Alliance Chain	In line with the competent authority's joint industry convenience services, Taishin Life has also joined the insurance particulars/claims alliance chain services. If policyholders need to update their contact information or file a medical claim, they only need to apply at one insurance company, and the application will be automatically submitted to the other companies. This saves policyholders the trouble of filling out forms at multiple insurance companies to apply for change or claims.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

Richart Digital Bank

Taishin Bank launched the digital brand Richart in 2016 to target the digital generation and young people and provide brand-new integrated services. As of now, it has received 80 local and overseas awards. From the UIUX (i.e., user interface and user experience) to social issues such as stray animals and open banking, Richart has expanded financial services beyond traditional realms and bravely broke away from traditions to be the bank least resembling a bank.

Richart Digital Bank is a market leader in applying financial services to a wide range of lifestyle scenarios. In March 2023, Richart cooperated with Gogoro to launch the "Richart x Gogoro Vehicle Purchase Fixed Deposit", which allows prospective Gogoro owners to enjoy innovative ways of purchasing a vehicle, and enables even those who are students, or don't have credit cards, or can't apply for a loan to save up for their dream purchase at an economical price. In April 2023, we also partnered with JKOPAY to offer "JKO Interest Savings Account", which is a cross-site program that automatically links a e-payment account after the account is opened. It allows the user to check the balance/interest rate/statistics of the current month via JKO, and provides high interest rates on Taiwan Dollar deposits and spending promotions regardless of whether it is a new or existing account. This partnership enables advanced financial product collaboration and expands the customer base of the e-commerce payment service. In May 2023, Richart cooperated with MasterCard to provide full-amount remittance service for outward foreign currency remittance, so that foreign currency can be remitted to foreign banks at the full amount without any handling fee deducted from the remittance amount by the intermediary bank. Richart launched the Taiwan stock pre-order on a fixed-term, fixed-amount basis in November 2023, offering over a hundred popular Taiwan stocks/ETFs with a minimum purchase of NT\$1,000, making it easy for even novice investors to try their hand at the stock market.

• Digital Finance Integrates with Daily Life

Priority Order	Service Function	Introduction
1	Richart X Gogoro Cross-Industry Fixed Deposit	In March 2023, to meet the younger generations' diverse financial service scenarios, Richart offered potential Gogoro owners to enjoy innovative ways of purchasing a vehicle with a fixed deposit. Thereby promote green transportation to change the daily lives of its customers in order to achieve green finance and reduce carbon emissions.
2	Richart X JKO Interest Savings Account	In April 2023, JKO exclusively partnered with Richart to provide the "JKO Interest Savings" service. The JKO app provides users with the opportunity to open a Richart "JKO Interest Savings Account" and automatically links it to an e-payment account. Users will also be able to check the balance/interest/statistics of the current month at JKO.
3	Richart Foreign Currency Full-Amount Remittance	In May 2023, Richart cooperated with MasterCard to provide full-amount remittance service for outward foreign currency remittance through the Richart app. Customers will be able to make foreign currency outward remittance without any handling fee deducted from the remittance amount by the intermediary bank during the remittance process.
4	Richart Taiwan Stocks	In November 2023, Richart joined hands with Taishin Securities to launch the Taiwan stock pre-order on a fixed-term, fixed-amount basis, which allows customers to apply for a securities settlement account/securities account, invest in Taiwan stocks, and manage their accounts in one go through the bank's app. It lowers the investment threshold for the bank's customer base and achieves synergistic cross-subsidiary cooperation.

Richart Life, a Leading Brand of Lifestyle Finance

Taishin Bank's "Richart Life" APP launched in August 2020 is a key service in linking and operating the lifestyle finance ecosystem. Together with strategic partners, it establishes a brand new platform that integrates payment, points, lifestyle discounts and financial services.

In terms of promoting green travel, Taishin Richart Life ecosystem cooperates with the New Taipei Metro in launching the ride code service. Service was launched for the Danhai LRT in June 2022 and the Ankeng LRT at the end of 2023. It allows the public to scan the code and make payment through Richart Life APP when taking Danhai LRT, leading the industry in becoming the first bank to provide QR Code mobile payment for public LRT transport system.

Richart Life provides customers with the most comprehensive point redemption and inquiry services. Since August 2022, Taiwan's first mobile payment collection APP, "Taishin Pay" can be used for points redemption at Taiwan's four major convenience stores, leading department store, Shin Kong Mitsukoshi, IKEA, RT-Mart, and more than 100,000 stores. In addition, Richart Life also provides customers with an online point redemption site. Richart Mart was upgraded to be an exclusive points redemption mall for Taishin customers, providing a wide variety of products and more than 20,000 types of items including Apple, Dyson, food vouchers, household sundries, etc. In November 2023, Richart Life created an instant coupon zone, offering more than 70 e-coupon brands such as McDonald's, Mos Burger, and Wowprime, allowing the public to enjoy the convenience of paperless transactions.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

6.1 FinTech/Digital Innovation

[6.2 Customer Relationship Management and Consumer Protection](#)

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

With the slow-down of the pandemic and the return of economic activities, the Taiwanese people are placing more emphasis on health and exercise and physical management. To seize the market's business opportunities, Richart Life launched the brand new "Health Care" lifestyle icon providing users with information such as new health knowledge and general health knowledge in August 2022, and "Apple Sports Task" corner which combines diverse data such as walking and exercise in November of the same year, expanding the establishment of health ecosystem. In June 2023, Apple Sports Task added a wide range of health data to enhance customer engagement. As of December 2023, the number of accumulated data licensees has exceeded 100,000 people. In addition, in order to encourage the public to develop the habit of resource recycling, the "Smart Recycling Machine" was officially launched in May 2023. Those who receive designated coupons at Richart Life and complete the recycling of PET bottles or disposable batteries will receive Taishin Points. The recycled PET bottles will be reused to make other finished plastic products, realizing a green circular economy. As of December 2023, more than 40,000 people have participated in the program.

Financial Innovation Labs

In 2020, Taishin Bank established "Taishin Innovative Finance Laboratory", focusing on the development of digital finance. By integrating the Group's resources and through cooperating with cross-domain partners, it aims to establish a digital sustainable finance ecosystem with new ecosystem, new business models, and new competitive environment, and simulate future ecosystem blueprint for customers. Through technological bridging and business process transformation, it progressively integrates different industries such as technology, transport, payment, retail, food and beverage, etc. to create various types of lifestyle scenarios, and demonstrate innovative finance and future business applications. The laboratory conducts innovative finance and promotes sustainability through four strategies: innovation, inclusion, cooperation and public welfare. Develop innovative services and optimize processes through new technologies to provide friendly innovative financial services that are more in line with customers' actual needs, for example: launching the "ATM combined with Finger Vein Biometrics" to provide more convenient financial services, or using the Dunnan branch as a prototype to create the "Taishin Metaverse Branch", where virtual employees Rose and Sunny welcome customers and assist with credit card, insurance, and other related services, integrating the convenience of FinTech into daily life to provide instant and adaptive FinTech experience.

Since its inception, the Lab has won numerous domestic and international awards, including the "World's Best Financial Innovation Labs" award from Global Finance for three consecutive years. In addition, it won three awards at the Retail Banker International (RBI) award in 2023, namely "Most Dynamic Third Party Collaboration", "Best In-Person (or Virtual) Customer Event" and "Best Use of Technology in Advertising/Marketing Strategy", which demonstrates that the Lab has gained a lot of attention and recognition for its development in various areas.

Innovation

ATM combined with Finger Vein Biometrics to provide more convenient financial services.



Dunnan branch used as a prototype to create the "Taishin Metaverse Branch", where virtual employees Rose and Sunny welcome customers and assist with credit card, insurance, and other related services.



Charity

Visit by Taishin Youth Foundation, where participants were eager to ask questions about ATM virtual personnel services, cardless cash withdrawals, and the demonstration of the trending Metaverse branch, achieving a fun and interactive mode of learning.



Cooperation

Hosted a FinTech study tour organized by the European Bank for Reconstruction and Development (EBRD) together with the Taiwan Academy of Banking and Finance, to establish potential cooperation opportunities between Taishin and the EBRD and its member countries in the field of FinTech through experience sharing.



Inclusiveness

Conduct financial counseling with virtual personnel Rose via cell phone in the home environment, enjoying the convenience of financial services at any time and any place.



Sustainability

Promote digital sustainable living and demonstrating Taishin Bank's continuous efforts to achieve sustainable net zero.





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.2 Customer Relationship Management and Consumer Protection

Driven by brand values of "Sincerity" and "Professionalism," Taishin not only provides a diverse range of localized and personalized customer service, but also pays close attention to customers' voice and constantly strives for innovation while delivering highly value-added services that make it the trusted smart partner.

6.2.1 The Principle of Fair Treatment of Customers

1. Formulate Policies and Strategies for Fair Treatment of Customers

Taishin Bank attaches great importance to the rights of its customers and is committed to service quality, hoping to provide the most complete and caring service to all customers. Therefore, Taishin Bank has established the "Fair Treatment of Customers Policy" (integrated into the Fair Treatment of Customers Strategy) and the "Financial Consumer Protection Policy" to provide employees with guidelines for protecting the rights and interests of customers. We are committed to providing the most complete service in order to fulfill the obligation of protecting financial consumers. In 2023, 378 cases of fraud were effectively prevented, totaling NT\$260,195,006.

2. Establishment of the Fair Customer Treatment and Consumption Review Committee and its Task Force for Supervision and Promotion

With regards to customer relation and product offering, Taishin has "Know-Your-Customer" (KYC) and "Know-Your-Product" (KYP) procedures in place to ensure that customers are offered the best services and protection. Taishin evaluates customers' needs and profiles, classifies them by product suitability and risk tolerance, and duly communicates product information, risks and rights before recommending suitable products.

To ensure that the design, advertisement, sale, contract fulfillment, consultation to complaints of product and service are in accordance with the "Fair Treatment of Customers Policy", Taishin not only trains its employees regularly, but also incorporates the "Fair Treatment of Customers Policy" into its internal control and audit systems.

- Enforcement of Fair Treatment of Customers by Subsidiaries

Subsidiaries	Taishin Bank	Taishin Securities	Taishin Life	Taishin Investment Trust
Policy Name	Fair Treatment of Customers Policy	Fair Treatment of Customers Policy	Fair Treatment of Customers Policy	Fair Treatment of Customers Policy
Accountable Unit	Treating Customers Fairly and Consumer Advisory Committee • Executive Secretary: Legal Division • Teams: Personal Finance Planning Division, Legal Financial Planning Division, Financial Markets Management Division	Business Strategy Department	President's Office	Marketing Management Department

The Board of Directors is the highest guidance and supervisory unit, and the "Fair Treatment of Customers and Consumption Review Committee" is established under the President to supervise the implementation of the "Fair Treatment of Customers Policy" by each unit. The "Fair Treatment of Customers and Consumption Review Committee Meeting" is held regularly every month and reports to the Board of Directors on a regular basis.

Taishin Securities has established a "Fair Treatment of Customers Promotion Committee" under the President, who serves as the convener and chairman of the committee. The committee holds quarterly "Fair Treatment of Customers Promotion Committee Meetings" and reports to the Board of Directors on a regular basis.

Taishin Life has established a "Fair Treatment of Customers Promotion Committee" under the President's Office, which is chaired by the President and serves as the secretary of the committee. The committee reports to the most recent Board of Directors on a quarterly basis on matters discussed by the committee, including, but not limited to, reviewing the implementation of the "Fair Treatment of Customers Policy" in the business operations, with a view to formulating specific solutions for possible violations of the "Fair Treatment of Customers Policy".

Taishin Investment Trust has designated a supervisor at the level of vice president or above and a dedicated department to be responsible for the planning and implementation of the "Fair Treatment of Customers Policy". The dedicated department identifies areas in which each department may be in violation of the "Fair Treatment of Customers Policy" and proposes specific solutions. Furthermore, reviews and responds to these issues at the supervisory meeting of the supervisors at the level of vice president or above and reports to the Board of Directors on a regular basis.

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

6.2 Customer Relationship Management and Consumer Protection

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Subsidiaries	Taishin Bank	Taishin Securities	Taishin Life	Taishin Investment Trust
Implementation in 2023	<ul style="list-style-type: none"> In 2023, to more proactively strengthen the implementation of fair treatment of customers in each unit, the "Key Points for the Establishment of the Fair Treatment of Customers and Consumption Review Committee" (hereinafter referred to as the "Committee") was revised under the supervision of the Chairman and the President to increase the frequency of the Committee's meetings (from bimonthly to monthly). Issues such as prevention of financial fraud, continuous optimization of friendly treatment of elderly and disadvantaged customers, emphasis on the rights and interests of young people, continuous improvement of digital financial services in response to new technologies, and concern for materiality cases within the Bank, and management of customer complaints were included in the Committee's report to enable the President and senior executives to keep abreast of the situation and supervise the entire Bank in a timely manner. 	The "Fair Treatment of Customers Promotion Committee Meeting" meets regularly on a quarterly basis and conducts self-examinations on customer satisfaction, the implementation of fair customer service in each division, financial consumer dispute cases, the implementation of information security protection mechanisms, and industry benchmarks, as well as making follow-up improvements and tracking.	The "Fair Treatment of Customers Promotion Committee Meeting" are held quarterly to review the risk of customer-related operations, the implementation of financial-friendly measures, the results of complaint handling, and the actual fair treatments carried out by each division, and to make follow-up improvements and tracking.	When customer complaints or financial consumer disputes arise, Taishin Investment Trust shall handle them in a timely and appropriate manner in accordance with the Financial Consumer Dispute Handling System and review whether there is any violation of the "Fair Treatment of Customers Policy" or financial consumer protection laws and regulations; whether to provide flexible and appropriate customer service, establish a positive customer service system and process, and review the regulations related to the "principle of fair customer service" on a rolling basis.
Future Goals	Establish a top-down corporate culture that emphasizes the protection of financial consumers and to incorporate the Fair Treatment of Customers Policy into the entire workforce by taking specific actions, listening to the voice of customer and incorporating the supervisory priorities of the competent authorities, and adhering to the core values of "Integrity, Commitment, Innovation, and Collaboration (ICIC)" in order to continue to optimize the various financial products and services, and to better meet the needs of our customers.	Continue to uphold the brand management concepts of "Seriousness" and "Professionalism", and adhering to the Fair Treatment of Customers Policy to provide diversified localized and personalized customer services.	Continue to uphold the corporate core values of "Integrity, Commitment, Innovation, and Cooperation", establish a commitment and corporate culture that exemplifies the quality of business and sales in the industry, and adhere to the "Fair Treatment of Customers Policy" to ensure that our products and services satisfy the needs of our customers, and share a win-win situation with our customers.	When providing financial products or services, fulfill its duty of care as a good steward. If the financial products or services provided are of a fiduciary or entrusted nature, the company shall fulfill its duty of loyalty in accordance with applicable laws and regulations or contractual agreements. Pay attention to laws and regulations related to those with disabilities and the elderly, as well as self-regulatory standards, and identify financially vulnerable groups of financial consumers on a case-by-case basis and take appropriate friendly measures.

Note: The fair Treatment of Customer focuses on the four subsidiaries that directly provide products or services to consumers

3. Strengthen the Customer Complaint Procedure

Taishin FHC emphasizes the opinions of its customers and has established a comprehensive customer complaint process at each of its branches. There is a dedicated handling unit to assist in the handling of complaints and grievances, and to incorporate customer opinions into the optimization of relevant projects.

To implement the principle of fair customer complaint protection and to enable customers' opinions to be effectively conveyed and handled, Taishin has set up multiple channels for customer complaints, a 24-hour customer service hotline, a dedicated customer suggestion handling line, an online opinion form, and official website to leave messages online or reflect opinions by email, and the ability to receive customer representations through external organizations.

Taishin's customer complaint management mechanism covers prevention, alerts, and improvement. Before products and activities are put on the shelves, a blind spot check of fairness to customers and an inventory of issues that may lead to disputes will be conducted to ensure the rights and interests of customers. In the event of a customer complaint, the dedicated handling units work together to achieve rapid communication, investigation, and handling. Systematic operational management and tracking is employed until the case is closed, to ensure that every customer who has filed a complaint receives appropriate handling results and responses.

For each customer complaint, Taishin analyzes the root cause in detail and implements improvements and further prevention through education and training, system improvement, or process optimization, etc., and report to the board of directors regularly to prevent recurrence through proactive actions.

• Customer Complaint Mechanism





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

6.2 Customer Relationship Management and Consumer Protection

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

• Handling of Customer Complaint Cases by Subsidiaries (Note 1)

Taishin's Subsidiaries	Complaint Count	Percentage of Prompt Closures <small>(Note 2) (%)</small>	2024 Target Value	Compromise Rate <small>(Note 3) (%)</small>	2024 Target Value
	2023	2023		2023	
Taishin Bank	1,047	100	100	85.5	85
Taishin Securities	19	100	100	100.0	100
Taishin Life	403	100	100	62.0	60
Taishin Investment Trust	1	100	100	100.0	100

Note 1: Customer complaints are handled mainly by the four subsidiaries that provide products or services directly to consumers.

Note 2: Closing Rate: Complaint cases were closed within the time limit.

Note 3: Compromise Rate: Taishin Life refers to the rate of agreeing to handle the cases by the original request of the policyholders and other means, and Taishin Securities refers to the rate of agreeing to handle the cases by the original request of the customers and other means.

6.2.2 Customer Relationship Maintenance

Based on the 3S (Simple, Sincere, Superior) service spirit, Taishin has long promoted a service culture that is innovative and breaking away from the conventional, providing proactive and warm customer service. In recent years, Taishin has been actively promoting "The Principle of Fair Treatment of Customers" in the financial industry, which is a concrete realization of Taishin's 3S service spirit. Taishin's service management has a dedicated unit that is responsible for promoting service culture from the inside out. Taishin regularly organizes the selection and publication of service case studies such as "Touching Stories", "Voice Of Customer Project" and "Proactive Service". For the 20th consecutive year, Taishin has held a grand "Service Model of the Year" selection event and commendation meeting to recognize outstanding employees and teams through service as a core value. To internalize the service culture in every Taishin employee.

1. Listening to Voice of Customer

Taishin emphasizes the voice of its customers, and each of its subsidiaries provides a variety of channels for reflecting customer feedback. Through the collection of customer feedback and suggestions, Taishin provides immediate feedback and conducts regular reviews in order to continually strengthen the provision of high-quality customer service.

Taishin Bank is committed to providing customers with a complete service experience and listens to customers' voices through a variety of channels, including personnel, products, and platforms, and has a mechanism for immediate feedback and regular analysis, which serves as the basis for service quality enhancement and optimization. We strive to make services more closely matched to customers' needs.

Project	Explanation
VOC (Voice of Customer)	Taishin Bank's Voice of Customer (VOC) project is entering its 15 th year. In 2023, we received approximately 140 customer suggestions per month. The voice of the customer is collected through feedback from frontline staff or online platforms, and is analyzed, optimized, improved, and tracked through scientific methodologies in cooperation between the head office's dedicated unit and business units. For example, in 2023, in response to the frequent occurrence of fraud cases, we set up a fraud prevention notification LINE group for managers to proactively notify them of real-time fraud cases, and proactively strengthened the ability of our staff to recognize fraud, which has resulted in the successful protection of customer assets of as much as NT\$200 million. In addition, in order to strengthen the financial literacy of young people, Taishin Bank's official website "iWealth Management" provides complete information on the investment market and products for novice investors to read educate themselves. At the same time, we also enhanced the accessibility interface of the "smart customer service Rose", including: font size adjustment, enhancement of interface color, setting up of financial friendly service area, new account inquiry shortcut keys, and fraud prevention area, etc.
Onsite Inspections for Branches	Taishin Bank's professionally certified mystery shopper staff conducts quarterly service inspections of branches, with a focus on branch services. The results of which are used as a basis for internal improvement and management.
Branch Service Opinion Forms	"Service Opinion Forms" are available in all of our branches for customers to express their opinions, and we also provide electronic questionnaires that customers can easily fill out by scanning a QR code with their cell phones or tablets in our branches. The feedback form is reviewed daily by a dedicated unit for immediate improvement and continued quality service.
Customer hotline of the Head Office and Head Office Management Center Mailbox	Taishin Bank has set up a dedicated head office customer feedback line and a mailbox in the head office management center, where customers can reflect their opinions to the bank through various channels. The dedicated dispute unit handles and coordinates the handling of customer complaints and grievances in order to protect the interests of customers.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

6.2 Customer Relationship Management and Consumer Protection

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Taishin Life is dedicated to providing satisfying and effective customer service. This includes setting up customer service hotlines, conducting random interviews with incoming calls, and offering questionnaires at the counter to gather customer satisfaction feedback. Additionally, there is a customer inquiry section on the official website to handle and respond to customer inquiries promptly.

In addition to providing a customer service hotline and a customer service mailbox, Taishin Securities also conducts regular customer satisfaction surveys every year to learn about the quality of service provided to customers, and to review and improve the service through customer feedback, so as to make the financial services provided by the company more friendly and popular.

2. Improve Customer Satisfaction

Taishin emphasizes customer experience and conducts extensive satisfaction surveys on all major customer segments to ensure service quality and customer relations.

Taishin Bank conducts in-depth analysis of customer experience in three major areas: customer segments, product holdings, and channels of communication. Satisfaction surveys are conducted on 11 major customer segments, with an overall satisfaction rate of 86.4% in 2023. The Net Promoter Score (NPS) in 2023 reached 44.2, indicating that the proportion of promoters greatly exceeds the proportion of detractors. Taishin will continue to improve its NPS by reducing the proportion of detractors and shifting neutrals to promoters.

Taishin Life conducts long-term cross-comparison surveys of its policyholders across six service dimensions (overall customer service, life insurance consultant experience, product price and value, policy purchase experience, Taishin Life image assessment, and business consultation and advice) and four customer journey stages (awareness and assessment stage, purchase stage, after-sales service stage, and relationship maintenance stage). In 2023, the customer satisfaction survey score was 83, with an overall NPS of 41. Compared to previous years, there was a significant increase in the number of promoters, a significant decrease in the number of detractors, and the number of neutrals remained the same.

Taishin Securities conducts annual customer satisfaction surveys, sending out questionnaires via email to all trading customers, covering both over-the-counter and online services, to assess customer satisfaction in general and in each area. In 2023, Taishin Securities achieved an average score of 83% in each satisfaction category. In 2023, Taishin Securities' NPS was 30.2, with neutrals accounting for 37% of the total. Taishin Securities will strive to shift neutrals to promoters and reduce the proportion of detractors in order to continue to improve its NPS. Taishin Securities has planned various projects in 2024, continuously improving customer experience, including electronic transaction platforms, various types of securities products and services, transaction value-added services, etc.

• Customer Satisfaction and Result of NPS

2023	Taishin Bank	Taishin Life	Taishin Securities
Customer Satisfaction (%)	86.4	83.0	82.9
NPS	44.2	41.0	30.2
Number of Valid Samples	22,337	1,650	2,187

• Taishin Bank Customer Satisfaction Survey

Years	2020		2021		2022		2023		2024
	Actuals	Target	Actuals	Target	Actuals	Target	Actuals (Note 1)	Target	Target (Note 2)
Customer Overall Satisfaction (%)	83.9	85.4	78.3	87.0	86.0	81.0	86.4	86.3	86.6

Note 1: The surveys comprises the Bank's customer groups, with a 100% coverage, and is sufficient to represent the entire customer base of Taishin Bank.

In 2023, the questionnaire collected 22,337 valid samples, covering a wide range of customer segments (wealth management members/general members), products (loan products/credit cards/digital accounts), and service channels (branches/various digital platforms/telephone customer service). The gender, age and location of the questionnaire samples are consistent with the overall distribution.

Note 2: 2024 Target = [(87% - Base Year Actual Value %)/(2025 - Base Year) + Base Year Actual Value %]

Objectives setup: Adopt the gap between the actual satisfaction value of the previous year and the ideal target (87%) reached in 2025 and the year to calculate the target for the following year, review and adjust it every year according to the actual achievement situation, and if the ideal target has already been achieved, change to an annual growth of 0.2% to 89% as a new challenge. Ideal target is the reference data of the market research company.





About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

6.2 Customer Relationship Management and Consumer Protection

[6.3 Privacy Protection](#)

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

3. Employee Training

In order to provide better services, Taishin actively invests resources in trainings of service quality and customer satisfaction to meet customer needs and improve service quality and satisfaction.

Subsidiary Company	Recipients	Course	Frequency	Training Coverage Rate (%)	Training Completion Rate (%)	Total Hours	Number of Participants
Taishin Bank	Mandatory courses for new recruits	Providing the best services (orientation camp)	Average 3 times each month	100	100	3,552.52	1,835
		Service etiquette (new employees)	Average 3 times each month	100	100	1,428.61	1,957
	Required Training for Bank Employee	"Sincere Service, Fair Treatment"- 3S Service Course	Annual	100	100	1,378.00	6,357
		Financial Friendly Service Guidelines for the Banking Sector <small>*Financial Consumer Protection Act and Fair Treatment of Customers Policy (including the reporting system), education and training on high ethical standards (including the Ethical Corporate Management Best Practice Principles), and Financial Friendly Service Guidelines for the Banking Sector</small>	Annual	100	100	5,192.00	7,636
	Required Training for Bank Employees	Superior services	4 sessions each year	100	100	588.00	147
		Providing the Best Service (Newcomer Camp)	4 sessions each year	100	100	308.00	154
	Mandatory courses for supervisors	Service Etiquette (Newcomers E-Service)	Average 2 times each month	100	100	124.10	170
		Services for the Win	3 sessions each year	100	100	56.00	14
	Mandatory courses for new recruits	Providing the best services (orientation camp)	Average 3 times each month	100	100	281.75	145
		Service etiquette (new employees)	Average 3 times each month	100	100	46.63	136
Taishin Securities	Mandatory courses for supervisors	Superior services	4 sessions each year	100	100	48.00	12
		Providing the best services (orientation camp)	Average 3 times each month	100	100	25.34	13
	Mandatory courses for new recruits	Service etiquette (new employees)	Average 3 times each month	100	100	13.87	19
		Securities investment, securities consulting (Financial Consumer Protection Act and Fair Treatment of Customers Policy (including the reporting system), education and training on high ethical standards (including the Ethical Corporate Management Best Practice Principles), and Financial Friendly Service Guidelines for the Banking Sector)	Annual	100	100	80.24	118

Note: Training coverage rate: Number of participants / total number of employees in the category; training completion rate: Actual training participants / number of employees that required training.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.3 Privacy Protection

6.3.1 Privacy Protection Policy and Management Mechanism

To maintain the security of personal information, Taishin has formulated regulations on the protection and management of personal information. Taishin has reviewed the appropriateness of these regulations in accordance with the law to ensure the legal collection and use of personal information of customers and employees. In addition to regularly checking the current status of personal data security maintenance and evaluating possible risks to personal data, Taishin also establishes appropriate management mechanisms based on the results of the risk assessment, and formulate contingency, notification, and prevention mechanisms to implement personal data protection and management measures for security incidents such as theft, alterations, damage, loss, or leakage of personal data.

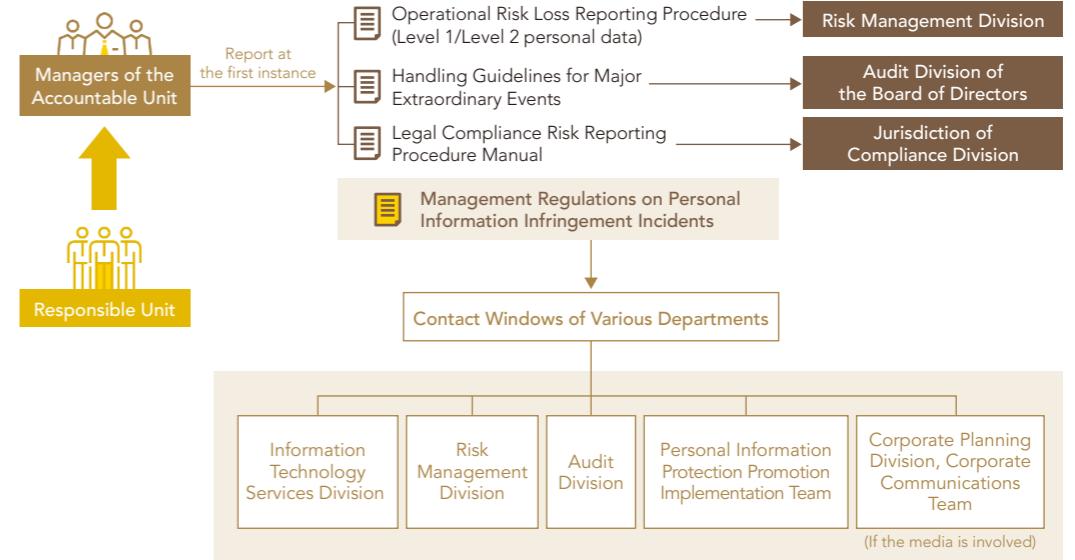
6.3.2 Privacy Protection Measures

To enhance the ability to respond to personal data infringement incidents and raise the risk awareness of all employees, Taishin has formulated the "Personal Data Infringement Incident Management Standards" to effectively implement emergency response and handling. When a personal data infringement incident occurs, the supervisor shall immediately be notified supervisor and the risk assessment and classification of the incident must be completed within the time limit. Depending on the extent of the impact of the incident, an emergency response team shall be set up for the response, coordination, liaison, and investigation of the incident. Taishin adopts the principle of zero tolerance for personal privacy infringement.

Also, in order to respect the customers' rights to their personal data, Taishin's subsidiaries have formulated "Operating Rules for Exercising the Rights of the Parties" based on their own business requirements, specify customers' personal data's inquiry, viewing, copying, supplement, correction, deletion and the right to stop collection, processing and use.



- Personal Information Infringement Reporting Procedure (Taishin Bank example)



- The Handling of Each Level of Incident and the Reporting Level

Incident Classification	The Level at which the Incident is Handled	The Time Requirement for Handling the Incident	The Level at which the Incident is Reported
Level 1 <small>(Note 1)</small>	Personal Information Protection Implementation Department	Must be handled within 2 days.	Supervisor of said department/ Legal compliance unit
Level 2 <small>(Note 2)</small>	Emergency Response Team	<ul style="list-style-type: none"> Shall complete the reporting within the deadline set by the Company's internal department. The emergency response team shall draw up a response plan within 2 working days. In accordance with the "Financial Supervisory Commission Designated Non-Government Agencies' Personal Data File Safety Maintenance Measures", report to the Financial Supervisory Commission within 72 hours for any major personal data incidents. 	<ul style="list-style-type: none"> President Other parties to report to in accordance with internal regulations, include but not limited to Personal Data Protection Committee members, etc

Note 1: Level 1 incident: Less than 100 cases of security incidents such as theft, tampering, damage, loss, leakage, etc. of personal data or incidents that meet the definition of other internal regulations.

Note 2: Level 2 incident: More than 100 cases (inclusive) of major incidents such as theft, tampering, damage, loss, leakage of personal data which endanger the Company's normal operations



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

[6.2 Customer Relationship Management and Consumer Protection](#)

6.3 Privacy Protection

[6.4 Financial Inclusion](#)

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

To strengthen the awareness on personal protection and establish a corporate culture of respect for personal information, Taishin continues to promote education and training on personal information protection so that employees understand the requirements of relevant laws and regulations. Furthermore, allow employees fully understand the scope of responsibilities, mechanisms, procedures, and measures for personal information protection.

• Training for Protection of Personal Information in 2023

Target	Courses	Coverage Rate (%)	Completion Rate (%)
New Recruits (to complete training within six months after coming onboard)	<ul style="list-style-type: none"> Online course on personal information protection Compliance and behavior guidelines 	100	100
General Employees	<ul style="list-style-type: none"> Personal data protection special issue Online course on personal information protection Classroom course on personal information protection 	100	100
Contact Person for personal Data (or delegate representative) for each division	<ul style="list-style-type: none"> Personal data violations response drills Personal data inventory training 	100	100
Contact Person or Emergency Response Team of Personal Data Management for Each Division	<ul style="list-style-type: none"> Publicity of personal data protection cases/symposium for legal compliance supervisors Publicity of laws and regulations and penalties Personal information infringement response drills 	100	100

Internal/External Audit Defects

Taishin FHC attaches great importance to the security of personal information protection. In 2023, Taishin Bank commissioned an accountant to conduct an audit of the implementation of personal data protection in accordance with the agreed procedures, and no major irregularities were found after the implementation of the agreed procedures.

To establish a comprehensive personal information management system, Taishin Life appointed SGS Taiwan on April 29, 2022 to perform the certification and was recommended by SGS Taiwan as an organization that meets the requirements of BS10012:2017 Personal Information Management System (PIMS). In 2023, we continued to pass the PIMS certification.

Grievance Mechanism of Personal Information

Taishin attaches great importance to the protection of personal information, and customers can raise questions or file complaints through different channels. If the results of an investigation confirm a violation of personal information, we will take disciplinary actions (e.g., downgrading of performance evaluation, withholding of bonuses, and internal penalties). We shall also propose specific system and process improvements to address the root cause of the complaint and avoid the recurrence of similar situations. The cases are compiled and submitted to the Fair Customer Treatment and Consumption Review Committee and the Board of Directors each quarter. The management department unit shall continue to monitor improvements to ensure implementation.

• Customer Complaints of Personal Information Protection in 2023

Subsidiary Company	Taishin Bank	Taishin Life	Taishin Securities	Taishin Investment Trust
Source of Customer Complaint	External Agency	10	1	0
	Customer Feedback	4	3	0
Accountable Case Count	4	2	0	0
Type of Customer Complaint	Leakage of Personal Information	2	1	0
	Theft of Personal Information	0	0	0
	Loss of Personal Data	0	1	0
	Inappropriate Use of Personal Information	2	0	0
	Others	0	0	0

Note: 1. In 2023, a total of 14 cases (10 from external organizations and 4 from customers) related to personal information protection were reported by customers to Taishin Bank through the competent authorities, and among them, 4 cases were attributed to the responsible parties. After explanation and handling, the customers had no other objections, and all of them were handled appropriately.

2. In 2023, there were 4 cases related to personal information protection that customers reflected to Taishin Life or through the competent authorities, and there were 2 cases of attribution of responsibility. After explaining and handling the cases, the customers had no other objections, and they were all handled appropriately.

3. Regarding personal information protection related complaints, there were a total of 3 data breaches events in 2023, 100% of which involved breaches of personal information. The total number of customers affected by data breaches events was 4.

Regulation of Secondary Use of Personal Information

Taishin FHC implements the protection of customers' personal information by strictly controlling the protection of customer information, the use of customer information, and the secondary use of marketing lists.

• Taishin adopts a strict management approach and monitors and manages 100% of customer personal information for primary and secondary use purposes.

• In 2023, 6.4 million customers were contacted for marketing purposes, representing approximately 85.76% of the total customers, and this usage was fully compliant with the scope of purpose of use agreed upon with the customers. Management focus includes: anonymized and coded customer data, designated specialists to perform database retrievals and regularly review authorization lists, and restricted database access to remote environments or controlled servers in order to preserve program tracing and prevent any unauthorized use. We have set up "Marketing List Management Guidelines" to ensure that the secondary use of customer information is in line with the scope of use agreed upon between the customer and Taishin. We also provide a 24-hour toll-free hotline so that customers can request to stop the secondary use of marketing or business promotion at any time.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.4 Financial Inclusion

6.4.1 Inclusive Finance Policy and Commitment

In addition to being recognized as a key player in the improvement of the industry, the financial sector is also expected to deliver financial inclusion and turnaround opportunities for the disadvantaged. To promote affordable financial resources and services for people from all walks of life, Taishin has issued a [statement on financial inclusion](#) in 2023. It not only actively responds to the financial inclusion policies of the World Bank, the Group of 20 (G20), and the Asia-Pacific Economic Cooperation (APEC), but also responds to the United Nations' SDGs by providing universal access to financial products and services. The promotion principles include: continuously innovate and expand the scope of financial resources services, emphasize the rights and interests of the financially disadvantaged groups in using financial resources (prioritize targets such as micro-enterprises, young people, remote areas, people with disabilities, the elderly, migrant workers, women, and other financially disadvantaged groups), plan appropriate products and services, provide financial and digital-related knowledge, and maintain a smooth channel for customer complaints and notifications. These are all overseen by the Corporate Sustainability Committee under the Board of Directors. Specialized units under the Corporate Sustainability Committee report annually to the Taishin Holdings Board of Directors on the key implementation points for the current year.

6.4.2 Inclusive Finance Products and Services

By supporting small and medium enterprises and with fintech, Taishin supports vulnerable groups and provides banking and financial services in remote regions; And with product innovation, credit cards are combined with charity. Through the consumption behavior of credit card customers, it allows welfare groups to benefit from it, expanding social influence.

• Financial Inclusion Products and Services

Products and Services	Target Groups	Service Contents	Number of Customers Reached in 2023	Number of Transactions in 2023
Microinsurance	Financially disadvantaged	To offer basic protections for financially disadvantaged, microinsurance provides coverage in areas that the governments social insurance and social welfare programs could not reach. Through the launch of microinsurance, we encourage the financially disadvantaged to arrange commercial insurance within their capacity and seek coverage not only to reduce financial impacts in the event of an accident, but also to care for family members.	509 customers	1 count
Small Amount Whole Life Insurance	Seniors and people with disabilities	In response to the effects of low birth rates and aging populations, the small amount whole life insurance, an insurance product promoted to popularize basic insurance coverage for the elderly and people with disabilities, includes whole life insurance (the maximum accumulated protection per person raised from NT\$500,000 to NT\$700,000 with effect from July 1, 2021) that can provide cover in the event of death or total disablement of the insured person. To make it easier for senior citizens to be insured, the small amount whole life insurance policy is simple and easy to understand, and the premiums are lower than other similar types of life insurance.	3 customers	3 counts
Retirement Insurance Planning	Seniors and people with disabilities	In view of the aging trend, insurance products, with their features and benefits considered, are suitable as preparation for retirement arrangement. The main products include annuity insurance (e.g. traditional, variable and investment annuities), medical insurance (e.g. catastrophic illness, critical illness, cancer, daily and pay-as-you-go medical insurance) and long-term care insurance (e.g. life insurance for specific injuries and illnesses, and long-term care life insurance).	2,006 customers	2,316 counts
Online Insurance Applications	Digital community	Taishin Bank's online insurance platform, eFun Insurance, is committed to becoming the insurance platform that best understands the digital customer base. It breaks away from geographical limitations and provides a wide range of specialized products so that the public can complete their insurance applications at home without having to go out, making insurance services simpler, more secure, and more customized.	6,764 customers	10,640 counts

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

[6.2 Customer Relationship Management and Consumer Protection](#)

[6.3 Privacy Protection](#)

6.4 Financial Inclusion

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Products and Services	Target Groups	Service Contents	Number of Customers Reached in 2023	Number of Transactions in 2023
 Loan	 Microfinance	Individual Repayment Negotiation Program <ul style="list-style-type: none"> Since January 1, 2006, Taishin Bank has been working with financial institutions to provide debt consolidation and negotiation programs such as debt negotiation, pre-negotiation, pre-mediation, and relief programs. By negotiating with financial institutions on a repayment plan that meets their repayment ability, debtors are able to make a fresh start, reduce family and social problems, and increase their willingness to repay. Providing Relief Programs for Disaster Victims <ul style="list-style-type: none"> We provide relief programs for various types of disaster victims (e.g.: Typhoon Morakot victims, Kaohsiung gas explosion victims, Tainan earthquake victims, and Hualien earthquake victims), we provide loan principal and interest extensions and deferred payment measures; For other financial products and debt negotiation payments, we will provide appropriate interest rate reductions or repayment incentives depending on the situation of the affected households. We provide relief financing programs for disaster victims with existing mortgages, offering loans of up to NT\$500,000, no handling fee, unlimited repayment period, and a maximum grace period of 6 months to help victims rebuild their homes. Due to the global COVID-19 outbreak over the last two years, Taishin has been actively cooperating with the government's policy to provide customers whose livelihoods have been affected and who are in financial difficulties to apply for the labor or SME relief programs (which includes loans for new customers and extension programs for existing customers). We are trying our best to care for and assist affected customers. 	<ul style="list-style-type: none"> In 2023, there were no large-scale natural disasters, and there were no customers applying to disaster relief programs In 2023, there were 298 new SMEs under the SME Relief Program and 21 existing SMEs who applied for extensions 	319 counts
	 Rose Credit Loans of Queen's Festival	Female <p>On Women's Day, Taishin Bank launched the 38 Women's Day Rose Credit Loan Program to thank all the women for their commitment and dedication to their families, workplaces, and society. Applying for a credit loan online during the designated period of the event cost only NT\$888 (the original cost was NT\$9,000), a drastic savings of more than NT\$8,000. We strive to provide a full range of services from a perspective that is conscientious, professional, and closely meet the needs of women. It also encourages modern women to express their ideas bravely, break through barriers to for self-exploration, and emphasize and invest in financial planning as early as possible.</p>	Reached a total of 1,940 customers	A total of 1,962 applications were made during the campaign period
 Wealth Management	 Retirement Trust	Seniors and people with disabilities <p>To implement the Trust 2.0 Project of the Financial Supervisory Commission, Taishin Bank has devised standardized contracts based on the mainstream planning of most customers with the needs of senior citizens and the physically and mentally challenged in mind. The Bank also provides personalized contracts according to the special needs of the customers</p>	According to the quarterly report of trust business statistics provided by the Association, there were 9 beneficiaries	According to the quarterly report of trust business statistics provided by the Association, the size of the retirement trust was about 58.4 million, and 9 beneficiaries
	 "Internet Banking" Online Financial Services	People in remote areas <p>Through the bank's online banking service, people in remote areas can easily and independently place orders to invest in domestic and overseas funds, overseas bonds, foreign stocks, foreign ETFs, and other financial products</p>	Used by over 300,000 customers	Over 600,000 orders
	 "Banking GO Easy" Online Financial Consultation Service	People in remote areas <p>"Banking GO Easy" breaks the limit of time and space, allowing customers to enjoy professional financial consulting right from their couch. Financial assistants will first enter all the investment or foreign exchange transactions information online. Afterwards, customers can log in their online account to confirm and close the deal. Everything is completed remotely and seamlessly.</p>	Used by over 300,000 customers	Over 300 orders
	 "Roboking" Fund Portfolio Allocation Suggestion	Newbie Investment <p>Roboking, built specifically for investment newbies, is set to provide convenient financial trial calculation services and investment strategies for trading funds and ETFs online.</p>	Used by over 1,000 customers	Over 5,000 orders



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

• Other Financial Services

Products	Clients	Description
Branch Services	Seniors and People with Disabilities	By installing a service bell at the front door of all branches since Jan. 2015, we aim to guide and assist customers to complete transactions when customers need.
Multi-language ATMs	new immigrants	To support the needs of new immigrants for financial services, we started the ATM remodeling project in September 2020. In addition to the existing Chinese and English versions, we also provide services in multiple languages including Japanese, Korean, Thai, Vietnamese, and Indonesian to provide international tourists, migrant workers, and new immigrants with a friendlier financial services.
ATM Integrated Services	People in Remote Rural Areas	<ul style="list-style-type: none"> Apart from general banking services, Taishin Bank ATMs also provide functions such as bill payment, donation, borrowing/repayment of insurance policy loan, interbank cash deposit, and interbank cardless cash withdrawal. Taishin Bank ranks top among its peers in the number of ATMs deployed, which enables remotely located customers to complete financial services at an ATM near them. After receiving FSC approval for launching the Video Teller Machine (VTM) service in 2021, the Bank has expanded VTM services, through which people can enjoy real-time video conferencing with the remote teller for financial advisory and account application services, providing the public with a more convenient financial service.
Barrier-free ATM	Seniors and People with Disabilities	<ul style="list-style-type: none"> All the ATM machines of the Bank are of a height suitable for wheelchair users to operate, and there is a section for barrier-free operation, so that wheelchair users can make use of the ATM keypad to conduct ATM transactions easily. By setting up height-adjusted ATMs and blindness-friendly ATMs to serve movement-impaired and visually impaired customers, or having user manual printed in Braille for visually impaired, we aim to provide convenient financial services. People with disabilities are entitled to a partial waiver of fees for 3 interbank withdrawals, and 3 transfers or deposits each month.
Online Banking	People in Remote Rural Areas	To create more user-friendly online financial services, Taishin Bank has upgraded the Taishin Financial Friendly Services Zone (including Accessible Internet Banking) and the Accessible Internet ATM website, and has obtained the "Web Content Accessibility Guidelines 2.1" Grade A certification. The Mobile Banking Friendly Zone also passed the audit of the Taipei Parents' Association for the Visually Impaired and provided friendly services such as TWD/foreign currency balance inquiries, transaction details inquiries, scheduled/non-scheduled transfer of TWD, interest rate inquiries, password changes for online banking, quick login setups (with biometric identification functions, such as Facial ID and Fingerprint ID), device authentication application and management, and frequently used account setups.
ePayment or Mobile Payment	People in Remote Rural Areas	<p>New payment tools in our financial services</p> <p>To meet the payment collection needs of individual or small-scale merchants, the Taishin merchant APP launched in 2019. It supports scanning the codes of various domestic/international wallets. In 2021, it has expanded and added Visa, Mastercard, and JCB credit card contactless transactions, which uses mobile phone (Taishin merchant APP) as card readers, assisting merchants reducing the cost in renting payment collection equipment. In 2022, Taishin added Discover credit card's sensing feature. In 2023, Taishin added a CrossAPP feature on the Taishin merchant APP, which continue to optimize products and achieve the goal of inclusive finance.</p> <p>Diversity of online services</p> <p>Taishin Bank delivers online services such as credit card, loan application etc. via internet/mobile banking or APPs, and offers diverse payment options including convenient stores, ACH etc. that free customers from restrictions of locations and banking hours. The number of Taishin online users has been rising and the YOY growth in all accounts was 10.1%, the YOY growth in transaction volume was 29.7% in 2023.</p>

• Power to Change



About the Project

Since 2018, Taishin Bank has been working with Type-B enterprise, DOMI Earth, in encouraging cardholders to use digital statements for credit cards. When cardholders switch from paper to digital statements, Taishin Bank will help vulnerable families to replace their lighting with LED bulbs on their behalf.



Project Investment

Taishin Bank integrates the environment with charity. Through cross-industry cooperation, it complements each other, connecting the three parties, the bank, credit card customers and energy-poor households in forming an interactive platform in conveying positive energy.



Project Yield

- Accumulated more than **1.65 million** cardholders in participating
- By providing energy transformation services, nearly **591** energy-poor households in Taiwan have been illuminated. It includes the overall replacement of energy-saving lighting, electricity safety checks and energy-saving education
- Reduced a total of nearly **500,000** Kg carbon emission, equivalent to **1.3** Daan Forest Park's one year of carbon emission



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

6.1 FinTech/Digital Innovation

6.2 Customer Relationship Management and Consumer Protection

6.3 Privacy Protection

6.4 Financial Inclusion

7. Employee Care

8. Social Inclusion

Appendix

6.4.3 Other Non-financial Support

The financial system is an important partner in consumers' daily life. Therefore, Taishin offers financial education and guidance to children and the youth. We communicate correct concepts of finance, investment, and remain committed to improving our service quality and the protection of our customers' rights.

Through parent-child activities with an interactive gaming design, children can easily learn basic financial knowledge in a simple and fun way. For example, in 2023, Taishin Bank organized a board game financial summer camp with Taishin Securities Investment Trust and invited the underprivileged children from the class in Taiwan How Share Association. Throughout the whole process, these children experienced the hard work involved in earning money and realized the importance of investment. Children are expected to identify their needs and wants and, thus, build a correct attitude towards money in their early stage.

• Other Non-financial Support

Category	Project	Target Group	Description	Social Impact
Financial or Digital Literacy Training	Financial camp for children	Low-income individuals, people with disabilities	<p>During the summer of 2023, Taishin Bank and Taishin Securities Investment Trust jointly organized a board game financial management camp, inviting the supplementary classes for disadvantaged children of the Taiwan How Share Association. In addition, in November, Taishin Securities cooperated with the Yuan Sheng Charitable Association in Daliao, Kaohsiung, and invited the elementary school students supported by the association to participate in the financial management camp. Through the gaming learning environment, these children experienced the hard work involved in earning money and realized the importance of investment. Children are expected to identify their needs and wants and, thus, build a correct attitude towards money in their early stage.</p>	Originated two events, and total 27 children joined.
Trust seminars for disabilities and the elderly		Seniors and people with disabilities	<p>In 2023, Taishin Bank, together with New Taipei City Dali Welfare Association for the Disabled and the Taiwan Gentlemen Association, organized two trust seminars for those with disabilities and the elderly. Through case studies and interactive Q&A sessions, we hope that the participants with disabilities and the elderly, as well as their families can understand the benefits and assistance that a trust system can bring, and recognize the direction of their future financial planning, so as to enhance their wellbeing.</p>	The two seminars organized by Song Nian College_New Taipei City Dali Welfare Association for the Disabled and the Song Nian College_Taiwan Gentlemen Association had a total of 50 participants and a total duration of 5.5 hours, with a satisfaction rate of more than 90%.
		Those in Remote areas or Have Difficulty Accessing Services	<p>In 2023, Taishin Bank and Taishin Charity Foundation jointly organized a case study seminar for social welfare organizations, hoping to help social welfare organizations have a better understanding of the benefits and support of the trust system, and to help promote trust services to the people in need.</p>	Taishin Charity Foundation 2023 Twilight Workshop Seminar, with 44 participants, 0.5 hours in total.
		People with Disabilities	<p>In 2023, Taishin Bank, in cooperation with the Ai Xin Care Association, organized a seminar on trust for those with disabilities. Through case studies and interactive Q&A sessions, we hope that the participants with disabilities, as well as their families can understand the benefits and assistance that a trust system can bring, and recognize the direction of their future financial planning, so as to enhance their wellbeing.</p>	The seminar organized by Ai Xin Care Association was attended by 30 participants and lasted for 3 hours, with a satisfaction rate of 95%.
		Senior Citizens	<p>In 2023, Taishin Bank, in cooperation with the Criminal Investigation Bureau, organized a seminar on trust and case study sharing for those of retirement age. We hope to help the participants of retirement age to better understand the benefits and assistance that a trust system can bring, and recognize the direction of their future financial planning, so as to enhance their wellbeing.</p>	Taichung Criminal Investigation Bureau held a seminar on the topic of retirement trusts, with 50 participants and a total of 3 hours.



Financial or Digital Literacy Training

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

6. Smart Services

[6.1 FinTech/Digital Innovation](#)

[6.2 Customer Relationship Management and Consumer Protection](#)

[6.3 Privacy Protection](#)

6.4 Financial Inclusion

[7. Employee Care](#)

[8. Social Inclusion](#)

[Appendix](#)

Category	Project	Target Group	Description	Social Impact
 Financial or Digital Literacy Training	Taishin Innovative Finance Laboratory	Young adults	The "Taishin Innovative Finance Lab" demonstrates the transaction scenes of finance and technology, communication, payment, retail, food and beverage, and other cross-industry cooperation, and simulates the blueprint of the future financial ecosystem through experiential marketing to accelerate the advancement of digital and contactless services. In 2023, we invited young people who are studying, starting their own businesses, or awaiting employment at the Taipei Youth Salon, as well as other organizations, to learn about the current and future financial ecosystem through on-site participation, as well as to understand the direction and opportunities of digital and contactless services.	135 participants in 2023.
 Incentives to Establish Savings Accounts	Reduce the handling fee expenses of disabilities	people with disabilities	We provided people with disabilities with a special inter-bank cash withdrawal handling fee offer for 3 times per month, and a special inter-bank transfer + inter-bank deposit handling fee offer for 3 times per month, to reduce the handling fee expenses and encourage the opening of savings accounts.	As of 3/20/2024, 754 applicants have applied for the offer.
 Technical Assistance	Provide Mobile payment technology for micro enterprise	Micro enterprise	"Taishin Merchant App" is a mobile cash collection app that supports both iOS and Android, with three major functions: [Contactless payment], [Wallet Scanning Payment], and [Real-time Transaction inquiry]. It is available for use in shopping centers, night markets, by individuals, and by small and micro-enterprises. Micro-enterprises can use cell phones to collect payments directly, reducing the burden of card machine installation costs, and there are no restrictions on the transaction location, making the collection method more flexible. This can help improve business performance and expand the possibility of merchant operations. Taishin has also produced a video to help small and micro-enterprises use this function to facilitate payment collection.	Merchants mentored: 2,600, transactions: 481,380.
 Business Management Tools or Trainings	Local Revitalization x Enterprise ESG Matching Event	Micro enterprise	Taishin Securities has signed a Memorandum of Understanding with the Taiwan Regional Revitalization Foundation to raise the visibility of local entrepreneurship teams that are seriously involved in Taiwan's environmental sustainability, social sustainability, and local economic revitalization. At the same time, Taishin will utilize its core competence in the financial industry to provide listing mentorship and related course arrangements for the 191 founding partners on the platform, in order to support the sustainable development of local revitalization teams through practical actions.	<ul style="list-style-type: none"> Organized one matching event and invited 15 local revitalization teams to participate. Signed a MOU with the Taiwan Regional Revitalization Foundation to provide matching opportunities for the 191 revitalization partners on the platform.





- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)

Employee Care

- 106** 7.1 Talent Development
- 112** 7.2 Remuneration, Benefits & Employee Care
- 118** 7.3 Occupational Health and Safety
- 123** 7.4 Labor-Management Relations
- 124** 7.5 Human Rights and Gender Equality





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

7.1 Talent Development

7.1.1 Recruitment Channels and Methods

People are the key that supports business growth, and through the use of three main channels including industry-academia collaboration, overseas recruitment, and substitute military service/R&D substitute service, Taishin recruits suitable and top quality talents from the market to meet the plans and requirements of its business units. In 2023, Taishin recruited a total of 2,036 employees, and the average recruitment cost per employee was about NT\$5,081. Taishin has been able to maintain new recruits at approximately 20% of its staff size and a gender distribution close to 50%-50% in the last 3 years, which conform with the organization's diversity and non-discrimination policies. Young employees aged 30 and below accounted for more than 49% of new recruits; their presence not only brings energy and secures the foundation of this organization, but also helps build a creative and refreshing image.

Recruitment Channels	Methods	Performance in 2023
Industry-academia Collaboration	<ul style="list-style-type: none"> Established industry-academia collaboration with universities to develop fundamental talents for the financial industry. Held campus recruitment seminars. Launched a series of recruitment projects for MA, ARM and banking freshmen. Early Win - Workplace experience program. 	<ul style="list-style-type: none"> Cooperated with 81 universities. Organized 25 campus talent recruitment exhibitions. Brought nearly 563 fresh graduates 310 interns into the organization.
Overseas Talent Recruitment	<ul style="list-style-type: none"> In collaboration with overseas branches, affiliated enterprises and the governments New Southbound Strategy, we actively recruited talents from USA, Japan, China Vietnam, and other countries/regions. Offered systematic training and undergo job rotations to quickly accumulate the expertise needed to support future expansions and international businesses. 	<ul style="list-style-type: none"> Organized 5 overseas recruitment and online talent recruitment for foreign students. 30% of overseas MA.
Substitute Service	<ul style="list-style-type: none"> Was the first in the industry to offer banking positions as military substitute service. R&D substitute service. Taishin offers internship as a substitute military service, where potential talents get to experience real work and prepare themselves for future careers. 	<ul style="list-style-type: none"> We currently employ 8 substitute servicemen

• Number of New Full-time Employees

Region	Female			Male			Total	Proportion of New Recruits (%)	New Recruit Rate (%)		
	<30	31-50	>51	Total	<30	31-50	>51				
Taiwan	515	499	35	1,049	400	409	28	837	1,886	92.6	18.1
Overseas	37	36	0	73	39	35	3	77	150	7.4	1.4
Total	552	535	35	1,122	439	444	31	914	2,036	100.0	19.6
Proportion of New Recruits (%)	27.1	26.3	1.7	55.1	21.6	21.8	1.5	44.9	100.0		
New Recruit Rate (%)	5.3	5.1	0.3	10.8	4.2	4.3	0.3	8.8	19.6		

Note: 1. The number of new recruits in 2023 accounted for 19.6% of the number of employees at the end of the year (male: 8.8% / female: 10.8%), broken down by age range, the number of new recruits under the age of 30 accounted for 9.6% of the number of employees at the end of the year, those aged 31-50 accounted for 9.4%, and those over the age of 51 accounted for about 0.6%.

2: New recruit rate=The category cumulative number of new full-time employees in this category/the number of full-time employees on December 31, 2023. Due to the special nature of marketing specialists and telemarketing specialists, the number of new employees on this table does not include the abovementioned personnel. When calculating the new recruit rate, this type of employee is also excluded from full-time employees.

7.1.2 Diversified Recruitment

Taishin FHC attaches great importance to talents and widely recruits talents. It actively recruits professionals from different regions, genders, nationalities, languages, and races. By the end of 2023, Taishin FHC and its subsidiaries had a total of 11,172 full-time employees, 409 part-time employees, and 227 dispatched personnel to assist in general affairs and administrative work, totaling 11,808 persons.

Among them, there were 6,718 full-time female employees, accounting for 60.1%; there were a total of 793 full-time female managers, accounting for 49% of the total number of managers, of which the proportion of senior female managers was 31%. Taishin expects that the proportion of senior female managers will increase to 40% in 2025, to show that Taishin does not discriminate based on gender in terms of personnel appointment and promotion. As the figures have shown, Taishin does not allow gender discrimination in the recruitment or promotion of employees. In terms of diverse employment of disadvantaged groups, ethnicities, and nationalities, Taishin meets legal requirements, appoints sufficient number of people with disabilities, and provides a barrier-free work environment for people with disabilities. We set up overseas operations in 9 foreign countries. Taishin makes it a priority to hire workers locally for overseas operations. In 2023, overseas operations hired a total of 655 workers, in which 93% of employees and 79% of managers were locals. Taishin continues to implement local management. In addition, our employees come from 13 nationalities/regions. We actively blend multiple cultures into the organization and incorporate them as part of our competitive advantage.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

• Employee Structure (permanent and non-permanent) - by Regions and Genders

Region	Permanent		Non-permanent				Dispatched Employees		Total	Data as of December 31, 2023	
			Contractor		Part-timer						
	Female	Male	Female	Male	Female	Male	Female	Male			
Taiwan	6,387	4,130	13	31	264	97	147	80	11,149		
Overseas	331	324	0	0	4	0	0	0	659		
Total	11,172		409				227		11,808		

Note: 1. Refers to the current employee size as at Dec.31, 2023. Non-permanent employees are contractors, part-timers and interns.

2. As of December 31, 2023, the number of dispatched employees was 227 (147 females and 80 males), and the number had not fluctuated significantly.

3. Non-employee workers correspond to GRI 2-8. Currently, there are only dispatched employees. In the future, the inclusion of contractors, volunteers, at-home workers, self-employed workers, subcontractors, volunteers, etc. will be evaluated.

• Permanent Employee Structure- by Gender, Age and Position

Region	Position	Female				Male				Total	Proportion of Permanent Employees (%)
		<30	31-50	>51	Total	<30	31-50	>51	Total		
Taiwan	Non-managerial Role	1,527	3,519	581	5,627	915	2,070	405	3,390	9,017	80.7
	Managerial Role	3	481	276	760	8	460	272	740	1,500	13.4
	Taiwan-total	1,530	4,000	857	6,387	923	2,530	677	4,130	10,517	94.1
Overseas	Non-managerial Role	103	186	9	298	69	162	4	235	533	4.8
	Managerial Role	0	26	7	33	3	63	23	89	122	1.1
	Overseas-total	103	212	16	331	72	225	27	324	655	5.9
Total		1,633	4,212	873	6,718	995	2,755	704	4,454	11,172	100.0
Proportion of Permanent Employees (%)		14.6	37.7	7.8	60.1	8.9	24.7	6.3	39.9	100.0	100.0

Note: 1. Refers to the current employee size as at Dec.31, 2023. Non-managerial roles do not take managerial responsibilities.

2. 85.5% of employees are non-managerial while 14.5% of employees are managerial.

• Proportion of Female Employees/ Supervisors in Previous Years ^(Note1)

Year	2020	2021	2022	2023
Females in Overall Employees (%)	59	59	60	60
Females in Management Positions (%)	47	48	48	49
Females in Junior Management Positions (%)	49	50	50	51
Females in Top Management Positions (%)	33	32	32	31
Females in Management Positions in Revenue-generation (%)	45	45	46	48
Females in STEM-related Positions ^(Note2) (%)	44	44	44	42

Note: 1. The percentage of females among the managerial role has remained nearly 50% in the past 4 years. This result is a testament to the fair work opportunities and gender equality principles enforced within Taishin.

2. STEM-related positions includes technical writer, computer programmers, business operation analyst and etc.

Diversified Recruitment



Promotion Policy



• Employees of Minority Groups in Previous Years

Year	2020	2021	2022	2023
No. of Disable Employees	96	101	107	125
No. of Countries/Regions	12	11	10	13
Taiwan, China, Hong Kong, Japan, Malaysia, Singapore, Myanmar, Vietnam				
Nationalities/Regionalities of Employees	• Italy • New Zealand • Australia • USA	• New Zealand • Australia • USA	• Thailand • Australia	• Thailand • USA • Senegal



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

• 2023 Top Five Nationalities for Employee Distribution

Nationalities/Regionalities	Percentage of all Employees	Percentage of Managerial Positions
Taiwan	95.0	95.7
China	3.3	3.0
Hong Kong	1.0	0.7
Singapore	0.3	0.4
Malaysia	0.2	-
Others	0.2	0.2

7.1.3 Talent Development

1. Well-defined Career Plans

To help our employees' development, Taishin conducts annual Management by Objective (MBO) and Individual Development Plan (IDP) to help employees identify their future career path. Employees may choose and plan their career paths through means such as training, job rotation, mentoring, meeting participation and project involvement with close guidance from supervisors. The percentage of open managerial positions filled by internal candidates at Taishin is close to 70% and the retention rate of outstanding staff is over 90% in 2023. It shows Taishin provides ample opportunities and resources for employees to develop their own career plans.

• Internal Personnel Replacement Rate and Proportion (Unit: %)

Year	2023
Internal Replacement Rate	73
Male	50
Female	50
<30 Years Old	5
30-50 Years Old	78
>50 Years Old	17
Middle and Top Management Position	11
Junior Management Position	89

Note: Internal Replacement Rate= Number of promotions/number of vacancies

2. Career Development Learning Program

Training of financial talents starts at the campus in Taishin. From intern, freshman to supervisor, Taishin offers a complete series of career development programs to provide employees with the professional knowledge and skills needed at different stages of their career.

(1) Industry-university Cooperation

Program	Explanation	Number of Participants in 2023
Early Win-Workplace Experience Program	The objective of this program is to establish Taishin's active presence on university campuses, to recruit fourth-year undergraduates to second-year master's students who perform well in their academic study, and to continuously promote the notion of "becoming employed upon graduation". Through this program, students were provided with an extensive and comprehensive range of training courses, including courses on the organizational culture of Taishin, workplace communication skills, and FinTech digital finance, all of which afford students internship opportunities in a financial setting to prepare them for the real world. In 2023, a total of 76 interns transitioned into full-time roles. In the future, a campus ambassadorship plan will be introduced, where interns act as ambassadors and share their internship experiences, thus helping peers to not only learn about intern work but also improve their understanding of Taishin.	420
Financial Innovation Masters Program	In order to improve financial professionalism and create a talent supply chain, we have been cooperating with National Sun Yat-sen University to launch the "Financial Innovation Masters Program"; and also have been cooperating with National Cheng Kung University on the "Industrial Master Program of the Graduate Institute of Finance". The company provides winter and summer vacation corporate internship opportunities and rich training resources, hoping to bring students closer to financial practice. So far, 92 graduate students have been trained, of which 51 students have completed the training and have been employed by Taishin.	15
Micro Courses on FinTech and Service Innovation	We began a partnership with the College of Management, National Sun Yat-Sen University in the "College of Management Micro Courses - Financial Services and FinTech Information Case Study Courses" in 2020 to recruit outstanding analysts and improve our employer brand. We invited the Customer Group Management Division and IT Service Division to help support the courses and provide internship opportunities to students with outstanding performances in the courses. The program helps facilitate close exchanges between the academia and the industry and helps us achieve technical innovation and talent cultivation. We have jointly trained 115 students in the three years.	21
Financial Service Innovation Practices	To cultivate talent for financial innovation, Taishin has cooperated with the Department of Finance and Economics of Taiwan University since 2012 in a jointly developed course titled "Financial Service Innovation Practices." This year marks the twelfth year of the program. It has been very popular since its launch. The number of electives has been on the increase year after year. This year, 71 students are taking this elective. The manager of various units in Taishin such as personal finance, corporate finance, financial market, securities and life insurance joined the class to share contents including professional knowledge and innovative experience in products, marketing, investment, data analysis, and other aspects, so that students can have a deeper understanding of the financial service industry. In addition to arrangements for students to take a trip to our Financial Innovation Laboratory in Taishin FHC Neihu Building to experience first-hand the digital services integrated into daily life, face-to-face engagement with the MA was also arranged for students to exchange knowledge of various professional fields and talk about future careers. In-person consultation and internship opportunities were provided as well to encourage industry-academia cooperation in nurturing the required financial innovation and interdisciplinary talents.	71



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

7.1 Talent Development

[7.2 Remuneration, Benefits & Employee Care](#)

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)

(2) Comprehensive Financial Talent Training

Newcomer Training Program

To help new employees quickly gain an understanding of Taishin's organizational structure and culture, we deploy a mix of game-based offline teaching and dozens of online courses, so that new colleagues can quickly integrate into the Taishin family.

Unit Professional Training

To help new colleagues get started quickly, we introduce the business offices, operating procedures, important key rules and skills.

Unit Specialized Work

To better meet the training needs of colleagues across all units, annual interviews are held to assess training needs and develop training plans in response.

• Wholesale Banking Group

[Corporate Finance Learning Map] Financial product improvement course

• Retail Banking Group

[Digital Transformation] Agile TTT instructor training course

• Finance Market

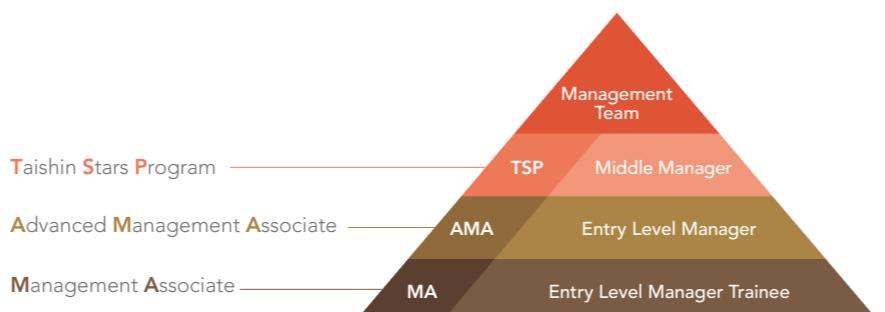
[Core Profit] Investment Outlook, Astute Vision

• Securities Market

[Quality Trader] Financial product improvement course

(3) Succession Program

Taishin has review panels, appraisals, and a talent evaluation committee available to assess its employees on a regular basis, and is therefore able to identify elite talents at various grades. The identified candidates are then assigned job duties and goals that help build up skills for their intended positions.



Developed Management Program

Developed Management Program offers a series of training sessions for outstanding employees with development potential, including specialized training, general training, management training, and talent exchange gatherings, to offer employees room for growth and development.

Advanced Management Associate

Through the Harvard Case Method and domestic case analysis, personality tests, group work and competitions, we improve their capabilities to identify, designate, and lead people. We also help them improve their foreign language skills and implement their personal development plans.

Taishin Stars Program

Taishin Stars Program offers accelerated training of new potential talents in Taishin, clearly defines the model of a successful director, uses potential grid, 360-degree evaluation, and optimization to select high-potential talent and regularly review their capability gaps to help define their development plans.

(4) Diversified Talents

To help develop employees' capabilities within and outside their areas of expertise, Taishin has been maintaining a learning platform called "Taishin University", structured similarly to courses offered by university, that consolidates internal and external resources. As an incentive for self-motivated learning, Taishin introduced a "Learning Account" system in which every full-time employee is granted a credit of TWD 10,000 per year that staff can spend independently on foreign language training, computer courses, or license examination fee subsidies. The points can also be spent on lectures by famous experts, artistic and cultural activities, language training, and themed courses on any area in life, all in order to offer our staff sufficient resources to expand their knowledge and broaden their horizons.

In 2023, the number of people using the training passbook reached 4,147, and the number of points used exceeded 5.28 million points, an increase of 36% over the previous year. This was mainly due to the expansion of the "Life Cycle" courses series in the self-directed learning courses, which were closer to the needs of colleagues. A wide range of topics are covered in this course series, including "Soft Power in the Workplace - Communication Skills, Writing Skills," "Digital Transformation Thinking - Blockchain, FinTech Trends", and "English - Business Letters, Travel-Related Phrases." Moreover, we organized a few tea-making and cake-baking activities to help employees maintain balance in physical and mental health, and also hosted seminars on geriatric care to meet the learning needs of employees in both the professional and daily context. In 2023, we continued to expand the application of colleagues' training passbook points to "fitness courses" and "marathon road running activities". Not only did the number of participants increase, but it also achieved a positive cycle including strengthening employees' physical and mental health, developing regular exercise habits, and improving work efficiency. Furthermore, we introduced subsidies for diverse learning, online learning, on-the-job training to encourage lifelong learning, thereby achieving the sustainable development goals (SDGs).

3. Learning Effectiveness and Results

(1) Staff Training Hours

Training Performance	2020	2021	2022	2023
Average Training Hours Per Employee <small>(note)</small>	61.4	60.3	65.0	66.0
Total Training Hours	572,748	567,390	702,171	736,538
Average Training Expenses Per Employee <small>(note)</small>	4,881.6	4,309	5,159	5,685
Total Training Expenses (NT\$thousand)	45,565	40,553	55,742	63,514

Note: Total training hours/ total training expenses divided by numbers of permanent employees equals average training hours / average training expenses



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

7.1 Talent Development

[7.2 Remuneration, Benefits & Employee Care](#)

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)

Category	Total Training Hours	Number of Permanent Employees	Average Training Hours in 2023
Male	302,546	4,454	67.93
Female	433,992	6,718	64.60
Age 30 and Below	253,286	2,628	96.38
Age 31-50	405,761	6,967	58.24
Age 51 and Above	77,491	1,577	49.14
Top Management Position	3,793	67	56.62
Middle Management Position	18,530	242	76.57
Junior Management Position	89,704	1,313	68.32
Non-managerial	624,511	9,550	65.39

Category	Total hours
Management Role	Legal
	Management
	Professional
	General knowledge
Non-managerial Role	Legal
	Management
	Professional
	General knowledge

(2) Highlighted Training Projects

Taishin responds to the changing environment and technologies with creativity, by designing a diverse range of learning programs that not only are relevant to career development, but are closely associated with the business performance of the organization as well.

We adopted the result-oriented concept and the four levels of learning evaluation (L1-L4) of the Kirkpatrick Model, and combined the use of return on investment (L5) to measure employees' learning progress in ways that satisfy Taishin's development goals and support employees' ongoing growth.

Evaluation Level	Evaluation Method			Remark	
Reaction L1	Course satisfaction	Course completion rate		Review learners' opinions toward the course, including course content, instructor and materials.	
Learning L2	Pass rate	Project execution rate	Training program achievement rate	Review learners' skills, knowledge and attitude.	
Behavior L3	Goal achievement rate	Project corroboration rate	Completion rate of return training	Review learners' change in work behavior.	
Results L4	Average added benefit per person	Performance growth rate	Customer satisfaction	Outstanding staff retention rate	Review learners' actual contribution to the organization.
Remuneration L5	Return on Investment (ROI)			Evaluate the yield of training costs invested by the organization. Calculation: Performance=(yield - cost)/cost	



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

7.1 Talent Development

[7.2 Remuneration, Benefits & Employee Care](#)

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)

Project Title	 Talent Bank Development Project	 Corporate Finance Learning Map Special Program	 Digital Transformation Talent Development Project
Training Targets	The Talent Bank Development Project offers training to department, division, and group-level supervisors as well as management associates (MA).	Enables colleagues and supervisors of ARM/Junior RM/RM/ SRM/PM/PS under the Corporate Banking Division to flexibly choose and acquire the professional knowledge and work skills required for their position according to personal circumstances.	Popularizes the knowledge of digital transformation among colleagues within the group, enhances supervisors' awareness, and assists project colleagues to obtain agile certification.
Project Content Description (Includes competencies or business capabilities to be strengthened, course themes, implementation methods, etc.)	By taking inventory of management competency gaps and analyzing management weaknesses in the engagement survey, we established a systematic training structure and interactive network to provide training to managers at all levels under the Taishin FHC talent bank project. For mid-level and senior managers, the primary focuses include strategies and issues such as business acumen, innovation and change; for junior supervisors, training courses have been designed based on expectations of leading by example and other competencies. Business model innovations and new trends are incorporated into all talent bank development projects, and the theme of enhanced management is also included throughout the training courses with topics discussed in both depth and width using consistent vocabulary to comprehensively elevate the leadership abilities of supervisors.	The Corporate Banking Learning Map Special Program was planned in response to the strategic direction and career stages set by the Corporate Banking Division. Colleagues are provided with professional required courses, as well as a wide variety of elective courses, based on the competency requirements for different positions. The required courses cover finance-related expertise, sales skills, customer development skills and management practices, risk analysis, etc. Electives include ESG-climate change risks and TCFD, AML/CFT transaction monitoring and deficiency identification, urban renewal development and bank financing practices, analysis and research on the impact of cross-strait anti-tax avoidance laws on OBUs... and other diverse topics. Employees must complete the number of standardized courses (required + electives) within two years after assuming their assigned positions. When employees are promoted, the unit supervisor must also take the study map course status into consideration.	Based on Taishin FHC's digital transformation strategy blueprint, we have established the "Digital Talent Cultivation Plan," actively promote digital thinking and knowledge, and have at the same time established a digital seed certification mechanism to continuously deepen our digital transformation culture and enhance our agility. We carry out cultural promotion through the slogan "Taishin Next". In addition to physical, online and independent learning courses, we also hold lectures and professional certifications, and produce themed videos such as celebrity workshops and digital factories to complement our monthly course promotions. We also hold activities such as prized quizzes and gift vouchers in exchange course reviews to create an atmosphere of discussion among all members. Finally, seed lecturers share their know-how so more colleagues understand how to implement newly acquired knowledge in their line of work.
Company Operations Expected to be achieved Performance or Strategic Goals	Strengthen the leadership ability of the supervisors, enhance employee cohesion and business momentum, and promote process transformation, reduce risks, and achieve various business goals.	Comprehensively assist supervisors in stimulating team leadership awareness, and provide colleagues with specific pathways to achieve their goals so they can seamlessly apply the knowledge and skills acquired in their work, thus increasing the corporate banking fee income and driving performance growth.	Integrate practical professional courses on digital transformation and autonomous learning courses on concept establishment to enhance the knowledge and skills our project colleagues require as well as enhancing the basic awareness of all other colleagues. At the same time, we cultivate corporate agility seeds and promote internal agility professional certification to familiarize colleagues with how to discover and extract insights through user research, and how to quickly respond to customer needs and market changes through agility development.
% of Employees Participating	There are 218 participants in the Talent Bank Development Project, accounting for 2% of all employees.	The project is to be extended to 1,228 colleagues in the Corporate Banking Division, accounting for 11% of all employees.	Targeted at all Taishin Financial Holdings colleagues with 100% employee participation.
Business Benefits	Colleagues who participated in the talent pool training project applied what they learned in their line of work, maintaining a supervisor internal promotion rate of 37% and reducing recruitment and training costs by approximately NT\$13.2 million. Supervisors were also able to lead colleagues through a process transformation and identify the opportunities for optimization and risk management points within the service and the operation processes. Competencies enhanced during the development project were translated into the annualized benefits of approximately NT\$173 million following the risk management process transformation, fully exhibiting the overall effects brought by the enhancement of management skills.	Provides corporate banking colleagues with a learning map to follow so they can understand what stage they are at and what they should learn as well as the flexibility to take electives, so that they can gain a deeper understanding of expert knowledge such as products, markets, development and management, thus creating higher fee incomes. In 2023, corporate banking exhibited a total fee income of NT\$1.75 billion.	A total of 16,625 persons have participated in the digital transformation course cumulatively, and a total of approximately 1,900 colleagues have obtained agile internal professional certification. At the same time, we are actively promoting digital transformation in other scopes of business. Since building our digital factory in 2021, a total of 45 digital-related projects have been carried out regarding which we closely track key indicators of digital transformation. The net revenue contribution created by our digital customer base from personal banking, corporate banking and securities is approximately NT\$20.6 billion. In addition, we continue to encourage financial innovation and have obtained 79 new utility model patents and design patents.
Training Return on Investment (ROI) Assessment	The ROI for talent bank development in 2023 was 3.04 The ROI for this project = $\frac{\text{net revenue} - (\text{operating expenses} - \text{employee welfare expenses})}{\text{employee welfare expense}}$	The ROI for corporate banking training in 2023 was 52% The ROI for this project = $\frac{\text{corporate banking fee income} - \text{corporate banking training costs}}{\text{corporate banking training costs}}$	The ROI for digital transformation training investment in 2023 was 5.45% The ROI for this project = $\frac{\text{(project follow-up digital customer net revenue} - \text{digital transformation training costs})}{\text{digital transformation training costs}}$

Note: The ROI for Digital Transformation Talent Development Project in 2023 is calculated using the net revenue from digital customers tracked by the project. In previous years, when tracking was not available, we used the net revenue to evaluation, so the data is quite different.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

[7.1 Talent Development](#)

7.2 Remuneration, Benefits & Employee Care

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)

7.2 Remuneration, Benefits & Employee Care

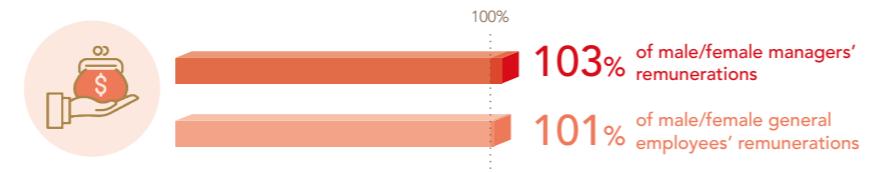
7.2.1 Remuneration Policy

Taishin conducts annual salary surveys to measure itself against top-performing financial institutions locally and abroad. The Company has designed a fair and incentive compensation system complete with competitive salary and welfare packages to reward its employees. Taishin has been a composition of "Taiwan High Compensation 100 Index" for 10 consecutive years since 2014.

Taishin offers salaries based on objective factors such as the level of education and competency required to accomplish the assigned position. Starting salaries for all positions are far superior to the basic wages stipulated in the Labor Standards Act, and actions have been taken to ensure that employees' salaries are not differentiated by gender, age or race. In 2023, male managers' remunerations averaged 103% of those of female managers, whereas male staff's remunerations averaged 101% of those of female staff. There was no significant difference in terms of salary between the two genders.

• Female: Male Salary Ratio in 2023

Employee Category	Fixed Salary	Full Salary (including bonuses)
Non-Managerial Role	100 : 101	100 : 101
Managerial Role	100 : 103	100 : 103
Executive Officer	100 : 105	100 : 107



- Taishin conducts market-wide salary surveys and reviews employees' compensation on a yearly basis.
- Employees are distinguished between managerial and non-managerial role when determining compensation. Compensation difference between males and females is monitored by taking into account both basic salary and the overall package.
- Taishin treats employees equally and prohibits all forms of discrimination (such as ethnicity, gender, age, disability etc.) in its compensation decisions.

Annual salary adjustments are determined by job evaluation, which takes into account the diversity of expertise required to accomplish each role and the proficiency of skills that employees have demonstrated. Average salary adjustment in 2023 was 3.8%; more than 80% of employees had their salaries adjusted during the year, some as high as 15%. This indicates that employees are treated fairly while top-performing talents are properly rewarded. Each year, Taishin pays out year-end bonuses based on company performance and individual performance as a means of profit-sharing, thereby rewarding employees for their contributions.

In 2023, Taishin had 8,941 full-time non-managerial employees (an increase of 4.1% from 2022). The average salary was NT\$1,376,000 an increase of 8.6% compared to 2022), and the median salary was NT\$1,114,000 (an increase of 7.3% compared to 2022).

Also, in view of the high turnover of global financial professionals, Taishin has aligned its talent rewarding plans with its strategies in various stages of development, and uses a broad variety of long-term performance-based incentives to attract, retain, and motivate talents.

• Employee Stock Purchase Plan

Taishin Appreciation Rights Program

In an attempt to align employees' goals with the Company's long-term performance and shareholders' interests while providing the right incentives to retain talents, Taishin has introduced an appreciation rights program since 2012 that sets aside a certain percentage of bonus from each year's profits in association with the Company's future share price. This deferral is intended to encourage managers in making decisions and taking responsibilities in long-term business performance.

The 2023 issuance plan is explained as follows:

- Number of units issued: 25,497 units
- Bonus deferred period: 2-5 years
- Applicable objects: Chairman, senior managers, and managers below senior management level with key positions involved in company business decision-making, etc.
- Non-senior management level participation rate: Non-senior management leve participation rate: About 306 employees are eligible for this program, including about 248 non-senior management employees, accounting for 81% of the number of employees in this program and 2.5% of all employees (excluding senior managers participating in this project)(excluding senior managers participating in this project).
- Award standards: In addition to financial indicators, the annual assessment indicators also include non-financial indicators: such as process improvement, internal control, promotion of ESG (such as carbon emission reduction, green procurement, sustainability-related projects), etc., to implement the goals of sustainable operations.

Employee Stock Ownership Plan (ESOP)

Taishin FHC commenced the employee stock ownership plan in September 2015 to share the results of business success with employees and jointly make contributions to the retirement fund. Employees set aside fixed amounts based on their rank and the Company contributes an additional 100% of the same amount to the employee's account as incentives. Beginning in May 2020, we have allowed employees to set aside unlimited voluntary contribution based on their own financial requirements. By the end of 2023, and the Company has contributed a total of NT\$820 million,whereas the return of investment in ESOP is 59.9%. Overall, the ESOP serves a number of purposes including long-term saving, wealth accumulation, and assurance for life after retirement.

- Applicable objects: All employees
- Bonus deferred period: Employees can receive trust stocks only when they resign or retire.
- Non-senior management level participation rate: Percentage of all employees 83.3% (excluding senior managers participating in this project).



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

[7.1 Talent Development](#)

7.2 Remuneration, Benefits & Employee Care

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

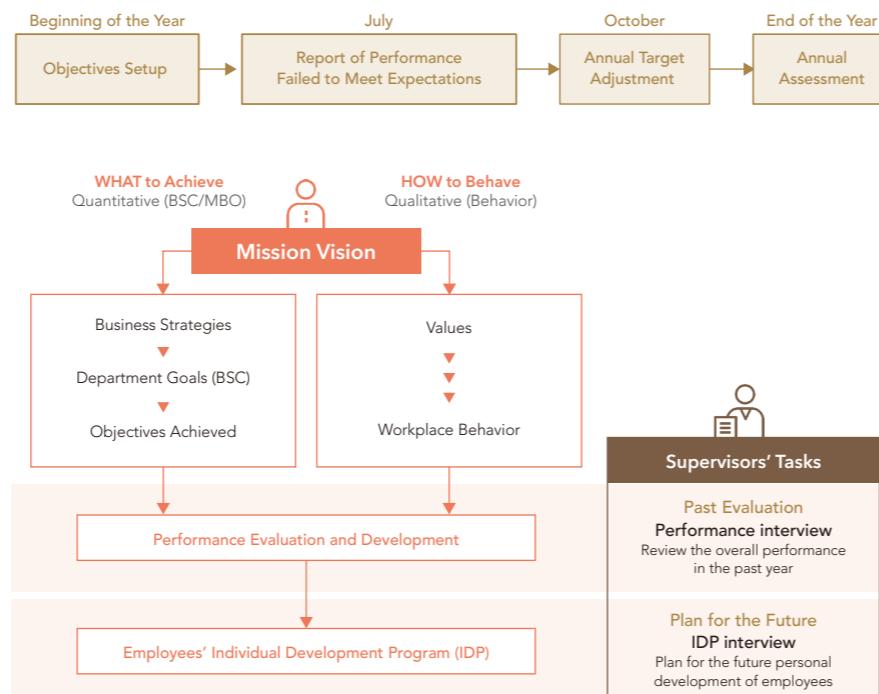
[8. Social Inclusion](#)

[Appendix](#)

7.2.2 Performance Management

1. Management Method

Taishin has tracked the performance of its employees using a Balanced Score Card (BSC) system for many years, in which Taishin's strategic goals are broken down into specific objectives and benchmarks. This allows Taishin to evaluate sustainability from a variety of aspects, including customers, finance, internal process, and learning and growth.



Full-time employees who have passed the probationary period, regardless of gender or rank, are required to undergo annual assessments, and the proportion of employees received the regular performance and career development reviews is 100%. In addition to fair assessment of individual performance, Taishin uses multi-dimensional assessment approaches of 180-degree, 270-degree and 360-degree tools (including supervisors, subordinates, peers, self-evaluation) and other different dimensions to assess employee performance and use them as the basis for IDP.

2. Performance System

Applicable Entities: All employees

Assessment Mechanism	Assessment Frequency	Implementation Method and Results
Management by Objectives, MBO	3 times / year	By formulating clear and fair assessment standard and through explanations and guidelines, enabling all employees to implement tasks such as goal setting at the beginning of the year, annual goal adjustment, and annual assessment in the online eMBO system. In 2023, all employees in Taishin who met the assessment qualifications had completed the performance management cycle.
Multi-dimensional Evaluation (including 180,270 or 360 degrees)	1 time / year	The multi-dimensional assessment method is "all-round evaluation and feedback" conducted by employees themselves, direct supervisors, subordinates, colleagues in the same department and across departments, etc. By referring to these feedbacks, those assessed can have a more comprehensive and objective understanding of their own strengths, weaknesses and development needs, and such feedbacks can also serve as the basis for their future career and ability development.
Performance Grading	1 time / year	According to the achievement of the goals and the display of the core values, the performance level of the unit is allocated, and it is used as the decision-making basis for subsequent bonuses, promotions and performance coaching management.
Team Performance Evaluation	3 times / year	According to the company's three-year strategies, expand down to business division strategies and department goals, then assign team goals to individual performance goals based on these, and set up functional scoring tables with 10-13 items for management positions and non-management positions, which include customer orientation, innovation and problem solving, communication and coordination, and teamwork. Through self-evaluation and supervisor scoring, check the performance gap in the team to ensure the achievement of team goals, and detect mistakes from them for timely guidance and improvement.
Agile Communication	Irregular / persistent/ monthly	In daily management, when an employee's performance fails to meet expectations, the supervisor will conduct a performance interview with the employee to understand the reasons in detail and let the employee understand where the problem is. The two parties then jointly formulate solutions, measurement indicators and improvement schedules, and regularly review the achievement of the goals within 1-3 months, while providing incentives and counseling to employees according to the achievement status.
3. Improvement System		
The performance management system opens top-performing employees to promotion opportunities, competitive compensation, and career development. As for employees who perform not as expected, Taishin has "Performance Improvement Guidelines" in place to help them improve.		
Daily Management	Duration of Performance Improvement	At the End of the Improvement Period
When a supervisor discovers no-as-expected performance, the supervisor is required to engage the employee immediately in a performance interview to find the cause of under-performance, and outline improvement plans, assessment indicators and an improvement schedule.	The Supervisor is required to observe the employees and check the process and schedule of improvement plan, while offering guidance or correction as deemed appropriate.	The supervisor and the employee will jointly evaluate completion of the improvement plan. In addition to informing the assessment results, the supervisor is also responsible for inspiring employee to pursue better performance.

Note: Those who were still not able to meet the company's expectations after counseling had been laid off or had been given job seeking leaves.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

4. Attrition Analysis

The turnover rate in 2023 was 9.3% which was a 2.0% decrease from 2022. Taishin regularly work with professional consulting companies on employee opinion surveys to learn about employees' views on management measures and issues of concerns to be prioritized. We also implement improvements based on the results of the survey and provide a comprehensive remuneration, benefits, and employee care measures to attract and retain talents, create a positive corporate culture, increase employees' sense of belonging. The Company uses transparent and fair promotion and performance evaluation mechanisms to motivate employees and increase satisfaction to reduce the turnover rate. To learn more about the opinions of employees who have left the Company, after an employee submits an application for resignation, the unit supervisor conducts interviews, and HR also analyzes the causes of attrition for subsequent improvements to the talent retention system.

• Permanent Employee Attrition - by Gender, Age and Location

Location	Female				Male				Total	Turnover Rate (%)
	~30	31~50	51~	Total	~30	31~50	51~	Total		
Taiwan	212	271	34	517	126	221	12	359	876	8.4
Overseas	9	36	1	46	10	35	2	47	93	0.9
Total	221	307	35	563	136	256	14	406	969	9.3
Turnover Rate (%)	2.1	2.9	0.3	5.4	1.3	2.5	0.1	3.9	9.3	

Note: 1. Based on the cumulative number of full-time resignations from January 1, 2023 to December 31, 2023

2. Turnover rate = the cumulative number of full-time resignations in this category / the number of full-time employees on December 31, 2023. Due to the special nature of marketing business specialists and telemarketing business specialists, the number of resignations in this table does not include marketing business specialists, telemarketing business specialists and those who resigned during the probation period. The aforementioned categories are also excluded from the employed personnel; after exclusion, the number of full-time employees on December 31, 2023 was 10,409.

• Turnover Rate in Previous Years

Year	2020		2021		2022		2023	
	Voluntary	Total	Voluntary	Total	Voluntary	Total	Voluntary	Total
Turnover Rate (%)	10.1	13.3	11.9	13.6	12.2	14.4	9.3	12.4
Male (%)	4.4	6.1	5.6	6.2	5.5	6.6	3.9	5.4
Female (%)	5.7	7.1	6.3	7.4	6.7	7.8	5.4	7.0
Age 30 and Below (%)	5.1	6.9	5.7	6.3	5.1	5.7	3.4	4.0
Age 31~50 (%)	4.9	5.7	6.0	6.4	6.7	7.7	5.4	7.0
Age 51 and Above (%)	0.2	0.6	0.2	0.9	0.4	1.0	0.5	1.4





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

7.2.3 Employee Benefits & Care

1. Employee Care

Driven by the organization's service spirit of devotion, attention, empathy, sincerity and passion, Taishin provides employees with benefits that are superior to those required under the Labor Standards Act, and has designed a series of benefit plans that take care of employees from their first day on board to retirement, addressing their needs and the needs of their family members at different stages of life cycle. For more comprehensive disclosure about employee welfare and benefits, please visit [Taishin Holdings' talent recruitment website](#).

2. Highlights of Benefits



Family Support Leaves

In order to provide a working environment for employees to be able to start a family with peace of mind, Taishin provides a number of family friendly leaves that are more favorable than the laws and regulations, including paid or longer maternity leave, pregnancy checkup leave, pregnancy checkup accompaniment and paternity leave, and family care leave), allowing employees to devote themselves to different important stages of life with confidence and take due responsibility for raising their families while devoting themselves to work.

1. We provide **8 days maternity leave with full pay** for pregnant female employees, which is superior to the 7 days specified in regulations.
2. We provide female employees who are giving birth with **60 days of paid leave** which is superior to the 8 weeks specified in regulations.
3. We provide employees whose spouse is giving birth with **8 days of paid leave** which is superior to the 7 days specified in regulations.
4. Provide an additional **7 days of family care leave** for employees who need to take care of family members, which does not need to be included in the calculation of personal leave days according to laws and regulations.
5. Offer **preferential leave with full pay** that is more favorable than the laws and regulations, so that colleagues can use it when family members have care needs, this way, family care responsibilities and work can be attended to at the same time.
6. We provide **5-7 days of paid miscarriage leave** for less than 3 months of pregnancy to help employees take care of their physical health.



Son/Daughter's Wedding Leave

Taishin cares for employees as well as their family members, and allows employees to take children's wedding leaves so that they can take part in the big moments of their Son/Daughter's lives. Every employee is entitled to one fully paid day of children's wedding leave from the first day onboard. Couples who are both Taishin employees may apply to take leave on the same day.

- Our employee benefits are **one-of-a-kind in the industry**.



Paid Volunteer Leave

Taishin adopts a "Volunteer Leave" system that grants employees one full day of annual leave for six cumulative hours of volunteer service, subject to a maximum of 5 days per year. The system was introduced to reward volunteers for their selfless acts.

- In 2023, a total of **383 persons** applied for **224.5 days** of paid volunteer leave, and there was no significant fluctuation compared with the previous year.



Insurance Benefits

Taishin provides a full range of insurance benefits, and continues to create a healthy and friendly workplace environment, so that colleagues can give full play to their talents in the workplace without any worries.

- Every colleague is entitled to the group insurance **fully borne by the company** upon employment, including life insurance, personal injury insurance, occupational accident insurance, injury medical insurance, term health insurance, surgical medical insurance, and cancer health insurance.

(Continue)



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

[7.1 Talent Development](#)

7.2 Remuneration, Benefits & Employee Care

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)



Flexible Work Hours

The Company provides comprehensive remote work equipment and corresponding system resources (mobile office VPN, and electronic signature system) for use by employees based on the nature of their work and business requirements while complying with all regulations and risk management requirements. In the event of special conditions, employees can process work remotely at home which increases work hour flexibility.

- The company has planned up to **5 flexible shift types** for employees to organize their time better. They can determine their own attendance time and they can leave work after working for eight full hours. These plans can help employees balance their family life or avoid peak traffic to reduce commuting time.
- The Company provides comprehensive **remote work** equipment and corresponding system resources (mobile office VPN, and electronic signature system) for use by employees based on the nature of their work and business requirements while complying with all regulations and risk management requirements. In the event of special conditions, employees can process work remotely at home which increases work hour flexibility.
- Employees with children under the age of three may request to **reduce daily work by 1 hour each day** or **adjust their work hours** so that they have more time for their children.
- To response the new forms of work, regular employees can apply to **switch to part-time work** and original benefit still applicable. The working hours is regulated by the contract between the employee and the company.
- On special holidays and family days, employees can **flexibly get off work 1 hour earlier**.



Long-time Service Rewards

As a recognition for employees' long-term contribution, Taishin introduced a set of "Long-time Service Reward Standards" in 2004 that rewards senior employees with a commendation, bonus, and a letter of gratitude from the Chairman for having completed 5, 10, 15, 20 and 25 years of service.

- In 2023, a total of **1,497 persons** were eligible for long service incentives, and the payment amount was about **NT\$ 11 million**.

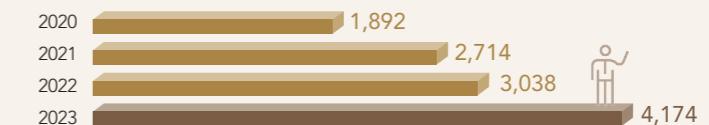


Learning Subsidies

1. Learning Account (Industry originality)

Every Taishin full-time employee is allocated **10,000 credits** in their learning accounts per year that they can spend on the Company's internal "Self-study Courses" or to take courses or certification exams organized outside Taishin, and hence develop professional skills at their own discretion.

► Users



2. Domestic and International on-job Training Subsidies

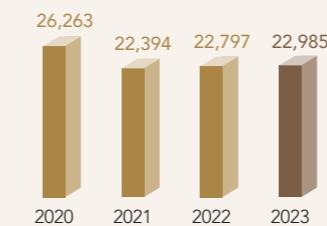
To support development of top talents, Taishin provides qualified employees with subsidies amounting up to **NT\$ 20,000** per semester as an encouragement for undertaking ongoing education outside work hours. Furthermore, the Company selects senior managers to undergo EMBA courses organized by renowned overseas institutions from time to time, which helps broaden managers' global perspectives and establish local connections.

► A total of **127 employees** were subsidized with subsidies amounting over **NT\$ 10 million** from 2016 to 2023.

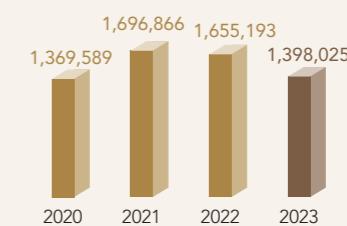
3. Subsidy for Financial Certification Exams

Taishin offers comprehensive incentives to encourage employees in acquiring finance-related certifications, and hence raise the level of professional knowledge across its talent base. By offering complete learning guidance and incentives, these courses are intended to help employees acquire their certification and build professionalism in Taishin's brand.

► Number of Financial Qualification Recipients



► Allowances (Unit: NT\$ dollars)





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

Maternity Protection Benefits

Taishin pays close attention to maternity and child labor protection. We strictly prohibit the hiring of child labor under the age of 16 and we provide related benefits and systems for different stages from prenatal, pregnancy, postpartum, and parenting care for female employees. They are explained in the table below.

Item	Related Benefits and Systems
 Female Employees	<ul style="list-style-type: none"> Female employees can take one day of menstrual leave each month to rest at home.
 Pregnant Employees	<ul style="list-style-type: none"> We provide prenatal care, postpartum care, labor and health insurance, group insurance, and childcare benefits for different stages of pregnancy, the maternity subsidy per child will be increased to NT\$20,000 from 2024. We provide services for maternity clothes for pregnant female employees to provide mothers-to-be with comfortable clothes. Female employees are entitled to 64 hours of paid prenatal check-up leave and 60 days of maternity leave, which are superior to regulatory requirements. The Company may provide up to 9 months of tocolysis leave based on the health conditions of the mother and the doctor's instructions to help employees adjust their physical and mental conditions. If an employee suffers a miscarriage, the Company provides miscarriage leave of at least 5 days and up to 4 weeks. Taishin engages physicians to organize regular health seminars and hazard identification courses for pregnant employees and those who have given birth for less than one year. In addition, these physicians provide suggestions on how the workplace can be improved to eliminate hazards, and offer consultation and health education to those in need.
 Postpartum Care and Childcare	<ul style="list-style-type: none"> A childbirth subsidy of NT\$5,000 per child, with a total of NT\$1,055,000 subsidized in 2023. Sign special contracts with childcare and infant daycare institutions to provide preferential plans for childcare and infant care. Employees with children under the age of three may request to reduce daily work by 1 hour each day. We have set up nursery rooms at Ren'ai, Neihu'life office building and Jianbei offices to provide mothers with a comfortable nursing environment. Taishin provides family care leave and paternity leave superior to regulatory requirements and provides all employees with the right to apply for childcare leave without pay and reinstatement in accordance with laws. We have signed special contracts with postpartum nursing institutions. Taishin engages physicians to provide onsite services and provide health seminars for pregnant employees or employees with newborns. We set up children's education scholarships to reward outstanding performance of employees' children. We provided NT\$7,306,000 in subsidies for children's education in 2023.

• Number of Permanent Employees on Parental Leave and Retention Rate

Item	2020			2021			2022			2023		
	Female	Male	Total									
No. of Employees Subject to Reinstatement	75	11	86	81	4	85	95	9	104	98	18	116
No. of Actual Reinstated Employees	50	2	52	59	1	60	70	5	75	74	10	84
Reinstatement Rate (%) ^(note 1)	66.7	18.2	60.5	72.8	25	70.6	73.7	55.6	72.1	75.5	55.6	72.4
No. of Employees Retained after 1 Year ^(note 2)	57	3	60	41	2	43	46	0	46	59	4	63
Retention Rate (%) ^(note 3)	90.5	60.0	88.2	82	100	82.7	78.0	0	76.7	84.3	80.0	84.0

Note 1: Reinstatement rate = No. of actual reinstated employees / No. of employees subject to reinstatement during the year.

Note 2: No. of employees retained after 1 year = No. of employees reinstated in the previous year and have worked for one full year since then.

Note 3: Retention rate=No. of employees retained after 1 year/ No. of employees reinstated in the previous year.

Note 4: In 2023, a total of 641 persons were qualified for parental leave (376 female, 265 male), and the actual applicants for parental leave were 124 persons (105 female, 19 male)

• The Crude Birth Rate

Year	2020	2021	2022	2023
Numbers of Taishin births	223	209	182	211
Employees at the end of the year	9,334	9,411	10,804	11,172
Crude birth rate of Taishin (%)	2.39	2.22	1.68	1.89
Crude birth rate of Taiwan ^(note 4) (%)	0.70	0.65	0.60	0.58

Note: the crude birth rate of Taiwan was sourced from the Department of Statistics, Ministry of the Interior.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

7.3 Occupational Health and Safety

7.3.1 Workplace Safety and Health Management Structure

In order to implement the spirit of occupational safety and health, and with reference to the international occupational health and safety management system ISO 45001 and the requirements of Taiwan's occupational health and safety related laws and regulations, Occupational Health and Safety Policy is specially formulated to implement the occupational safety and health goal of "zero occupational accidents, low risks, and establishment of a top quality safety and healthy workplace" in the spirit of "earnestness and sustainability", and is committed to implementing the "people-oriented" concept and create an intrinsically safe and healthy working environment.

This Policy applies to all employees working in the offices held or used by Taishin FHC and its subsidiaries, suppliers and contractors related to occupational health and safety, and their respective employees. Based on occupational safety and health goals and the highest guiding principles for continuous improvement of occupational safety and health, we continue to optimize the safety and health management system, implement PDCA cycle improvement, and set measurable quantitative goals to improve safety and health. Manage performance, actively care for and promote the physical and mental health of employees, and achieve a "friendly and healthy" workplace.

The promotion progress of occupational health and safety should be regularly reported to the senior management. Major issues should be reported to the Board of Directors. The Board of Directors should supervise the overall effectiveness of the promotion of occupational health and safety.

In order to protect the safety and health of employees and to provide a safe and healthy workplace, Taishin actively introduced the international standard ISO 45001 occupational health and safety management system, and implemented it in all workplaces with 9,788 employees and contractors. The coverage ratio of the system reached 100%. In addition, the Neihu Building of Taishin Bank was the first to pass the third-party verification of the British Standard Institution (BSI) in May 2020. In 2023, it has continued to pass verification and completed the ISO 45001 certificate renewal work. In 2023, the number of people participating in internal audits and external verifications reached 1,695, with a coverage rate of 17.32%, to implement and promote the occupational safety and health management system.

Taishin Bank has an "Occupational Safety and Health Committee" with a total of 9 members. Occupational Safety and Health Committee meetings are held every quarter. The general manager is the chairman. The remaining members include the director of the administrative service department, the occupational safety and health unit, nurses, and occupational Engineering and technical personnel related to safety and health, and three labor representatives elected by the labor-management meeting, with labor participation accounting for one-third. Labor representatives jointly participate in decision-making and consultation, and work together to build a safety and health culture.



7.3.2 Workplace Safety and Health Risks

1. Workplace Risk Identification and Assessment Process

In order to protect the health and safety of employees, Taishin is committed to providing a hazard-free workplace. Occupational safety personnel and on-site medical staff regularly conduct environmental risk assessment and hazard identification in the workplace. The Company passed the ISO 45001 occupational health and safety management system verification in 2020 and passed the ISO 45001 occupational safety and health management system certificate renewal operation in 2023. It is expected to continue to pass third-party re-verifications from 2024 to 2026 to ensure that the system continues to be valid during the validity period of the certificate. Operation. Regarding the assessment of health risks, we generate a Taishin health risk matrix every year based on the results of health examinations, Framingham cardiovascular disease risk assessment, and the implementation of the hazard identification of the four major plans for labor health protection (abnormal workload, ergonomics, maternity, and illegal infringement).

According to the health risk matrix, employees are at medium-to-high risk of developing cardiovascular diseases, metabolic syndrome, obesity, and digestive diseases, and at medium-to-low risks for other health factors. Based on the risk level, Taishin drafts different mitigation measures and implements self-management and follow-up mechanisms to help employees prevent health hazards in the workplace.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

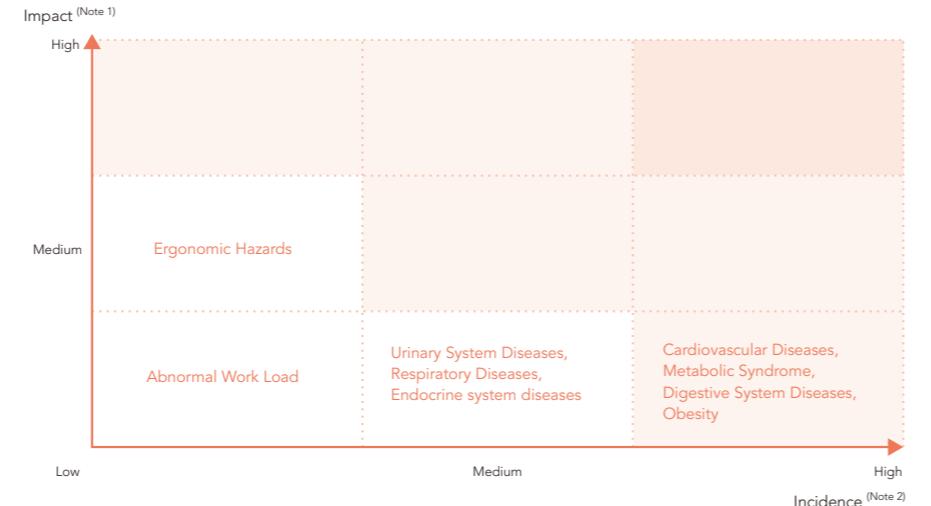
7.5 Human Rights and Gender Equality

8. Social Inclusion

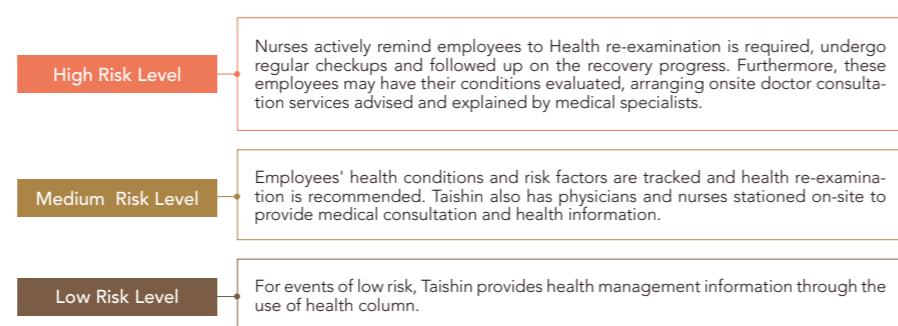
Appendix

The four major plans for workplace health protection have been fully implemented. When on-site physicians serve, high-risk groups are given priority for consultation, followed by those with health examination reports or recent health-related issues.

• Taishin Employee Health Risk Matrix



• Hierarchical Control of Occupational Risks



• Workplace Health Risk Issues

Risk Issues	Risk Identification Rate	Related Risk Factors	Mitigation measures and targets
Cardiovascular System	2.2	Cardiovascular diseases, high blood pressure, overwork	<ul style="list-style-type: none"> Set up a gym and a fitness allowance and encourage employees to participate in the sports clubs provided by the company. Promote the employee fitness allowance every year on an ongoing basis. Employees will be able to apply for a fitness allowance after joining a designated fitness center in the country or participating in sports sessions.
Management of Personnel with High Risks of Metabolic Syndrome ^(Note 1)	1.87	High blood sugar, hypertension, cardiovascular diseases, obesity, high blood fat	<ul style="list-style-type: none"> Provide subsidies and encourage employees to participate in club activities and form sports clubs. There is a large variety of clubs available, including aerobics, badminton, softball, table tennis, basketball, golf, and cycling clubs. Two thirds or more of the clubs are sports clubs.
Obesity	1.48	Metabolic Syndrome, Diabetes	<ul style="list-style-type: none"> Hold a series of health courses to establish the concept of healthy diet and exercise among colleagues. Organize 6 different sports and nutrition courses every year.
Digestive System	1.08	Liver, bile, stomach, and intestinal diseases	<ul style="list-style-type: none"> Conduct the Taishin "Ergonomic Hazard Prevention Program" every year on an ongoing basis.
Urinary System	0.95	Urinary Diseases	<ul style="list-style-type: none"> Provide massage service in the "Taishin Lohas Stress Relief Workshop", a total of 29,426 people made use of it in 2023. Combine employee benefits and charity donations, and encourage employees to use the massage service.
Respiratory System	0.58	Respiratory Diseases	<ul style="list-style-type: none"> Organize physical courses and provide online courses entitled "Start with core stability exercise to achieve your ideal posture", "Back pain is a warning sign", and "Are you walking properly?" Organize 4 online or offline courses or health information bulletins.
Endocrine System (abnormal blood sugar level)	0.48	Metabolic Syndrome, Diabetes, Thyroid diseases	<ul style="list-style-type: none"> Taishin "Prevention Plan for Illegal Infringement at Work", announce the "Statement on Prevention of Illegal Infringement in the Workplace".
Abnormal Work Load Prevention	0.09	Overwork, cardiovascular diseases	<ul style="list-style-type: none"> Offer "Employee Assistance Program": Work with Teacher Chang Foundation to provide employees with psychological counseling. In 2023, a total of 21 people made use of it. Promote the employee assistance program regularly every month, and provide free psychological counseling services for employees in need. In 2023, the on-site doctor service has provided stress consultation services to 7 colleagues. Organize online course titled "Dealing with wrongful harm in the workplace: Managerial communication and comfortability" and de-stress health-related lectures. Provide 2 mental health workshops every year Organize online and digital maternity courses, including "Child Care in Coexistence with Digital Devices", "Health Tips for Mature Women", and "Maternity Protection in the Workplace". Provide 1 maternal health course every year. Conduct the maternity protection program on an ongoing basis. Employees perform voluntary risk assessments during pregnancy and after childbirth. A contract doctor is available onsite to perform interviews and give health advice when needed.

Ergonomic Hazard Prevention	0.13	Ergonomic hazard (muscle and bone)
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Prevention of Illegal Infringement at Work ^(Note 2)	0.00	Workplace Harassment
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Maternal Protection ^(Note 2)	0.00	Maternal Health
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Note 1: Metabolic Syndrome is defined as having three or more of the following conditions: excess body fat around the waist, increased blood pressure, high blood sugar on an empty stomach, abnormal triglyceride level, and abnormal HDL Cholesterol level.

Note 2: In 2023, there was no colleagues harmed by illegal infringement or under maternity protection.

Note 3: The abnormal rate of health examination will cause statistical differences due to different health examination years and objects.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

[7.1 Talent Development](#)

[7.2 Remuneration, Benefits & Employee Care](#)

7.3 Occupational Health and Safety

[7.4 Labor-management Relations](#)

[7.5 Human Rights and Gender Equality](#)

[8. Social Inclusion](#)

[Appendix](#)

In order to protect the safety and health of employees and to provide a safe and healthy workplace, Taishin passed the ISO 45001 occupational health and safety management system verification in 2020, in 2022, it integrated the program documents of ISO 45001, ISO 14001, and ISO 50001. Through systematic management mechanisms such as hazard identification and risk assessment, regulatory review, internal audit, management review, and safety and health correction operations. In 2023, we have continued to follow the PDCA model (Plan-Do-Check-Act) and run ISO 45001, ISO 14001 and ISO 50001 through planning, implementation, inspection and improvement to ensure that the occupational health and safety management system operates in the right direction, and achieve the purpose of continuous improvement, create workplace health and safety standards, and create a more friendly workplace environment.

The company has established "education and training operating procedures" and holds regular on-the-job education and training to ensure that employees are competent for their job and responsibilities in occupational safety and health. In addition, there are various disaster or accident reporting and handling procedures in the "Safety and Health Code of Conduct" and "Emergency Response Handling Procedures". If an employee has any doubts about suffering from an occupational disease, the company will also cooperate to provide relevant information on the employee's workplace, and assist in applying for determination to the competent authority in accordance with the provisions of the Act for Protecting Worker of Occupational Accidents.

When an employee determines that the workplace may endanger his / her physical safety, and stops operations or evacuates to a safe place by himself / herself according to the "Taishin FHC Statement on Prevention of Illegal Infringement in the Workplace" and the "Occupational Safety and Health Act", he / she will not be punished afterwards.

2. Workplace Safety and Goals

• 2023 Annual Goals



100%
Improvement Rate of
Internal / External
Audit Deficiencies



0
Major Occupational Accidents
(death/disability)



Maintain the Validity of the
ISO 45001
Occupational Health and Safety
Management System Verification

From 2015 to 2023, there were no major industrial safety accidents and no cases of death or disability caused by occupational accidents suffered by employees on duty. Through the analysis of the disaster types of employees' work-related accidents in 2023, traffic accidents when commuting to and from work were the most common disasters. The safety and health education and training courses for new or in-service employees in 2022 will strengthen conveyance and prevention, hoping to reduce the frequency of traffic accidents of employees when commuting to and from work through promotion in the courses.

Audit Year	Number of Internal Audits	Number of External Audits
2023	7	1

In order to actively track the effectiveness of safe and healthy workplace promotion within the company and implement the occupational health and safety goal of "zero work accidents and low risks", Taishin discovers risks and problems through internal and external audit systems, and continuously improves and reduces workplace risks through occupational health and safety management plans. Aspects to be improved in 2023 were "increasing first aid education and training on the job" and "on-site inspections to reduce fire risks." For the first aspect, Taishin has continued to appoint first aiders in accordance with applicable laws and regulations and ensured that they receive first aid safety and health education and training. The second aspect was improved by conducting on-site inspections from time to time, such as inspecting firefighting facilities in the building to eliminate occupational safety and health hazards and reduce operational risks.

• Occupational Injuries

Injured	Year	2020	2021	2022	2023
	Male	0	1	0	0
	Female	0	0	1	0
Deaths		0	0	0	0
Work Day Lost		0	20	25	0
Injury Rate (%)		0.00	0.01	0.01	0.00
Absentee Rate (%)		0.46	0.46	0.46	0.44
Ratio of day Lost (%)		0.00	0.22	0.23	0.00

Note: 1. In this table, occupational hazard is defined in accordance with Paragraph 5, Article 2 of the Occupational Safety and Health Act. Taishin's work injury-related data is compiled and reported according to the rules of the Department of Labor, which begins from the 3rd day after a work injury occurs. Related statistics and reports are being made according to Taishin Holding's "occupational hazard" reporting policy (2014).

2. Most of the work-related injuries in Taishin in 2023 were commuting accidents during commuting to and from get off work, which are not considered occupational accidents under the Occupational Safety and Health Act and are therefore not included.

3. Injury rate = total injuries/total work hours

Total work hours = total employees x work hours per day x number of working days per year

Absentee Rate = (Number of days absent /Total number of work days) (including sick and occupational injury leaves, excluding unpaid sick leaves.)

Lost day rate (LDR) = (lost working days/total work hours)*200,000

4. The occupational disease rate of full-time employees, part-time employees and non-employee workers was 0 in 2023. The Company has continuously implemented the following health promotion activities, prevention, and employee support measures in recent years:

(1) Organization of digital health courses

(2) Continue to provide onsite inquiry services with doctors

(3) Expand the administration of government-funded vaccination and continue to organize private-funded vaccination



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

3. Safe Work Environment Measures

• Safe and Healthy Work Environment

Stress Management	<ul style="list-style-type: none"> Taishin has an "Abnormal workload-induced disease prevention program" available to assess and manage the health conditions of stressed workers within the Company. Other resources such as on-site physicians, mental health information, hotlines for consulting (employee assistant program). Hold lectures on psychology, exercise, diet, and DIY stress relief to help employees cope with work and life pressure.
Monitoring of the Work Environment	<ul style="list-style-type: none"> Taishin complies with Occupational Safety and Health Act and conducts indoor CO2 and luminance measurements once every six months. A total of 109 workplaces were monitored and measured in 2023 to ensure that work activities were not exposed to excessive levels of risk. Taishin follows the indoor air quality management law promulgated by the Environmental Protection Department of the Executive Yuan to complete the air quality inspection and reporting of the head office. Taishin performs indoor air quality inspections once every two years to test the presence of formaldehyde (HCHO) and particulate matters smaller than 10 μm (PM10). Taishin also measures temperature and humidity at large server rooms. Alcohol thermometers are placed at branch server rooms to monitor changes in temperature and humidity. Renovation contractors are instructed to duly comply with the Noise Control Act and Noise Control Act Enforcement Rules throughout the construction period, and take constant care of protecting the work site and surrounding environment.
Ergonomic Hazard Prevention Program	<ul style="list-style-type: none"> By applying ergonomics knowledge, Taishin aims to prevent employees from suffering occupational injuries and illnesses (such as muscle/bone injuries, ergonomic hazards etc) due to prolonged exposure to ill-designed work environment, repetitive actions, incorrect posture, and improper work hours. Customized subjects (such as service counters) are produced according to schematics; the sizes of which are designed based on business and ergonomic requirements. Taishin also purchases office equipment and supplies that feature ergonomic design wherever possible. Provided digital courses on the prevention of human-induced hazards.
Workplace Certification	<ul style="list-style-type: none"> Taishin obtained the Taiwan iSports Certification in 2016, and since 2017, a professional team had conducted physical fitness examinations for employees. A total of 92 people have participated in testing in 2023. Taishin was certified "AED Equipped" by the Ministry of Health and Welfare since 2018, which has been part of its promise of delivering a safe and friendly work environment for Taishin employees. Won the first prize in the health activity category of "CHR Health Corporate Citizen" in the 2019 CommonHealth Magazine. Won the 2022 "Promotion of Sustainable Workplace Health and Safety Development Plan" of the Occupational Safety and Health Administration, being a healthy and safe enterprise with excellent performance based on the sustainability report. Received the Bronze Prize of the Disease Prevention Vanguard Award of the Enterprise Pandemic Prevention Alliance presented by Taiwan Centers for Disease Control in 2022 and 2023. In 2023, our Dunnan Branch, Chien-Kuo North Branch, Neihu Building, and Zhongxiao Branch were certified as AED Equipped workplace.
Smoke-free Workplace	<ul style="list-style-type: none"> Smoking by employees or business partners is prohibited anywhere within office premises nationwide. The Company's smoke-free policy and implications of the Tobacco Hazards Prevention Act are communicated to employees through occupational safety and health training courses.
Environment, Health and Safety Assessment	<ul style="list-style-type: none"> Appointed workplace physicians, nurses, and occupational safety personnel regularly conduct environmental assessments of the workplace, and further provide employers with information on employee occupational safety that employers shall pay attention to, as well as suggestions for improvement in workplace planning and equipment arrangement. Passed the ISO 45001 occupational health and safety management system verification in 2020 and continued to pass the third-party re-verifications from 2021 to 2022, ensuring the continuous and effective operation of the system within the validity period of the certificate; the renewal of the ISO 45001 certificate is scheduled to be completed in 2023. The ISO 45001 certificate renewal has been completed in 2023.

4. Training and Education

In order to prevent occupational accidents and maintain the safety and health of workers in the workplace, in 2023, employees were sent to participate in the on-the-job education and training for first-aid personnel organized by the Bankers Association of the Republic of China, so as to improve the professional knowledge of first-aid personnel and familiarize them with first-aid skills. In addition to regularly participating in on-the-job education and training, the company also actively sends employees to participate in certification courses for personnel such as fire management personnel, first-aid personnel, and occupational health and safety business supervisors, so as to enhance employees' safety and health knowledge and implement a corporate culture that promotes workplace safety and health among all employees.

Course	Hours (hours/persons)	Number of People who Completed the Training
Occupational Health and Safety Business Supervisor Training of Category A (initial training)	42	117
Occupational Health and Safety Business Supervisor Training of Category A, B, and C (refresher training)	6	126
Safety and Health Education and Training for First Responders (initial training)	16	20
Fire Management Training (initial training)	12	13
Fire Management Training (refresher training)	6	109

In order to strengthen the occupational safety and health knowledge of employees and prevent occupational accidents, our rules stipulate that new employees, before reporting for duty, are required to complete a general occupational safety and health training course, both online and in person. The online version is available on the Ministry of Labor Online Occupational Safety and Health Digital Learning Platform, and the physical course is organized internally by the company. The courses cover such topics as occupational safety and health regulations, prevention of common occupational accidents, prevention of traffic accidents, health and safety measures (for maternal health protection and to prevent wrongful physical or mental harm, musculoskeletal disorders, ailments induced by exceptional workload), emergency response procedures, and firefighting knowledge and drills. In 2023, a total of 34 occupational safety and health courses for new employees were organized and attended by approximately 1,778 people. Each year, existing employees are required to complete a one-hour online compulsory course, entitled "General Occupational Safety and Health Education and Training". In 2023, Taishin FHC and its subsidiaries (bank, securities, securities investment, capital investment, futures, life insurance, construction management, financial leasing [China], venture capital, asset management, D.A. Finance, investment trust, investment advisory, and sports entertainment) had a total of 11,110 people trained for a training completion rate of 100%. Through training, our management personnel in charge of workplace safety and health and relevant workers were able to improve their knowledge on safety and health practices and strive to pursue the goal of building an accident-free workplace.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

5. Employee Health Promotion

According to the health risk matrix, professional lecturers in various fields are invited to provide health education and experience sharing, and conduct a series of health promotion or soft courses, covering topics such as pandemic prevention courses, psychological relief, exercise, diet, and maternal health. The results of mitigation measures for health risk issues are as follows:

• 2023 Results of Mitigation Measures for Health Risk Issue

Material Issues	Number of Health Education Lectures	Number of Participants
Three Highs (high blood pressure, high blood glucose, high blood fat), Cardiovascular System Disease, Obesity, Digestive System Disease	22	1,601
Reproductive System Disease, Maternal Health	3	48
Ergonomic Hazard (muscle and bone)	8	536
Psychological Stress	6	256

• 2023 Health Management Focus

Continue to Provide On-site Doctor Consultation Service	Organize Health Promotion Activities that Integrate Environmental Sustainability Issues
A total of 58 on-site doctor consultation services were held in 2023, providing individual suggestions according to different types of work and work place, e.g., ergonomic improvement plan, health guidance for abnormal personal health checkup.	As part of our health promotion campaign in 2023, we organized a walking activity through which employees are encouraged to avoid a sedentary lifestyle and to walk more on a daily basis, thereby achieving carbon reduction, environmental sustainability, and health improvement.



• Lifestyle and Healthcare

- Taishin organizes more frequent and more comprehensive health checkups than what the laws require for its employees. We have organized round-the-nation health check-up tours with a health check-up vehicle and medical teams for all bank employees in all buildings every 2 years since 2018. We provide employees with convenient health check-up services and provide health consultation and health education based on the results of health check-up reports. We hope to help employees understand their physical conditions and focus more on preventing instead of treating illness.
- Employees may consult with physicians after health checkups. Taishin also has professional nurses available to analyze abnormal health findings for all employees. Information on "Smart Diet" by the Health Promotion Administration is being disseminated through monthly column,e-newsletters and nonperiodic health seminars, including advices on low-sugar, low-salt and low-fat diet, and important notes on care for chronic illnesses. Taishin has medical specialists available to help employees adjust work posture, and thereby minimize muscle ache and protect vision against ergonomic hazards.
- To encourage a healthy lifestyle and low carbon footprint, the Company organized a "walk and reduce your carbon footprint" activity in 2023 to encourage employees to avoid a sedentary lifestyle and to walk more on a daily basis. We called on all employees of Taishin group to participate. A digital mobile app can be used to track their step count in real time and view rankings as a means of motivating each other. This three-month walking activity had attracted the participation of nearly 900 employees and a total of 310 million steps, which is equivalent to reducing 44.11 tons of carbon emissions. Not only did our employees make walking a habit, but they also did their part to protect the earth environment.
- The Company subsidizes employees' involvement in various sport clubs including aerobics and table tennis. Badminton and hiking events are organized on a regular basis. At the same time, we have signed special agreement with external gym vendor that offers discounts, providing subsidies for colleagues to join the gym and participate in the "marathon road running activities", and encouraging employees to establish regular exercise habits.
- Taishin has promoted first-aid skills since 2017, including the introduction of cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) training courses. In 2023, 11 first aid skill training sessions have been conducted, with a total of 351 people completed the training.
- The availability of AED equipment has been registered on Taiwan Public AED Registry (<https://tw-aed.mohw.gov.tw/SearchPlace.jsp>), and the Company has been certified as AED Equipped since 2018. In 2023, our AED certification was renewed and published on the Ministry of Health and Welfare AED Information Website.
- In 2023, more than 70% of our employees from the Dunnan Branch, Chien-Kuo North Branch, Neihu Building, and Zhongxiao Branch underwent CPR and AED training, and we also renewed our AED certification.
- Since 2017, influenza vaccination services have been implemented within the company every year. In addition to actively cooperating with the government's various pandemic prevention work and policies for a long time, pandemic prevention physicians from the Centers for Disease Control are invited to share knowledge about influenza and the prevention of travel infectious diseases, so as to enhance employees' awareness of pandemic prevention and flu awareness.
- In 2022, a total of 565 people participated in our influenza vaccination program (government-funded, self-funded, and company-subsidized). Since 2017, Taishin FHC has been accredited as a flu vaccine-friendly healthy workplace and has won awards for six consecutive years, including the Influenza Prevention Alliance Award - Silver Award 2020, Gold Award 2021, Bronze Award 2022, and Silver Award 2023.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

7.4 Labor-management Relations

7.4.1 Labor-management Communication Channels

To encourage reporting of illegal conducts and filing of complaints whenever employees' rights have been compromised, Taishin has established a diverse range of communication channels for employees to express their opinions. These communication channels have been clearly stated in the Employee Code of Conduct and are published on the Company's intranet and Internet website to ensure that they are known and used to maintain employee rights.

Channel	Communication Frequency	Summary and Method of Response
Taishin Morning Meetings	Quarterly	<ul style="list-style-type: none"> These meetings are hosted personally by the Chairman and held in Taishin FHC building with nationwide video conferencing. Meeting details are uploaded to the website after each session, while a video newsletter concerning the issues discussed is produced and circulated to all employees in the form of a video link.
Employee Mailbox	Immediately	<ul style="list-style-type: none"> The Company received 6 opinions from employee mailbox in 2023; the case had been closed and addressed properly.
Employee Opinion Surveys	Once every two years/ Immediately	<ul style="list-style-type: none"> Taishin engages external consultants regularly to identify key issues that require immediate attention, so that feasible action plans can be devised accordingly.
Employee Hotline	Immediately	<ul style="list-style-type: none"> The Company received 1 opinions from employee hotline in 2023. In the future, we will continue to maintain our communication channels and properly handle employee opinions.
HR Representatives	Immediately	<ul style="list-style-type: none"> Each department within the organization has been assigned a HR representative, whose duties are to bridge communication between employees and Taishin, deliver employees' opinions, and interpret the Company's policies.
Labor-management Meetings	Quarterly	<ul style="list-style-type: none"> To establish favorable labor-management relations, Taishin not only held quarterly labor-management meetings to facilitate communication, but also serves as the main labor-management negotiation mechanism for employees to safeguard labor rights. After the resolutions passed by both parties at the labor-management meetings, Taishin 100% implemented and applicable to all employees. For example, the flexible shift system was implemented in accordance with the resolution of the 7th labor-management meeting of the 3rd term, which has been explicitly added to the company's "Leave Management Guidelines", and in accordance with the resolution of the 15th labor-management meeting of the 3rd session, the deferred health examination subsidy measure was included in the measures employee welfare planning has subsequently been added to the company's "Health Examination Implementation Guidelines". In order to operate the labor-management meeting effectively and ensure equality of status between labor and management, Taishin labor-management meeting representatives are selected according to the gender ratio in compliance with legal norms and are composed of an equal number of representatives from both labor and management. Among them, 100% of labor representatives are employees who are not in charge of departments. Responsible for listening to the truest voices of employees and fully demonstrating Taishin's core value of attaching great importance to labor-management coordination and communication. If the negotiation resolution involves organizational adjustments or operational changes that have a significant impact on employees, Taishin will also notify employees in advance or in a timely manner. In 2023, Taishin held a total of 4 labor-management meetings and discussed 7 topics. In response to relevant proposals raised by labor representatives regarding labor conditions and welfare matters, Taishin fully communicated and discussed with labor representatives and carefully evaluated the feasibility, and negotiated through the annual labor-management meeting. Those who have reached a consensus include that both parties agreed to follow the work calendar for government agencies; to adjust working hours as needed for business operations, such as specific work hours in every two, eight, and four weeks, moving leave day to another day, working overtime and taking leave instead of overtime pay, night shifts for female workers, flexible working hours; and to cancel the COVID-19 prevention measures following instructions by the CDC from May 1, 2023.

7.4.2 Employee Engagement

Taishin FHC engages external consultants regularly to conduct full-scale surveys on employees' engagement. By learning employees' views on the management practices in place, the organization is able to identify the key factors for retaining top talents as well as critical issues that require immediate improvement, so that feasible action plans can be devised accordingly.

Taishin conducts an engagement survey of all employees every two years in 2019, 2021 and 2023, and the next survey is expected to be conducted in 2025; in the next year, surveys are conducted on different business groups or specific ethnic groups according to the needs of the organization.



More than 9,200 employees completed the 2023 employee engagement survey. The participation rate reached 90%.



Our innovation culture is 5% better than the norm of financial services in Taiwan. This shows that Taishin is committed to building an innovation culture of challenging tradition, and that this culture has been ingrained in employees.



More than 80% of employees agree that their supervisors encourage them to continue learning and can effectively cultivate the skills of their subordinates, and their management efficiency is superior to that of peers.

1. Key Outcomes from the Employee Engagement Survey

- Understand the key factors affecting engagement and willingness to stay in the company to optimize various human resources policies.
- Focus on employee experience and identify key elements in employee experiences that staff cares most about.
- Develop in-depth understanding of our organization needs in talent development for digital services and especially digital financial transformation, to enhance our long-term competitiveness.

2. Action Plans

- Promote work-life balance measures and create a friendly and inclusive working environment to optimize the employee experience.
- Review their overall welfare, carefully design benefits items that are relevant to different employees at different stages in their lives, to strengthen the connection between our employees and our company.

Taishin continues to take in employees' opinions through various mechanisms to understand their views and find ways toward improvement. The 2021 employee engagement survey found that our staff have developed greater appreciation of the concept of work-life balance. Thus we have actively focused on reviewing our current benefits and through the establishment of more comprehensive welfare measures in terms of multiple aspects including economic support (reducing the threshold for ESOT), family care (expanding the scope of children's education subsidies), and employees' physical and mental health (increasing subsidies for health checkups and enriching subsidies for artistic and cultural activities), hoping to combine various resources of Taishin FHC to create a more harmonious working and living environment.

Taishin also continues to focus on its various channels to listen to employees' voices. Besides conducting focus group interviews to elicit employees' views and feedback, we have also relied on unit supervisors to build positive and safe communication channels. The outcomes of the survey have been shared with all units, that will each devise improvement actions specially suited for its situation. By continuously creating more openness, collaboration, abundant communication, and an efficient and agile development environment, improved employee feedback helps us to swiftly address concerns that are key to their engagement.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

• Employee Engagement Survey Data

2023 Taishin Employee Engagement Survey (Note 1)

Object	All employees of Taishin
Topic	<ul style="list-style-type: none"> 16 categories with a total of 67 topics 16 aspects of employee experience, such as diversity integration, vocal innovation, vision inspiration, customer orientation, compensation and well-being, sustainable engagement, etc.
	90% Participation Rate 78% Engagement Rate <small>(Note 2)</small>
Survey Aspects	<p>Taishin FHC employee engagement survey covers four aspects of employee experience:</p> <ul style="list-style-type: none"> Mission: Diversity and inclusion, goal direction, inspirational vision Work: Organizational efficiency, speaking up, innovation, customer orientation Remuneration: Salary and benefits, performance management and development, talent cultivation Partnership: Direct supervisor, teamwork, trust and leadership
Survey Results	<ol style="list-style-type: none"> Employee identity improved compared with the previous survey results. Employees identified with Taishin's innovation culture-this result represents a significant improvement compared with previous survey results and shows that we continue to outperform our peers in the industry. Taishin management team is more supportive of diversity in the work environment, which is conducive to innovation. Direct supervisors showed improvement in their management performance compared with previous survey results; they encouraged employees to tackle challenges and be proactive in learning.

Note 1: The employee engagement questionnaire adopts a five-point scale (5 points for strongly agree, 4 points for agree, 3 points for neutral, 2 points for disagree, 1 point for strongly disagree)

Note 2: Engagement score is the ratio of the number of positive answers (such as agree/strongly agree) to the total number of answers.

• Employee Engagement Survey-all Employees

Year	2017	2019	2021	2023	
Participation Rate (%)	94	94	83	90	
Engagement Rate (%)	84	83	79	78	
Engagement by gender (%)	Male Female	85 83	85 82	81 78	81 77

Target	All employees	Male	Female	High-level manager	Mid-level manager	Entry-level manager	Non-management employees
Engaged (%)	84	86	83	95	92	91	83
Enabled (%)	76	88	82	94	91	89	83
Energized (%)	76	70	65	82	76	70	66
Engagement (%)	78	81	77	91	86	83	77

7.5 Human Rights and Gender Equality

7.5.1 Human Rights Policy

Human rights refer to basic rights that are common to all humans, regardless of their race, gender, sexual orientation, nationality, ethnicity, language, religious belief or other differences. Taishin is dedicated to upholding human rights. The organization shares the value of international human rights rules including Universal Declaration of Human Rights, International Labor Organization, The UN Guiding Principles on Business & Human Rights and Equator Principles, and complies with regulations of Taiwan and all locations it operates in. After reviewing Taishin's operating model, we have identified employees, customers (including borrowers) and suppliers to be the most relevant stakeholders as far as human right is concerned. We have devised separate policies, statements and guidelines to serve as the ultimate guiding principle for human rights protection.

In addition, we adopt communication, protection and supervision practices to secure the rights of all stakeholders, which provide the foundation of corporate ethics within Taishin.

Taishin actively enforces human rights protection for employees. Not only has the Company made a series of public announcements over its intranet and Internet websites about protection of workers' human rights and prohibition against workplace sexual harassment, the organization has also included worker and human rights-related issues as part of the ethics training for new employees. The announcements and training form part of Taishin's ethics foundation. In 2022, the number of training hours on human rights issues reached 3,542 hours, A total of 21,540 employees participated, and the training completion rate was 100%. Taishin encountered no incident of human rights violation in 2023.

Measures Related to the Management of Human Rights Issues in Taishin



Employees

- Taishin FHC Sustainable Development Best Practice Principles [\[2\]](#)
- Taishin FHC Statement on Human Rights [\[2\]](#)



Clients

- Taishin FHC Privacy Statement [\[2\]](#)
- Taishin FHC Sustainable Finance Policy [\[2\]](#)



Supplier

- Taishin FHC Supplier Management Regulations [\[2\]](#)
- Taishin FHC Supplier Commitment Letter

• Three Main principles



Communication

Taishin conveys human rights policies to stakeholders through education and training, websites, and emails.



Protection

Taishin enforces human rights protection measures from daily operations to business activities.



Supervision

Human rights risk surveys are conducted on a regular basis to determine the level of risk exposure and explore mitigation measures.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

7. Employee Care

[7.1 Talent Development](#)

[7.2 Remuneration, Benefits & Employee Care](#)

[7.3 Occupational Health and Safety](#)

[7.4 Labor-management Relations](#)

7.5 Human Rights and Gender Equality

[8. Social Inclusion](#)

[Appendix](#)

1. Work Rights

For the protection of work rights for all employees, Taishin not only adheres to the principles announced by International Labour Organization (ILO) regarding prohibition against forced labor, minimum employable age, work hours, weekly breaks and recommended practices, but also complies with relevant regulations of the Republic of China, including "Labor Standards Act," "Gender Equality in Employment Act" and "Employment Service Act." Internal work rules and personnel policies have been created based on the above principles and regulations. Meanwhile, Taishin also takes steps to ensure that all overseas locations (including branches, offices and preparatory offices) are able to comply with local labor regulations and set reasonable work terms to protect the rights of local employees.

2. Equal Treatment in the Workplace

For the purpose of creating a fair, safe and enjoyable workplace, Taishin treats employees equally and prohibits all forms of discrimination (such as ethnicity, gender, sexual orientation, age, disability etc.) in its recruitment, compensation, promotion, reward and disciplinary decisions. All forms of sexual harassment and intimidation are strictly prohibited in the workplace. Taishin and all its subsidiaries have published "Employee Code of Conduct," "Sexual Harassment Prevention, Reporting and Disciplinary Policy" and "Sexual Harassment Prevention, Reporting and Investigation Guidelines" over their intranet and Internet websites. Employees can make appeals through the dedicated line (886-2-5576-3567), for cases that concern sexual discrimination or harassment, a "Sexual Harassment Prevention and Complaints Review Committee" will be assembled according to laws to conduct investigation in the utmost fairness and discretion, in a manner that protects victim's privacy and prevents witnesses from being retaliated. If a violation is established to be true, the case in question will be referred to Staff Conduct Review and Staff Performance Appraisal Committee and resolved based on the outcome of the investigation in accordance with Employee Disciplinary Guidelines, and hence ensures employees' rights to fair treatment in the workplace. Taishin FHC and its subsidiaries received three workplace sexual harassment complaints in 2023. All complaints have been properly deal with through standardized procedures. In 2024, we will continue to ensure workplace equality by using various channels to raise awareness and understanding concerning harassment in the workplace, including grievance channels and disciplinary actions that will be taken.

• Review and Disciplinary Procedure for Sexual Harassment Complaints



3. Protection of Maternity and Child Labor

Taishin highly values the issues of labor protection for mothers and children. In terms of maternal protection, the company follows the "Act of Gender Equality in Employment" and the "Regulations on Subsidy and Standards for Establishing Breastfeeding (Breast Milk Collection) Rooms, Childcare Facilities and Measures" to provide a comfortable and well-equipped feeding and nursing rooms for employees. The rules for breastfeeding and breast milk collection for female employees are clearly specified in the "Taishin Working Rules." If an employee with a child of less than two years of age has a need for breastfeeding or breast milk collection, they will receive an additional 60 minutes per day of breastfeeding time on top of their regular rest time. If they work more than one hour of overtime, another 30 minutes of breastfeeding time is granted and considered as working time.

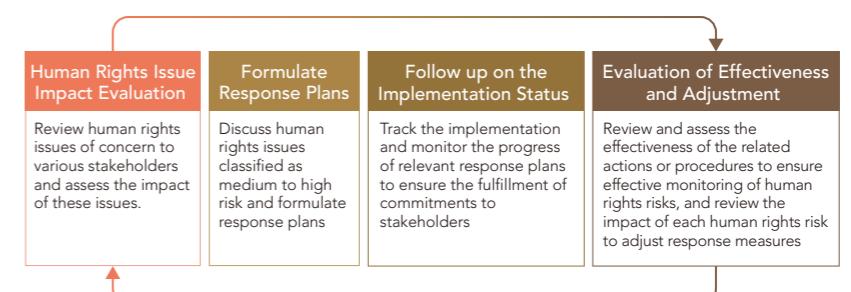
The company lays out various maternity protection measures in its "Maternity Leave Management Standards." In addition to one day of menstrual leave per month, 64 hours of leave for pregnancy check-ups are provided, which exceeds the requirements of the Labor Standards Act. Provide 60 days of maternity leave, 6 days of paternity leave and staff that give birth or have an abortion receive full salary when they take maternity leave, so that employees they can take care of themselves.

With regard to child labor protection, we have issued the "Taishin Human Rights Protection Statement," which lays out our position on child labor, in line with international conventions that strictly prohibit the employment of child labor under the age of 16.

7.5.2 Human Rights Risk Assessment

Taishin conducts human rights risk assessments for employees at all operating locations in Taiwan every year, with a coverage rate of 100%. For the assessment process of human rights issues, the identification of human rights risk factors and the results of human rights risk assessment, please refer to the explanation below.

• Procedure for Human Rights Issue





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

7.1 Talent Development

7.2 Remuneration, Benefits & Employee Care

7.3 Occupational Health and Safety

7.4 Labor-management Relations

7.5 Human Rights and Gender Equality

8. Social Inclusion

Appendix

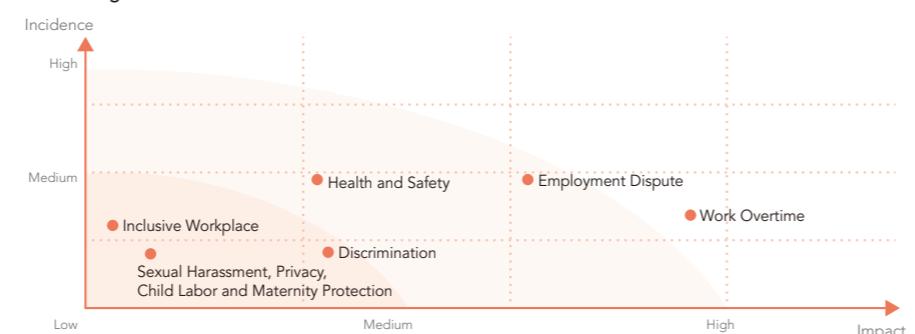
Human Rights Risk Issues and Risk Assessment Results

The human rights issues included in Taishin FHC's human rights risk identification include: workplace health and safety, labor disputes, forced labor, discrimination, sexual harassment, illegal violations in the workplace, inclusive workplace, privacy rights, child labor, and maternal care. The identification targets are employees, contractors and suppliers, etc., covering the upstream, midstream and downstream value chains. For the complete human rights risk identification results conducted in 2023, including information on risk values, mitigation and remediation actions for each issue, please refer to [Taishin FHC Framework for Human Rights Management](#).

In the employee section, the top three key human rights risks include: workplace health and safety, labor disputes, and forced labor/ work overtime. Mitigation and remediation actions are described below.

Issues	Source of Risk	Mitigation Measures	Type	Annual Related Risk Events and Remediation Actions
Health and Safety	<ul style="list-style-type: none"> Emerging infectious diseases Working place While performing duties 	<ul style="list-style-type: none"> List, as required by law, physical exam record as one of the documents required of new hires when they join the company. Conduct regular physical exams for active employees, and subsidize the expenses. Implement the Taishin Ergonomic Hazard Prevention Program; provide online courses on ergonomic hazard prevention and infectious diseases; and raise employee awareness of illness prevention. Have a professional medical specialist provide onsite health services every month and give health advice targeting high risk groups for ergonomic hazards and cardiovascular diseases. Organize flu vaccination stations. Conduct occupational health and safety campaigns as required by law. Organize health information seminars as needed. Organize employee health promotion events. 	financial, non-financial compensation	<ul style="list-style-type: none"> For employees incurring an occupational injury or illness, the company will follow Article 59 of the Labor Standards Act to provide real compensation, including <ul style="list-style-type: none"> Paid occupational injury leave Full medical expenses When an employee is not fully recovered after two years of treatment and not eligible for disability benefit, the company will pay a final lump sum equal to 40 months wages. In the unfortunate event of death of an employee, the company will pay the family a total of 45 months wages for funeral expenses and death benefit. If a judicial investigation finds the company liable for damages in incidence of an employee's occupational injury or illness, the company will, depending on the circumstances, assume liability for damages under the Civil Code. For example, <ul style="list-style-type: none"> Remediation for carer fees and income impairment for disabled employees Emotional damages and child support for families of deceased employees Make best efforts to communicate with the parties involved to learn more details and seek possible settlement. If it is confirmed during mediation that the employee's rights have been violated, the company will make best efforts as a responsible employer to negotiate with the employee for an appropriate remediation plan, including supplementary wages, leaves, redundancy pay, and proof of service. Where the dispute has arisen from management, the company will reinforce the knowledge of dispute related regulations and management measures in the manager(s) involved in order to prevent repeat of similar incidents as much as possible.
Employment Dispute	<ul style="list-style-type: none"> Inappropriate communication/management of the supervisor Difference of understanding between employer and employees 	<ul style="list-style-type: none"> Establish human resource policy and employee rights-related rules in compliance with law. Convene quarterly labor-management meetings. Maintain open communication with employees through available channels. Organize labor law courses regularly to promote labor laws of which managers should be aware, and improve legal literacy and understanding of management techniques among managers in order to reduce management related disputes. Specify internal communication channels in the employee code of conduct so that any employees with labor disputes are able to seek assistance from the human resources department. 	financial, non-financial compensation	<ul style="list-style-type: none"> Make best efforts to communicate with the parties involved to learn more details and seek possible settlement. If it is confirmed during mediation that the employee's rights have been violated, the company will make best efforts as a responsible employer to negotiate with the employee for an appropriate remediation plan, including supplementary wages, leaves, redundancy pay, and proof of service. Where the dispute has arisen from management, the company will reinforce the knowledge of dispute related regulations and management measures in the manager(s) involved in order to prevent repeat of similar incidents as much as possible.
Forced Labor / Work Overtime	<ul style="list-style-type: none"> Short-term increases in business or shortages in manpower Requirements of events held by associated companies Personal reasons 	<ul style="list-style-type: none"> Establish employee work times and hours in compliance with labor laws. Announce and reiterate the normal work hours and times, as well as the regulations for overtime. Establish management systems for work hours and overtime, to help employees and supervisors control work hours and overtime hours. Implement abnormal overtime reports to enable managers to follow employees' overtime more effectively. Monthly review of overtime hours on a per-department basis, and direct attention towards employees with high overtime hours. 	financial, non-financial compensation, warning and punishment	<ul style="list-style-type: none"> The company strictly prohibits forced overtime or extensive overtime. If an employee is found to have been forced to work overtime or extensive overtime, the company will promptly negotiate with the employee for an appropriate remediation plan, including but not limited to overtime pay or vacation in lieu. The company will also take strict disciplinary action against managers who force employees to work overtime or make them work excessive overtime. For managers and employees in the department where such an incident has taken place, the company will reiterate the overtime system and management measures in order to prevent repeat of similar incidents as much as possible.

• Human Rights Risk Assessment Results



• Key Human Rights Risk Value

Year	2020	2021	2022	2023
VaR (%) <small>(Note1)</small>	0.62	0.73	0.57	0.63
Key Human Rights Risk Factors	<ul style="list-style-type: none"> Health and Safety Employment dispute Forced Labor / Work Overtime <small>(Note2)</small> 			

Note: 1. Human rights risk value (%) = number of employees identified as at risk / total number of employees in the current year.

2. The risk assessment is based on the extended working hours of more than 40 hours for two consecutive months.



- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)

Appendix

Social Inclusion

- 128** 8.1 Social Engagement Strategy
132 8.2 Social Engagement Project

8





About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

8.1 Social Engagement Strategy

8.1.1 Social Engagement Focus

Taishin FHC has long devoted attention to growing market presence in Taiwan and expanding into the Asia Pacific region. Our long-term success is attributed to society's support. For the inclusiveness of the society, Taishin FHC targets the needs of local residents and society and fulfills them by committing to its "people value" and contributing its professional capacity as a financial institution. In the meantime, stakeholders are invited to participate in our social engagement efforts. As a member of this society, we continually explore ways to maximize the society's welfare, but recognize the reality that a company is unable to resolve all prevailing problems and challenges of the society. Focus, sustainability, collaboration and commitment are the principles of Taishin's charity efforts. Through charity and welfare, arts and culture, sports sponsorship and academic exchange, we respond to the United Nation's SDGs, prioritizing three key goals: SDG1 - No Poverty, SDG4 - Quality Education, and SDG8 - Decent Work and Economic Growth. To more effectively measure the size of resources invested and the level of output yields, Taishin adopted the London Benchmarking Group (LBG) model and utilized quantitative measurements to measure the level of resources invested into social engagement causes, the size of yield generated, the overall outcome and long-term influence on the society.

Focus	Ideal	Motivation	Beneficiary	Project	Social Impact	Corresponding to SDGs
 Charity and Welfare	Be centered around the motivation of "teaching people to fish," we develop training seminars and platforms to educate disadvantages and match business resources with social welfare organizations in order to maximize the benefits.	We use the platform service and e-commerce concept of the finance industry to improve the capabilities of social welfare organizations and support the development of industries in remote areas. We also combine credit card donations and reward point donations to expand the social influence of charity in the finance industry.	• Small and medium-sized charity organization • The socially disadvantaged	<ul style="list-style-type: none"> • Power of Love campaign • Power of Love workshops • Minority Project • Philanthropist Alliance - resources matching • Group purchase of festive charity gift boxes • Emergency aid-donation • LED lighting equipment donation • Caring Taiwan • Scholarships to financially disadvantaged students • Financial education camps • Turning reward points into actual donations • Financial education • Digital bank for young generation • Youth Volunteer Empowerment 	<ul style="list-style-type: none"> • Helping small and medium-sized charity organizations become self-dependent • Improving living standards of the socially disadvantaged • Helping young students and disadvantaged people develop financial awareness and knowledge 	 1 NO POVERTY
 Arts and Culture Development	Driven by the goal of "creating new value of Taiwan through arts," we actively supports contemporary art, popular art and various cultural events to raise public's attentions and bring art into life in ways that enrich people's spirits.	Taishin sponsors art and cultural talents to improve the people's art and cultural appreciation. We help Taishin customers and employees who love arts and culture to acquaint themselves with contemporary art, strengthen relations with current customers, and develop potential customers. We also strengthen our employer's brand by helping employees take part in art and cultural activities.	• Taiwanese contemporary visual and performing artists • General public • Taishin employees	<ul style="list-style-type: none"> • Taishin Arts Award • Taishin Tower lobby exhibitions • Friday Noon Concerts • Art performance and exhibition sponsorship • ARTALKS website • Art Craft Making in Charity Events 	<ul style="list-style-type: none"> • Supporting contemporary art development in Taiwan • Promote public participation towards art and culture 	 4 QUALITY EDUCATION
 Sports Sponsorship	Sponsor young athletes for their competition and education to promote sports among people of all ages. The sponsored athletes are invited to participate in Taishin's charity activities, where they can convey positive energy and inspire a cycle of positivity.	We sponsor sporting events and activities and help customers make small donations to support athletes in remote areas to improve Taishin's public welfare brand image and recognition. We also embedded the spirit of sportsmanship into the organization and obtained certifications for corporate sponsorship of sports.	• Taiwanese athletes • Junior high school and elementary school students • General society	<ul style="list-style-type: none"> • Athlete support • Basketball summer camps • Professional basketball team sponsorship • Sponsor sports events 	<ul style="list-style-type: none"> • Training Taiwanese athletes and supporting sport development in Taiwan • Promotion of sports among the public 	 4 QUALITY EDUCATION
 Academic Exchange	Raise the level of finance profession and train more quality talents in Taiwan through the industry-academia collaborations and academic exchange programs.	In an environment of rapid changes, the finance industry needs professional and interdisciplinary innovative tech talents. We use scholarships, financial education, academic activities, and industry-academia collaboration to train future employees and develop new FinTech applications.	• College/postgraduate student	<ul style="list-style-type: none"> • Co-op with Taiwan University on the "Financial Service Innovation" lecture • Co-op with Sun Yat-sen University on the "Financial Innovation Masters Program" • Graduate Institute of Finance in ChengKung University "Industrial Master Program" • Industry-academia Collaboration • Scholarships to outstanding students • Sponsorship to academic events 	<ul style="list-style-type: none"> • Financial expertise training for young students 	 8 DECENT WORK AND ECONOMIC GROWTH



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

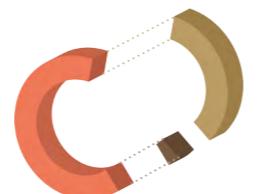
8.2 Social Engagement Project

Appendix

8.1.2 Social Contribution

1. Category of Contribution

2022 Total
93,480,099
(Unit: NT\$)



Community Investments **56.64%**
52,944,962

Commercial Initiatives **39.73%**
37,141,447

Charity Donations **3.63%**
3,393,690

2023 Total
149,573,082
(Unit: NT\$)



Community Investments **75.88%**
113,502,104

Commercial Initiatives **11.68%**
17,470,978

Charity Donations **12.44%**
18,600,000

Community Investment Taishin offers assistance to the parties in need through four main focuses

- In terms of charity, Taishin organizes campaigns, programs, volunteer counseling and competency courses that help people develop self-dependency in a systematic manner. Meanwhile, Taishin attracts social engagement from the general public by exerting influence as a corporate entity, and matches donors to those in need more efficient use of the society's resources
- In terms of arts and culture, Taishin contributes on several levels including: sponsoring of performance and exhibition funding, introduction of world-recognized award selecting system, and development of digital/physical platform. These efforts are intended to increase the visibility of artists. Taishin also sponsors world-class exhibitions/performances and arranges charity viewing where possible to promote art and culture appreciation in Taiwan. Taishin also sponsors world-class exhibitions/performances and arranges charity viewing where possible to promote art and culture appreciation in Taiwan
- In terms of sport sponsorship, Taishin contributes resources and coordinates with customers to support local athletes. By sponsoring sport events, we aim to promote sport activities among specific groups
- In terms of academic exchange, Taishin provides tuition assistance to students from financially disadvantaged families

Commercial Initiative Taishin associates core business activities with social initiatives

- Utilizes financial expertise to create financial games and courses in order to establish wealth management concepts for the socially disadvantaged children and youths.
- Combines business platforms, products and activity mechanisms to effectively increase customers' willingness to participate in public welfare, promoting the circulation of social resources and expanding project influence.
- Use FinTech to create the digital bank which reduces the financial and investment barriers of the economically disadvantaged young people, and then change their savings and consumption habits, start to learn financial management, and face financial services with a more active and open attitude.
- Corporate resources are being committed into organizing courses and providing internship opportunities to train financial talents.

Charity Donation Taishin makes timely donation of cash and supplies to people and organizations in need

2. Type of Contribution (Unit: NT\$)

Cash	Time	In-kind	Management Cost
139,176,828	11,781,413	84,800	11,501,454

3. Outcomes

Focus	Outcomes	2023
Commercial	Employee volunteering hours	12,519
	Number of digital banking accounts	3,638,829
	Percentage recurring donations from Power of Love donors	40
	Taishin Youth Volunteer Awards_donation to the public welfare organization designated by the winner (NT\$)	550,000
Charity and Welfare	Organizations donated by Powerof Love	160
	physical events	126
	Organizations participating in workshops	153
	Including online events	
Social	Number of participants in the Taishin Youth Volunteer Awards	1,659
	Media value (NT\$)	89,483,282
	Brand exposure	Improved
	Customer participants of art/culture activities	9,619
Art and Culture Development / Sports Sponsorship	Customer participants of sports activities	19,343
	Participants to employee art courses	736
	Participants of sponsored/organized activities	493,741
	Sessions of sponsored/organized activities	372
Commercial	Sponsored athletes	5
	Interns turned as permanent employees	76
	Number of financial service optimization cases	8
	Sessions of sponsored/organized financial seminars	10
Academic Exchange	Students benefited from industry-academia collaborations	433



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

8.1.3 Partner Support

Expanding social impacts has always been the motivation behind Taishin's charity involvement, and we gather strength from various sources to support our goal of improving the society's welfare. Leveraging stakeholders' strength provides Taishin with more partners and resources to support charity efforts, and the means to drive and spread social influence. For this reason, we invite employees, customers, suppliers and the local community to join our cause, and execute through various activities from volunteer service, gathering and donation of supply to training of professional skills. By making stakeholders our best charity partners, we have the resources and strengths needed to maximize our social influence.

Activities	Volunteer Service	Gathering of Supply	Goods Donation	Professional Skill	Charity Consumption
Employees	●	●	●	●	●
Suppliers/Community	●	●	●	●	●
Customers		●	●		●

1. Employees

Taishin FHC has established a set of "Taishin FHC Volunteer Service Guidelines" to motivate and mobilize Taishin employees into performing volunteer service. In addition, the Company recruits volunteers through the Intranet and uses the platform to announce upcoming charity activities and take enrollment from volunteers. To improve the quality of volunteers' service, Taishin selects its volunteers based on the nature of service, the location and other required criteria, and trains volunteers at times deemed necessary. The organization encourages employees to commit in volunteer service through the multiple incentive mechanisms.

• Volunteer Participation Mechanism

Leave	Volunteers who participate in charity events outside office hours may receive one day of "Volunteer Leave" for every six hours of volunteer service performed. Each employee may apply for up to 5 days of volunteer leave per year.
Training	Although due to the impact of the epidemic, large-scale volunteer training activities cannot be held, volunteer training courses are still arranged through online learning, including the business introduction of charitable foundations and the services of volunteers adopting social welfare groups and understanding the needs: such as assisting social welfare groups, visit the group to deepen the service regularly and ensure the progress of the proposal implementation.
One-day volunteer	Taishin Charity Foundation organizes charity sales, workshops and volunteer activities from time to time, and invites employees through the Intranet to participate in one-day volunteer events. The foundation also encourages Taishin employees to sponsor and visit small and medium-sized charity organizations personally, whereas employees have mobilized among them to attract more people into performing volunteer service.
Commendation	Taishin commends active volunteers during quarterly morning conferences, and invites participants to share their thoughts. The organization also holds Volunteer of The Year to recognize top-performing volunteers on a yearly basis. Winners are treated to banquets to receive gratitude personally from the Chairman.
Reward	Volunteers are treated from time to time to various events such as film screening, art/culture appreciation, and meal gathering as commendations for their selfless acts.

• 2023 Volunteer Activities Promotion



2. Suppliers/Community

Taishin Charity Foundation has been a long-time host of the campaign "Your Vote Determines the Power of Love", to which suppliers, enterprises in various fields, non-profit organizations or experts in relevant fields are invited to partake as strategic partners in this charity effort. Attributed to the unceasing support of our suppliers and communities, we were able to increase our capacity for fundraising and expand the scope of beneficiaries.

Currently, eight target groups across five categories are included in our community engagement efforts, thanks to the continued support and participation of various sectors. The categories are Charity and Welfare, Culture and Education, Digital Learning, Social Enterprise, Rehabilitation and Self-Sufficiency, and Public Welfare Communication. The target groups are elderly people, children, people with physical/mental disabilities, disadvantaged individuals, schools/culture and educational units, people living in rural areas, social welfare organizations/social enterprises, people with needs for rehabilitation and self-sufficiency, and young adult students.

Taishin made use of the charity cloud platform idea and organized the participation of suppliers and communities to ensure more effective use of existing resources of enterprises. Taishin Charity Foundation "Power of Love" voting campaign has also changed from only Taishin Charity Foundation itself to adding other co-organizers year by year. Furthermore, as of 2023, 123 social charity organizations have received public welfare funds for five consecutive years thanks to the Power of Love campaign, and have become Philanthropist Alliance, who have continually assisted in the promotion of the Power of Love campaign.

• 5 Categories and 8 Target Groups

Social Welfare	Digital Learning	Social Enterprise	Rehabilitation and Self-sufficiency	Public Welfare Communication
 Strategic partners <ul style="list-style-type: none"> Wang Yueh-Lan Charity Foundation Taipei Lungshan Temple 	 Digital Learning <ul style="list-style-type: none"> Chunghwa Telecom Foundation 	 Social Enterprise <ul style="list-style-type: none"> Foundation for Yunus Social Business Taiwan 	 Rehabilitation and Self-sufficiency <ul style="list-style-type: none"> Welfare Organization for the Elderly, Taiwan, R.O.C. 	 Public Welfare Communication <ul style="list-style-type: none"> Center for Media and Social Impact, National Central University
 Target groups <ul style="list-style-type: none"> Elder Care Child Welfare Disabled People Vulnerable Groups 	 Digital learning in rural areas <ul style="list-style-type: none"> Social enterprise - Local - Charity 	 Social enterprise - Local - Charity <ul style="list-style-type: none"> 16 to 35-year-old Students Interested in Public Welfare Films or Communication 		



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

3. Customers

Driven by the motivation to "give back to the society," Taishin Bank plans and executes charity efforts on a long-term basis, and actively creates opportunities for customers to participate in the good cause. Through innovative use of campaigns, platforms and products, the Bank aims to make charity participation simple for the customers. For example, customers can turn reward points into actual donations using the Internet, participate in joint signing activities with facial recognition technology ,or join the pact to raise food and medical resources for stray animals through facial recognition.

Project	All-card Activity For Credit Card Cardholders	"Cotton Field Co-branded Card"	Promotion of Digital Bank Statements with Social Enterprises to Help the Vulnerable	Credit Card Holders "Credit Card Donations"	Reward Points for Donation
Focus	<p>Taishin Bank joined Mastercard's Priceless Planet Alliance on the "International Tropical Day" on June 29, implementing tree planting and restoration projects in 18 locations around the world, including the Amazon rainforest, known as the lungs of the earth. Looking from Taiwan to the world, it leads cardholders together Moving towards net zero.</p>	<p>To support organic farming in Taiwan, Taishin Bank issued a co-branded card in 2018 in collaboration with Cotton Field Organic. An additional 0.6% rebate on Cotton Field transaction will be allocated to relevant foundations, who will then use the fund to subsidize small organic farmers for obtaining organic certification and transitioning to organic farming. The objective is to increase the number of small organic farmers in Taiwan and create a positive cycle between consumers, enterprises, and producers. With this cycle, greater support is afforded to more Taiwanese organic farmers to ensure effective crop rotation, land development, and food production, thereby facilitating the development of Taiwan's organic agriculture.</p>	<p>Since 2018, we have partnered with DOMI Earth to advocate cardholders to use digital statements. When cardholders switch from paper statements to digital statements, Taishin Bank representatives replace the light bulbs of the vulnerable with energy-saving appliances in the name of cardholders. Thanks to this project, paper usage for statement operations has been greatly reduced. The resources that have been saved will continue to grow in a positive cycle, enhancing the mutual prosperity between Taishin Bank and society.</p> <p>From 2020 to 2023, home appliance cleaning services were provided through the Yellow Vest home cleaning service platform to Taishin Rose Giving card holders who meet the spending requirement. These services can help to keep home appliances clean and also reduce electricity consumption. Moreover, the terms and conditions of our Rose Giving Card can motivate cardholders to purchase the Yellow Vest cleaning services, thus not only promoting industry-academia cooperation but also creating job opportunities for disadvantaged individuals and university students who need to part-time work.</p> <p>Credit Card Digital Billing</p>	<p>In order to support the development of charity organizations in Taiwan, Taishin Bank collaborated with more than 20 foundations, combining the foundation's personal minimum donation rewards with the Taishin credit card rewards to attract customer donations with double rewards.</p> <p>In addition to helping the foundation receive stable donations every month, more new donors had been discovered and the base for regular debiting had been expanded.</p> <p>Up to 4% rewards for donations made through Taishin credit cards .</p> <p>Credit Card Donations</p>	<p>Richtart Life cooperated with the Taishin Charity Foundation to create a "charity" area on the app. Richtart Life members could log in to the app and participate in the 12th Power of Love campaign. In doing so, public welfare organizations gained more exposure online and customers had the chance to cast their ballots for charity organizations.</p> <p>In addition, the "Richtart Life's charity area" event was held in conjunction with the annual voting event which can receive coupons through Richtart Life and vote to get lucky draw opportunities to increase the volume of the event and encourage customers to join hands in doing charity.</p>
Results	<ul style="list-style-type: none"> Taishin launched an event in which Taishin Bank and Mastercard will plant trees on behalf of Taishin cardholders when cardholders spend NT\$5,000 or more or complete at least 10 transactions with their Taishin Mastercard card at selected green stores between June 29 and December 31, 2023. During the event period, Taishin Bank and Mastercard planted 25,000 trees in support of the tree planting and restoration projects implemented across 18 locations around the world, including the Amazon rainforest. 	<ul style="list-style-type: none"> In 2023, Taishin had 11,320 credit cards in circulation, donated NT\$ 280,798. Taishin has contributed NT\$ 3.24 million to the foundation since the card was first issued. Taishin continues to invite everyone who identifies with environmental friendliness and cherishes public welfare to become a card member. 	<ul style="list-style-type: none"> In 2023, more than 270,000 Taishin cardholders, bringing the total to 1.65 million cardholders, opted for electronic statements. Through the provision of energy transformation services, nearly 591 energy-poor households in Taiwan have been illuminated. It includes the overall replacement of energy-saving lighting, electricity safety checks and energy-saving education. In 2023, more than 2,800 Taishin Rose Giving cardholders were users of the Yellow Vest home cleaning service platform. Since 2020, this cleaning service platform has served nearly 4,500 cardholders and provided approximately 300 job opportunities. For this reason, Taishin was honored with the 3rd TSAA Bronze Award in 2023 for creating a mutual prosperity platform through its Rose Giving Card. <p>Rose Giving Card-Yellow Vest Home Cleaning Service</p>	<ul style="list-style-type: none"> In 2023, Taishin cardholders donated NT\$ 2.45 billion through Taishin credit cards, an increase of NT\$ 310 million compared with 2022, and an annual increase of 14%. The number of donors increased by 86,000, and the number of transactions reached by 131,000. 	<ul style="list-style-type: none"> Through Richtart Life's charity area, as of December, more than 10,000 people have cast a ballot for charity. Richtart Life coupon collection donation activity, more than 20,000 people participated in the coupon collection activity as of December.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

8.2 Social Engagement Project

8.2.1 Charity and Welfare

My One Acre of Farm

Project Origin/Description of Contents

In 2002, Taishin introduced the Caring Taiwan campaign, which originated from its intent to help rebuild homes that were lost during the 921 Earthquake. This initiative has since been expanded into other parts of society. The Caring Taiwan campaign later extended its attention to farming, which resulted in the introduction of "My One Acre of Farm," a corporate sponsorship platform, in 2008 that aimed to promote the sustainability of rice farming in Taiwan and ensure supply of 100% locally grown rice. A household version of this platform was launched on a later date, and together, they introduced the concept of contract farming and gave rise to a new production/sales arrangement that not only increases income for rice farmers, but also ensures sustainable supply of top-quality, locally grown rice.

Key Inputs and Outputs

Year	2021	2022	2023
Invested (NT\$ Million)	33.63	35.85	38.22
Sponsored Area (hectares)	90	95	100
Taishin Customers and Employees Having a Taste of Taiwan Quality Rice (10,000 kg)	31.15	32.35	35.00

Social Impact

- Young people's involvement in farming: Attracting next-generation farmers through creation of job opportunities, product branding and online marketing.
- Promotion of the branding concept among rice farmers: Introduction of a new production and sales platform will bring more stable income and help rice farmers appreciate the influence that branding, the Internet and marketing may have on a product.
- Expanded corporate sponsorship for rice farmers: Since the launch of corporate sponsorship platform, Taishin has attracted more than 350 businesses (no double-counting) into sponsoring 35 rice farmers across 8 counties/cities to date. The sponsorship program exceeded TWD 150 million in contributions, attracted more than 13,000 employees into visiting rice farms, and resulted in the delivery of over 500,000 cartons of goods.

Power of Love and Extension Programs

Project Origin/Description of Contents

Small and medium-sized social welfare organizations are limited by insufficient funds and resources, lack of popularity, and are unable to conduct publicity to raise resources. Since 2010, the Taishin Charity Foundation has been hosting the "Power of Love" campaign. It is the first large-scale online charity campaign in Taiwan. Through three simple steps: proposal, voting and implementation, non-profit organizations are taught to be able to learn the Internet, publicity and accountability. And with the spirit of "better to teach someone to fish than to give him a fish", an innovative model of charity assistance has been set up. Over the past 14 years, a total of more than NT\$350 million charitable funds have been issued, benefiting 1,700 charity organizations and 6.34 million beneficiaries.

The "Power of Love" campaign was certified by the British "Social Value International" SROI report in 2020 and 2022; in 2023, the social return on investment was \$8.11 (meaning that every \$1 invested in the platform will generate a social value of \$8.11). It is the only public welfare platform in the world that continuously invests in impact management.

Key Inputs and Outputs

Year	2021	2022	2023
Selected Organization	198	178	160
Amounts sponsored through the charity fund (NT\$ Million)	37.35	34.80	32.60



Social Impact

- Mobilizing businesses into online charity: The program attracted participation from a total of 144 businesses in 2023 (strategic partners: 8; Philanthropist Alliance: 132). Taishin also exerted influence to encourage business owners in making charity contributions using Internet technology, such as: "Dream Chaser" by Amway Hope Marker Charity Foundation, "Dream Wheel" by Shin Kong Life Foundation, "Spread Conscience Award" by Aurora Yung-tai Chen Public Trust, "Community Home" by Sinyi Realty Public Housing Action Plan, "Charity Concert" by Wan Hai Charity Foundation, and "Power of Real Food" by Carrefour Cultural and Educational Foundation.
- Cultivating the self-marketing skills of charity organizations: For charity organizations, participating in the "Power of Love" campaign has become an important annual event for non-profit organizations. Through this campaign, they can learn how to raise funds, increase their visibility, and obtain charity funds. Many organizations have also used this event to develop competitive and cooperative relationships, and even made cross-field alliances to support each other and share resources on the path to public welfare. The Power of Love campaign has already formed an alternative public welfare ecosystem, subverting traditional concepts of charity, and launching a cycle of good will.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

Apart from funding the winning organizations, Taishin also provides active assistance for other charity organizations to grow influence on their own. A series of programs have been launched as extensions of the "Power of Love" with the support of public resources. Furthermore, an Innovative Service Award, funded by OurCityLove Social Enterprise, was introduced to organizations that exhibit distinctive innovations in their proposals.

In addition to organizing the "Power of Love" campaign, the platform actively integrates and links internal and external resources, and cooperates with the Angel Group to implement the "Minority Project", "Campus Charity Project", "Charity Art", "Power of Love" workshops, "Charity Product Sales", and other projects, inviting groups, employees, customers and the general public to participate to jointly create social influence.



Procurement of Giveaway for 3 Major Festivals

Beneficiaries Sheltered Workshops, Small and Medium Charity Organizations

Since 2013, the Bank has been inviting other subsidiaries of Taishin Holdings into making Procurement of Giveaway for 3 Major Festivals during Dragon Boat Festival and Mid-autumn Festival, and giving them to Taishin Bank's customers and business partners. In 2023, the amount was about NT\$1.63 million. Even if the economy was affected by the pandemic, the help in charity sales for social welfare organizations was not interrupted.

In addition, Taishin organizes charity sales and coffee tasting events from time to time, and invites employees to participate in group purchasing and in turn learn about different charity organizations.



Results in 2023

- Giveaway were Purchased from **24** Charity Organizations
- Total Amount: **NT\$ 3,256,022**



Art Craft Making in Charity Events

Beneficiaries Small and Medium-sized Charity Organizations

The "Art Craft Making in Charity Events" program was first introduced in 2014 as a means to associate art with charity efforts. For art and cultural institutions, we routinely provide tickets for art and cultural events to social welfare organizations so that they can enjoy national-level performances. We help the recipients of services experience art and culture and enjoy physical and mental relaxation. We also work with artists to help social welfare organizations transform the packaging of their products, paint the external walls of their institutions, organize exhibitions, and provide a variety of resources as support. In 2023, we continued to match the resources of the Angel Group - National Symphony Orchestra (NSO), OneSong Orchestra, AMBI SPACE ONE and Taipei Mars basketball team to hold charity ticket gifting activities.



Results in 2023

- **12** Sessions were Held
- **69** Participating Charity Organizations
- We Gifted **1,385** Tickets of Art and Cultural Events
- **2** Volunteer Activities (online and physical)



Minority Project

Beneficiaries Small and Medium-sized Charity Organizations

Since 2015, experts or enterprises in different fields have been invited to share various themes to cultivate social welfare workers' multi-professional abilities.

For small and medium-sized social welfare organizations, we share marketing tips and new knowledge, including different opportunities to learn and experience interactions with new media systems. By sharing case studies of social innovation, we educate these organizations on new media marketing techniques and ways to use ChatGPT, subsequently helping them to effectively promote their social welfare services and organizational development. We also organize physical (in the form of lectures) and online courses (by using audio-visual methods). This year, a total of 3 physical workshops and 1 online course were held.



Results in 2023

- **3** Online Courses
- **1** in Person Workshops
- **251** people attending each session



Campus Charity Event

Beneficiaries Social Enterprises, Small and Medium-sized Charity Organizations

Since 2015, we have brought charity to the campus and actively promoted the Campus Charity Event. In 2023, we continued to work with PaGamO, the world's number one online learning gaming platform, and invited students to learn about charity through missions in the games; in addition, among colleges and universities, we focused on the "Times Young Creative Awards" and the "Advertising Department Graduation Production Team", for the "Power of Love" campaign, a series of collaboration such as key vision submission and campus voting promotion was carried out.

Additionally, our "Tree for All" campaign held in collaboration with National Taitung University called on students to nurture tree saplings and practice USR, taking advantage of what the students' have learned to call on the public to pay attention to public welfare.



Results in 2023

- More than **37,000** Students Completed Activity Tasks and Established Basic Concepts of Public Welfare
- A Total of **2,144** Works from Around the World Participated in the Selection for the Times Young Creative Awards
- Planted **3,500** Tree Saplings Native to Taiwan in Taitung Forest Park and **500** Camphor Trees on the Campus Ground of National Taitung University



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

8. Social Inclusion

[8.1 Social Engagement Strategy](#)

8.2 Social Engagement Project

[Appendix](#)

8.2.2 Art Promotion

Taishin Arts Award

Project Origin/Description of Contents

Taiwanese contemporary art creators need domestic creative resources and international channels to be seen and heard. At the same time, Contemporary art forms are manifold and not easily understood by the general public due to a lack of critical awareness and knowledge of historical context, it needs the promotion and deepening of professional art education. The Taishin Bank Foundation for Arts and Culture (referred to as the Taishin Arts Foundation) was established in 2001 and launched the "Taishin Arts Award" the following year. It has been supporting professional art creation for many years and is an indicator award in Taiwan. Advocating "innovation, diversity, deep cultivation, and public" as its core spirit, through an original selection mechanism, including all-year-round professional nominations, observations and art criticism publications, and inviting international judges to participate in the final selection stage of the Performing Arts Award, the Visual Arts Award (with a prize of NT\$1,000,000 each), and the Annual Grand Prize (with a prize of NT\$1,500,000), which are the highest prizes for contemporary arts in Taiwan.

In 2013, the Taishin Arts Award created the ARTalks website to publish the arts award selection process and commentary articles of nomination observers. The ARTalks art review website not only collects the art reviews of major domestic scholars and experts, but also serves as a platform for the public to express their artistic views and dialogues. Furthermore, the public can obtain information on art exhibitions and performances, read expert comments in various fields, and post comments through the website.

Key Inputs and Outputs

Over the past 21 years, the Taishin Arts Award has invited 197 domestic and foreign judges, selected 70 award-winning works and 327 shortlisted works, and 178 nomination observers wrote more than 500 observation reports and more than 1,800 exhibition and performance reviews; through the operation of the award mechanism, combined with the promotion of professional art criticism writing, it has become a force that continues to drive the development of Taiwan's overall arts and culture ecology. By the end of 2023, the accumulated page views of the ARTalks website exceeded 3.3 million, and the column "Art and Mind" was launched to expand public art participation in an easy and interesting way, so that the dialogues on art discussions can reach from the elite to the masses.

In 2023, Taishin Bank Foundation for Art and Culture continued to support contemporary art in Taiwan by investing more than NT\$11 million in organizing the Taishin Arts Award and its associated activities, such as art performance events, ARTalks and other online communities, and exchange with international jury panels.



Taishin Bank Foundation for Art and Culture website [\[external link\]](#)



ARTalks website [\[external link\]](#)

For the 2023 Taishin Arts Award, after a whole year of observation and selection by 9 nominators, 115 submissions were nominated of which 17 were shortlisted. The award ceremony was held in May and three award winners were announced: Takamori Nobuo, a curator committed to cultural studies in the Global South, received the Visual Arts Award for his work, *The Oceans and the Interpreters*; dance artist duo Chen-Wei Lee and Vakulya Zoltán won Performing Arts Award for *Burnt [the eternal long now]*; and Jo-Hung Tang won Grand Prize Award for his work, *As You Sleep Worry-Free —From Pandemic to War: About disaster crisis like a celebration in one or two different cook methods*. The award ceremony was streamed live, reaching nearly 30,000 viewers. This year's Arts Award resumed inviting a panel of international jurors to participate in the final selection process for the first time after three years of the pandemic. A panel discussion was held with the international jurors, inviting three speakers to share their cultural observations on the role of art in "cities" and how it affects cultural enhancement.

During the selection period, four days of face-to-face engagement with artists were organized as part of the Taishin Arts Award. For four consecutive nights, 17 groups of shortlisted artists were invited to talk with the nominators. Registration for the event was open to the public, providing everyone the opportunity to converse with artists and nominators in close range. It also created opportunities for the general public to participate in the Taishin Arts Award activities.

Social Impact

- The Taishin Arts Award have been organized for 21 consecutive years, and the ARTalks review website platform has been promoted to expand the visibility and opportunities for Taiwanese contemporary art talents to stand on the international stage.

- In the 21st Taishin Arts Award in 2023, the winners of the 3 major awards of the "Taishin Arts Award" were presented, 13 groups of shortlisted artists' exhibition and creation projects were funded, and 3 domestic and foreign art exhibitions were held. It is an opportunity for Taiwan's contemporary art talents to expand their visibility and stand on the international stage.



The 21st Taishin Arts Award – Panel Discussion with the International Jurors



The 21st Taishin Arts Award – A group photo of the laureates of the three Awards. From the left TAKAMORI Nobuo, TANG Jo-Hung, LEE Chen-Wei



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

8. Social Inclusion

[8.1 Social Engagement Strategy](#)

8.2 Social Engagement Project

[Appendix](#)

- During the selection process for the 21st Taishin Arts Award 2023, other activities related to the award were organized to promote the contemporary art of Taiwan, including a dedicated website to introduce the nominated works, meet-ups to engage with the nominated artists and international jurors, and a vote for members of the public to vote for the work that they think should win.

- In 2023, the Ministry of Culture, Executive Yuan, hosted the 16th Arts & Business Award to commend and support cultural and art organizations. Taishin FHC received three awards for its unique contributions: Permanent Award – Gold Award and Bronze Award, and Special Award – Jury Panel Award, of which Taishin was the first-time and also the sole winner this year. These awards signify that the organizer recognizes Taishin Arts Award as one of the important and iconic arts awards in Taiwan since its establishment in 2022. At the end of 2022, the "NEXT: Taishin Arts Award 20th Anniversary Exhibition" was launched in celebration of the 20th anniversary of the Taishin Arts Award. At the Arts & Business Award, the Ministry of Culture took this opportunity to thank Taishin FHC for its years of selfless support and contribution to the innovation and frontiers of arts and culture, becoming a key driver of the arts and cultural ecosystem of Taiwan.



In 2023, the Ministry of Culture, Executive Yuan, hosted the 16th Arts & Business Award. Taishin FHC received the Special Award – Jury Panel Award, the sole winner of the year.

Arts Culture Promotion Platform

Project Origin/ Introduction of Contents

Since 2006, Taishin has long been committed to arts and culture development activities. For more than 10 years, Taishin has continually promoted multiple high-quality art exhibitions and performances through Taishin Tower lobby exhibitions, Friday Noon Concerts, and by holding Employee Arts Courses. By investing resources in art, Taishin aims to create an art-friendly space for its customers, communities, and employees. The amount invested in the promotion of arts and cultural performances in 2023 reached NT\$1.5 million.

Key Inputs and Outputs

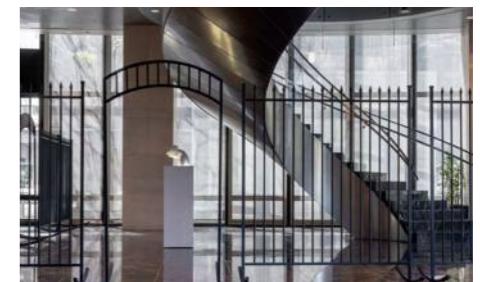


A workshop of *Contemporary Foraging* by Weed Day at the Taishin FHC Headquarters building



1. Taishin Tower Lobby Exhibitions

The Foundation regularly organizes art exhibitions in the lobby on the first floor of Taishin FHC Headquarters building. The exhibitions showcase the imaginative world of artists, infusing a variety of creative atmosphere in the reception area of the headquarters building. In 2023, we invited a team of artists from Weed Day to host an activity, themed "Contemporary Foraging," of brewing tea by using ingredients from nature: foraged weeds, which are wild plants that surround us in nature. A grass space outside the Taishin FHC building was designated as the Weed Conservation Area, which is left untouched so that weeds and habitat species can grow naturally and help the city achieve ecological balance. A workshop was also organized to host a range of weed-themed activities as a way of offering our blessings to our beautiful land; these activities included introducing the formula of weed tea brewed in different regions, writing with grass root-designed pens, making bookmarks with weeds, and drawing weed-inspired mandalas, which has a therapeutic effect on the body and mind.



Taishin Tower Lobby Exhibition—*Dream About Me* by Joyce Ho



Friday Noon Concerts are held every other Friday. A family concert was presented during summer vacation with the storyteller Jenny Wu and live performance.

2. Friday Noon Concerts

Friday Noon Concerts are held every other Friday. For these concerts, famous Taiwanese and foreign musicians are invited to perform different types of music. The concerts are also open to the public for free, and have accumulated a total of 396 performances in the past 17 years.

In 2023, 24 music concerts were organized, with performances by the MIT Saxophone Ensemble, Taipei Chamber Singers, The Gleam Ensemble, KGBL Chamber Choir from Slovenia, and Vincent Hsu featuring Andy Jaffe Septet among other top-notch musicians and groups. In addition, a family concert was held for the first time during summer vacation, with storyteller Jenny Wu and the live performance of the harp, cello, and piano, filling the concert venue with warmth and childlike fun.

3. Employee arts courses

Employee arts courses have been introduced with contents ranging from art appreciation, theatrical performance, and parental activities, to human culture.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

8. Social Inclusion

[8.1 Social Engagement Strategy](#)

8.2 Social Engagement Project

[Appendix](#)

In 2023, a total of 14 art and cultural courses were organized for employees, attracting more than 700 participants. Course activities included the National Concert Hall - 2023 OPEN HOUSE: Opening the Door to the Concert Hall, a guided tour and music appreciation event; Dasein – Born to Be Human in Jut Art Museum; 2023 Taipei Children's Arts Festival: The Way Back; Tsai Ming-Liang's Days, a guided tour and film appreciation event in the Museum of National Taipei University of Education; a performance by Tung-Chieh Chuang and Bochumer Symphoniker at Wei Wu Ying National Kaohsiung Center for the Arts; and a visit to the Simbalion Art Studio. In addition, Taishin Arts Foundation publishes the monthly "Art News" e-newsletter, recommending popular performances and activities to Taishin employees. Employees are encouraged to write their after thoughts of the performances, which are then published in the information-sharing page on the foundation's website.

Social Impact

- The Foundation regularly organizes art exhibitions in the lobby on the first floor of Taishin FHC Headquarters building. In addition to contemporary art exhibitions, sustainability-themed artwork exhibitions are also held to show our support for sustainability initiatives, and employees, clients, and community residents are invited to visit our exhibitions.
- Friday Noon Concerts have been held for the past 17 years. For these concerts, famous Taiwanese and foreign musicians are invited to perform different types of music. The concerts are also open to the public for free. An average of 23 to 25 performances are held each year, with an audience of nearly 6,000, attracting loyal audiences from all over Taipei to participate regularly and cultivate their music literacy.
- A wide array of art and cultural courses has been designed for employees to cultivate their arts and cultural literacy and internalize aesthetic experience and innovative thinking.

Art Sponsorship

Project Origin/ Introduction of Contents

Taishin FHC is committed to enriching the artistic vision of Taiwanese people and lowering the threshold of art appreciation, so that the public can come into contact with art from daily lives, cultivate the vision of art, and enrich their soul and life. It continues to introduce diversified, international, classic and high-quality art performances in the form of art sponsorship, so that people in Taiwan can all enjoy classic art from all over the world.

Key Inputs and Outputs

2023 Sponsored the following performances

- 2023 Wiener Philharmoniker Opening Night
- The Musical <THE WEDDING BANQUET> 20th Anniversary Live in Concert
- Cello CHANG's Family Concert
- 2023 NTCH Summer Jazz: Outdoor Party
- Weiuying Circus Platform
- Mitch Albom's Tuesdays with Morrie by Godot Theatre Company
- RE: Paul Chiang, Meditating Algorithm: Immersive in the life and the works of Paul Chiang
- Taiwan Music Festival

Note: For the list of sponsorships for arts and cultural activities over the years, please refer to the official website: Social Impact - Arts and Culture Sponsorship [\[link\]](#)

Social Impact

- Make arts and culture appreciation opportunities available to all: promote the combination of art and public welfare, so that disadvantaged groups can gain strength through appreciation of art exhibitions and performances. A total of 2,800 persons from disadvantaged groups have been benefited.

- Enrich the artistic vision of Taiwanese people: Since 2006, Taishin has sponsored international art and culture to perform in Taiwan in a large-scale manner. In 2023, the sponsorship amount is NT\$24.06 million, with 133,845 participants. The total investment amount exceeds NT\$289 million, attracting as many as 7,555 million participants.

8.2.3 Sports Promotion

Sports Sponsorship

Project Origin/ Introduction of Contents

Taishin is an active supporter of Taiwan's sports development and provides support to help Taiwanese athletes establish themselves on the domestic and international stages. Our sports sponsorship covers a variety of sports, such as karate, golf, basketball, and road running. Taishin has been sponsoring karate since 2005 and women's golf since 2011, and extended our support to basketball and road running in 2017. In 2018, Taishin became the title sponsor of not only High School Basketball League (HBL) games, but also the largest women's marathon "Taishin Women Run" in Taiwan. Taishin also became the title sponsor of a professional basketball team, the Formosa Taishin Dreamers, in 2020 and established Taipei Taishin Mars in 2023 through our subsidiary Taishin Sports Entertainment Co., Ltd. to expand our support for large-scale sport events. Driven by the same strategy to inspire a virtuous cycle for public welfare, Taishin has chosen to associate sports with its charity efforts as much as possible to attain a broader and deeper connection with the audience. Taishin has been certified for Taiwan iSports for 4 consecutive years in 2016, 2018, 2020, and 2023 (the 2016 and 2018 certification is valid for 2 years, and the 2020 certification is valid for 3 years), and we were also honored with the Sports Activists Awards in 2022 and 2023.

Key Inputs and Outputs

- Sports Sponsorship Results



1. Karate

In the aftermath of the 921 Earthquake, Taishin introduced its "Caring Taiwan" campaign and invited customers to donate small sums/invoices through PayEasy, an online platform, as well as Taishin's sponsorship and scholarship. To date, more than 800 economically disadvantaged children have been trained to stand on the stage of world competitions. By the end of 2023, a cumulative sum of more than NT\$108.98 million was raised to fund Nantou Youth Karate Team.



About This Report

[Message From the Chairman](#)

[Message From the President](#)

[About Taishin](#)

[Sustainability Project](#)

[Sustainability Awards and Recognition](#)

[1. Sustainability Strategy](#)

[2. Sustainability Governance](#)

[3. Climate Strategy](#)

[4. Green Operation](#)

[5. Sustainable Finance](#)

[6. Smart Services](#)

[7. Employee Care](#)

8. Social Inclusion

[8.1 Social Engagement Strategy](#)

8.2 Social Engagement Project

[Appendix](#)



2. Female Golf

Taishin has been sponsoring female golfers since 2011 and held golf celebrity charity matching matches to connect customers with Taishin-sponsored golfers to participate in charity; Taishin was the sponsor of several prominent golfers including Ya-Ni Tseng, Pei-Yun Chien, Pei-Ying Tsai, Chin-Min Chen, Ting-hsuan Huang, etc. A total of 12 charity golf tournaments have been organized until today, and thanks to the participation of over 601 people, more than NT\$21.85 million in donation have been raised. Cumulatively, more than NT\$177.6 million have been invested by the end of 2023.



3. Basketball

Taishin made its first attempt to support basketball in 2017 by providing sponsorship for HBL games, the Song-Shan Senior High School team (the HBL champion), and the GDS Spotlight program. As a result, HBL games were able to maintain an annual viewership above one million and expand on a yearly basis. In 2018, Taishin participated in the support of Qualifiers for FIBA Basketball World Cup and the William Jones Cup. We supported community basketball by sponsoring the local basketball championships in 2019 and to strengthen the support for basketball, Taishin title-sponsored a professional basketball team, the "Formosa Taishin Dreamers", for the first time in 2020 and integrated basketball games into Taishin's unique ecosystem product — Richart Life app — to create a basketball life ecosystem. In 2023, Taishin established Taipei Taishin Mars, with Taipei as its home court, and received the support of the Taipei City Government. By the end of 2023, Taishin's investment in basketball exceeded NT\$123 million.



4. Road Running

Since 2018, Taishin has continued to title sponsor the largest women's road running event in Taiwan, attracting more than 70,000 people to participate in the event. At the same time, social welfare organizations have been invited to participate in sports events, so that the virtuous cycle of charity can be continued. By the end of 2023, Taishin had invested more than NT\$38 million in road running.

Social Impact

- Supporting athletes' careers in global competition: By offering sponsorship and subsidizing costs, Taishin encourages local athletes to participate actively in international competitions.
- Improving athletes' living condition: Taishin has been raising small-sum donations in the form of cash and invoice through the PayEasy platform, one of its affiliated enterprises, since 2005. These donations are being spent to improve living conditions of the Nantou Karate Team.
- Promoting sport and game participation among women and children: organized YBO Basketball Camp, and Women's road running, etc., drive the sports atmosphere.



8.2.4 Academic Exchange

Industry-university Cooperation Program

Project Origin/ introduction of Contents

To train talents and improve corporate competitiveness. To reduce the gap between theory and practice, promote employment upon graduation, and enable smooth transition into the working life. Since 2011, Taishin FHC has been cooperating with multiple universities, technology institutions and vocational schools to offer students the opportunity to learn skills and gain practical experience outside school, so that they can make a better transition into their careers upon graduation.

Since 2012, Taishin has launched a course of "Financial Service Innovation Practices" at National Taiwan University; since 2017, it has worked with National Sun Yat-sen University to hold the "Financial Innovation Masters Program"; starting from 2021, it has cooperated with National Cheng Kung University in the "Graduate Institute of Finance "Industrial Master Program""", hoping that the collaboration between industry and academia can not only get outstanding students ready for work, but can also become a new force to stabilize the growth of the Taishin talent pool.

Key Inputs and Outputs

- Entered into the industry-academia cooperation project with a total of 81 colleges and universities
- Held a total of 25 various briefing sessions with colleges and universities
- A total of 570 new graduates have been recruited
- A total of 420 interns have been recruited

Social Impact

- Through industry-academia cooperation, students are provided with internship and employment opportunities to achieve the combination of practice and theory, to help accumulate practical experience in the workplace, and to successfully connect with employment.
- Arrange Taishin managers to give lectures, exchange innovative financial practices, and cultivate financial innovation talents needed by enterprises.
- Sponsor campus business competitions to enhance the brand image of the employer.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

8.1 Social Engagement Strategy

8.2 Social Engagement Project

Appendix

8.2.5 Incubation of Youth Volunteer Service

Taishin Youth Volunteer Awards & Youth Volunteer Service Promotion Platform

Introduction

Young students in Taiwan generally lack the independent thinking ability and the motivation to explore life goals under the pressure of exam-oriented education that emphasizes academic performance and the competitive environment. At the same time, social resources are mostly concentrated on students with outstanding academic performance, and values are oriented towards utilitarianism; thus, adolescents with poor academic performance or economic disadvantage are prone to character, family and social problems. However, Taiwan is rapidly entering a social structure of aging and declining birthrates, and it is necessary to actively develop and nurture young generations to make contributions and change the status quo together across generations.

Taishin Youth Foundation is the first welfare platform to honor middle-school students devoting to volunteering works, with the purpose of nurturing youth leaders, expanding social participation, and cultivating good character and civic literacy. It has continued to hold the annual "Taishin Youth Volunteer Awards" for 23 years so far, connecting the education community, the government, middle schools and charity groups, encouraging young people to actively participate in voluntary services and commending them for their participation.



Key Inputs and Outputs

In the 23rd "Taishin Youth Volunteer Awards", Vice President Lai Ching-te commended 30 outstanding volunteer award winners. For the first time, the ceremony was held via internet live streaming, and according to the designation of each award winner, donations were made to 30 social welfare organizations and 3 schools across the country. A total of NT\$550,000 was donated to support youth volunteers' participation in the care services of social welfare organizations.

Internalizing the concept of sustainability in the service culture is a new trend. According to findings of the 23rd Volunteer Service Survey, the services of young adults remain in alignment with the UN Sustainable Development Goals (SDGs), mainly the goal "Quality Education" followed by "Good Health and Well-being" and "Partnerships for the goals." By using their creativity and social media networks, youth volunteers embrace diversity and inclusion in their community engagement and strive to align their service deeds with the 17 UN SDGs. They are also committed to realizing Taishin's main sustainability vision, "Dedicated to Sustainability," to achieve mutual prosperity in society.

Social Impact

- The "Taishin Youth Volunteer Awards" has been held consecutively for 23 years, encouraging and commending more than 80,000 young people who have engaged in voluntary services so far. In 2023, nearly 1,600 young people were encouraged to participate in the charity and welfare services, continuing to spread the spirit of helping others, and strengthening the energy of youth volunteer service in Taiwan's society.
- Every year, we cooperate with the central government (the Ministry of Education and the Ministry of Health and Welfare), 22 county and city governments in Taiwan, more than 1,200 secondary schools and nearly 150 social welfare units to jointly promote youth volunteer services.
- The reward for long-term commitment to youth volunteer service promotion. The teachers and service clubs of secondary schools praise the Taishin Youth Volunteer Awards as an important indicator and the highest honor for volunteer service promotion.
- Every year, the officers of the competent authority, predecessors of the education community, public welfare organizations in the field of service learning, social welfare-related media and other circles are invited to join the award judging panel and the planning of power-building activities; by gathering experts, scholars and organization leaders who have long been concerned about youth education and service learning, we work together to promote the volunteer service atmosphere of Taiwanese teenagers and improve the quality and soft power of the young generation.

Detailed highlights and Summary of the 23rd "Taishin Youth Volunteer Awards"



Online commendation ceremony [↗](#)



30 winners' service experience sharing [↗](#)



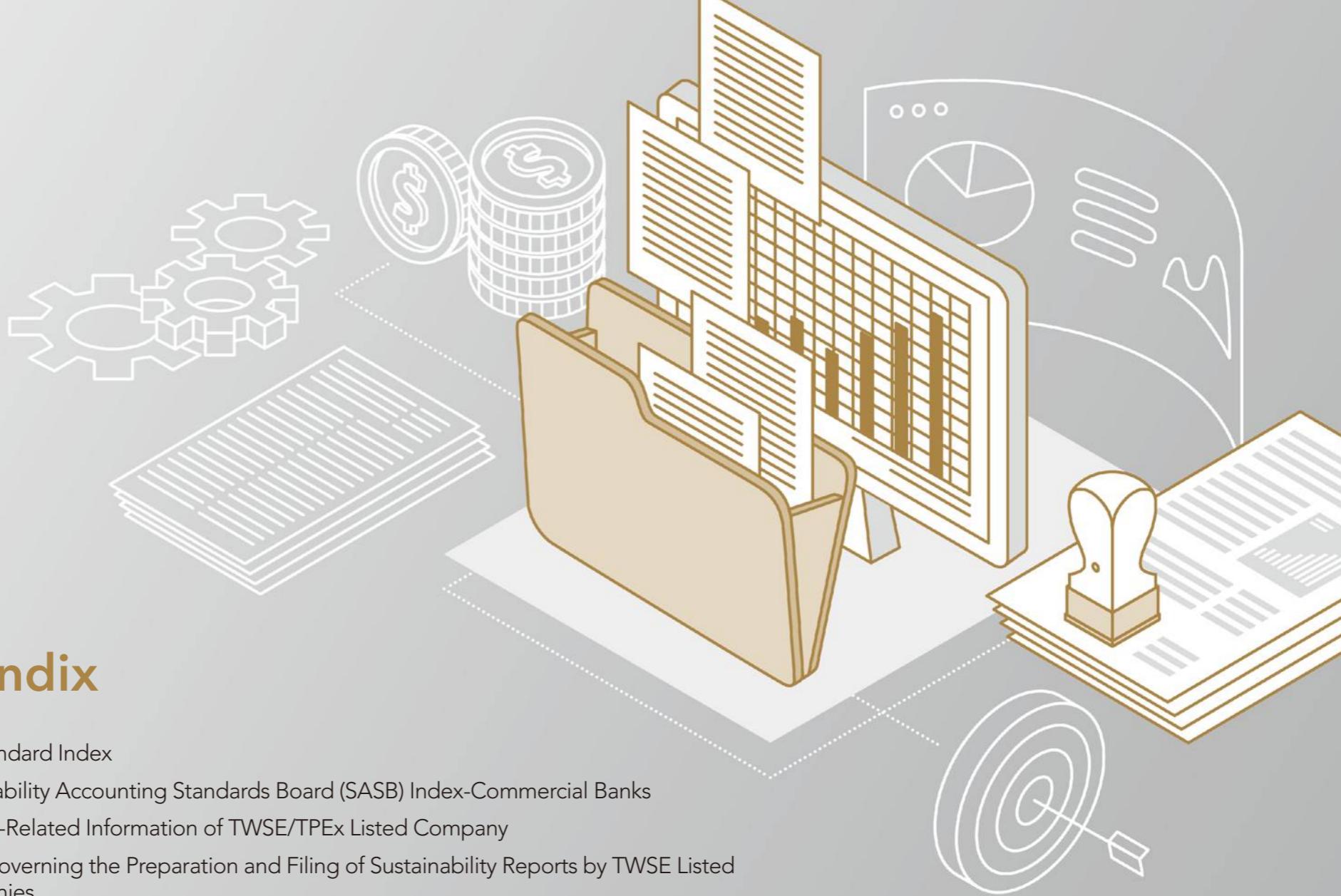
Annual service video –
Safeguarding the Life of Frogs
for Environmental Sustainability
Tsung-Che Wu [↗](#)



Awards directory and
activity brochure [↗](#)



- [About This Report](#)
- [Message From the Chairman](#)
- [Message From the President](#)
- [About Taishin](#)
- [Sustainability Project](#)
- [Sustainability Awards and Recognition](#)
- [1. Sustainability Strategy](#)
- [2. Sustainability Governance](#)
- [3. Climate Strategy](#)
- [4. Green Operation](#)
- [5. Sustainable Finance](#)
- [6. Smart Services](#)
- [7. Employee Care](#)
- [8. Social Inclusion](#)
- [Appendix](#)



Appendix

- 140** GRI Standard Index
- 143** Sustainability Accounting Standards Board (SASB) Index-Commercial Banks
- 144** Climate-Related Information of TWSE/TPEX Listed Company
- 144** Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- 144** GHG Inventory of Taishin FHC and its Subsidiaries
- 145** Independent Assurance Opinion Statement
- 146** Independent Limited Assurance Report
- 147** Summary of the Underlying Subject Matters



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

GRI Standard Index

GRI Standard	Disclosure Title	Chapter	Page	Note
GRI 2: General Disclosures 2021				
2-1 Organizational details	About Taishin		5	
2-2 Entities included in the organization's sustainability reporting	About this report		2	
2-3 Reporting period, frequency and contact point	About this report		2	
2-4 Restatements of information	About this report		2	
2-5 External assurance	About this report Appendix		145 146	
2-6 Activities, value chain and other business relationships	About Taishin 2.5.1 Supplier Management Policies 2.5.2 Supplier Risk Assessment 2.5.3 Green Procurement		5 53 54 55	
2-7 Employees	7.1.2 Diversified Recruitment		106	
2-8 Workers who are not employees	7.1.2 Diversified Recruitment		106	
2-9 Governance structure and composition	2.1.1 Governance Framework 2.1.2 Composition and Functionality of the Board of Directors		35	
2-10 Nomination and selection of the highest governance body	2.1.2 Composition and Functionality of the Board of Directors		35	
2-11 Chair of the highest governance body	2.1.2 Composition and Functionality of the Board of Directors		35	
2-12 Role of the highest governance body in overseeing the management of impacts	1.3.1 Sustainability Implementation Framework		29	
2-13 Delegation of responsibility for managing impacts	1.3.1 Sustainability Implementation Framework		29	
2-14 Role of the highest governance body in sustainability reporting	About this report 1.2.1 Identification of Material Topics and xxxx		2 18	
2-15 Conflicts of interest	2.1.2 Composition and Functionality of the Board of Directors		35	For details on the "Board Members Serving on the Boards of Other Companies," "Cross Holding Status with Suppliers or Other Stakeholders," "Existence of Controlling Shareholders," and "Stakeholder Groups and their Relationships, Transactions and Outstanding Balances," please see the Company's annual report ↗

GRI Standard	Disclosure Title	Chapter	Page	Note
2-16 Communication of critical concerns	1.2.4 Response to Matters of Concern to Stakeholders		28	
2-17 Collective knowledge of the highest governance body	2.1.2 Composition and Functionality of the Board of Directors		35	
2-18 Evaluation of the performance of the highest governance body	2.1.2 Composition and Functionality of the Board of Directors		35	
2-19 Remuneration policies	2.1.3 Remuneration Policy of Senior Executives		38	For details on the policies and decisionmaking process for the remuneration of the highest governance bodies and senior executives, please see the Company's annual report ↗
2-20 Process to determine remuneration	2.1.3 Remuneration Policy of Senior Executives		38	
2-21 Annual total compensation ratio	2.1.3 Remuneration Policy of Senior Executives		38	In 2023, the ratio of the annual total compensation of the Company's highest paid individual to the median annual total compensation of other employees was 28.8:1. In 2023, the ratio of the percentage increase of the annual total compensation of the Company's highest paid individual to the percentage increase of the median annual total compensation of other employees was -6.9%:7.3%
GRI 2: General Disclosures 2021				
2-22 Statement on sustainable development strategy	Message from the chairman Message from the president 1.1.1 Taishin FHC's Sustainability Strategy		3 4 15	
2-23 Policy commitments	2.1.4 Business Integrity Policy and Implementation		38	
2-24 Embedding policy commitments	2.1.4 Business Integrity Policy and Implementation		38	
2-25 Processes to remediate negative impacts	2.1.4 Business Integrity Policy and Implementation 7.5 Human Rights and Gender Equality		38 124	
2-26 Mechanisms for seeking advice and raising concerns	1.2.2 Stakeholder Identification and Communication		27	
2-27 Compliance with laws and regulations	2.2.2 Compliance with laws and regulations		41	
2-28 Membership associations	2.1.4 Membership in associations		38	
2-29 Approach to stakeholder engagement	1.2.2 Stakeholder Identification and Communication		27	
2-30 Collective bargaining agreements	-	-	-	Taishin has no labor unit so it is no need to sign collective bargaining agreements.

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

GRI Standard	Disclosure Title	Chapter	Page	Note
GRI 3: Material Topics 2021				
	3-1 Process to determine material topics	1.2.1 Materiality and Impact Valuation	18	
	3-2 List of material topics	1.2.1 Materiality and Impact Valuation	18	
	3-3 Management of material topics	1.2.1 Materiality and Impact Valuation	18	A list is provided in this chapter regarding "d. Description of Actions Taken to Manage Material Topics and Related Impacts," "e. Reporting Information Related to Tracking the Effectiveness of Actions Taken," and "f. Descriptions of how Engagement with Stakeholders Affected the Actions Taken and the Determination of Whether the Actions Taken are Effective." The list is indexed to the corresponding chapters for each material topic.
Material Topics: issues were identified as highly material, moderately material and its corresponding GRI Standards				
Corporate Governance				
	Management strategies	2.1 Corporate Governance	35	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1.2 Composition and Functionality of the Board of 7.1.2 Diversified Recruitment	35 106	The company is politically neutral. It offers no donations to any political party, individual, or government agency
GRI 415: Public Policy 2016	415-1 Political contributions	-	-	
Compliance with laws and regulations				
	Management strategies	2.2 Business Integrity	39	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.2.3 Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT)	42	
	205-2 Communication and training about anti-corruption policies and procedures	2.2.3 Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT)	42	
	205-3 Confirmed incidents of corruption and actions taken		-	There had been no incident of corruption in the reporting period
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		-	There had been no incident of anticompetitive behavior in the reporting period
Business Continuity and Technology Risk Management				
	Management strategies	2.3 Risk Management and Internal Control	44	
Risk Management and Internal Control				
	Management strategies	2.3 Risk Management and Internal Control	44	
Information and Transaction Security				
	Management strategies	2.4 Information and Transaction Security	51	
Climate change strategies				
	Management strategies	3.1 Net zero emission goal 3.2 Climate-related financial disclosures (TCFD)	57 62	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	3.2 Climate-related financial disclosures (TCFD)	62	
Green Operation Management				
	Management strategies	4.1 Environmental Management Framework 4.2 Energy Conservation & Carbon Reduction	67 68	
	302-1 Energy consumption within the organization	4.2.2 Performance and Results	69	
	302-2 Energy consumption outside of the organization	4.2.2 Performance and Results	69	
GRI 302: Energy 2016	302-3 Energy intensity	4.2.2 Performance and Results	69	
	302-4 Reduction of energy consumption	4.2.2 Performance and Results	69	
	302-5 Reductions in energy requirements of products and services	4.2.2 Performance and Results	69	
	305-1 Direct (Scope 1) GHG emissions	4.2.2 Performance and Results	69	
	305-2 Energy indirect (Scope 2) GHG emissions	4.2.2 Performance and Results	69	
	305-3 Other indirect (Scope 3) GHG emissions	4.2.2 Performance and Results	69	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	4.2.2 Performance and Results	69	
	305-5 Reduction of GHG emissions	4.2.2 Performance and Results	69	
	305-6 Emissions of ozone-depleting substances (ODS)	-	-	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-	-	Taishin is in the financial industry and emission of greenhouse gases only include CO ₂ , SF ₆ , HFCs, so it does not have any ODS, NO _x , and SO _x emissions

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

GRI Standard	Disclosure Title	Chapter	Page	Note	GRI Standard	Disclosure Title	Chapter	Page	Note		
Sustainable Finance											
Management Strategies		5.1 Sustainable Finance Policy and Actions	74		GRI 404: Training and Education 2016	404-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.1.3 Talent Development	108			
		5.2 Responsible Lending	78								
		5.3 Project Finance	82		GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1.2 Composition and Functionality of the Board of Directors	035			
		5.4 Responsible Investment	83								
		5.5 Asset Management	85								
		5.6 Sustainable Insurance	86						7.1.2 Diversified Recruitment 106		
FinTech/Digital Innovation											
Management Strategies		6.1 FinTech/Digital Innovation	88		Management Strategies		7.2 Remuneration, Benefits & Employee Care	112			
		GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6.4 Financial Inclusion 100			201-3 Defined benefit plan obligations and other retirement plans	7.2.1 Remuneration Policy 112			
			203-2 Significant indirect economic impacts	6.1 FinTech/Digital Innovation 88 6.4 Financial Inclusion 100			401-1 New employee hires and employee turnover	7.1.1 Recruitment Channels and Methods 106 7.2.2 Performance Management 113			
		Customer Relationship Management					401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2.3 Employee Benefits & Care 115			
Management Strategies		6.2 Customer Relationship Management and Consumer Protection	93				401-3 Parental leave	7.2.3 Employee Benefits & Care 115			
		GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	6.2.1 The Principle of Fair Treatment of Customers 93			404-3 Percentage of employees receiving regular performance and career development reviews	7.2.2 Performance Management 113			
			417-2 Incidents of non-compliance concerning product and service information and labeling	6.2.1 The Principle of Fair Treatment of Customers 93			405-2 Ratio of basic salary and remuneration of women to men	7.2.1 Remuneration Policy 112			
			417-3 Incidents of non-compliance concerning marketing communications	6.2.1 The Principle of Fair Treatment of Customers 93			Occupational Health and Safety				
Privacy Protection											
Management Strategies		6.3 Privacy Protection	98		Management Strategies		7.3 Occupational Health and Safety	118			
		GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.3.2 Privacy Protection Measures 98			403-1 Occupational health and safety management system	7.3.1 Workplace safety and health management structure 118			
Financial Inclusion											
Management Strategies		6.4 Financial Inclusion	100				403-2 Hazard identification, risk assessment, and incident investigation	7.3.2 Workplace safety and health risks 118			
		GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6.4 Financial Inclusion 100			403-3 Occupational health services	7.3.3 Occupational Health and Safety 118			
			203-2 Significant indirect economic impacts	6.4 Financial Inclusion 100			403-4 Worker participation, consultation, and communication on occupational health and safety	7.3.4 Occupational Health and Safety 118			
Talent Development											
Management Strategies		7.1 Talent Development	106		GRI 403: Occupational Health and Safety 2018		403-5 Worker training on occupational health and safety	7.3.5 Workplace safety and health risks 118			
		GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7.1.1 Recruitment Channels and Methods 106 7.2.2 Performance Management 113			403-6 Promotion of worker health	7.3.6 Workplace safety and health risks 118			
Management Strategies		7.1.3 Talent Development	108				403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.3.7 Occupation Health and Safety 118			
		GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	7.1.3 Talent Development 108			403-8 Workers covered by an occupational health and safety management system	7.3.8 Workplace safety and health management structure 118			
Management Strategies							403-9 Work-related injuries	7.3.9 Workplace safety and health risks 118			
							403-10 Work-related ill health	7.3.10 Workplace safety and health risks 118			

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

GRI Standard	Disclosure Title	Chapter	Page	Note
Human Rights and Gender Equality				
Management Strategies	7.5 Human Rights and Gender Equality	124		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	7.5.1 Human Rights Policy	124	
GRI 407: Freedom of Association and Collective Bargaining 2017	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
General topics: Classified as general topics and their corresponding GRI standards				
Sustainable Supplier Management				
Management Strategies	2.5 Sustainable Supplier Management	53		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.5.1 Supplier Risk Assessment	53	
	308-2 Negative environmental impacts in the supply chain and actions taken	2.5.2 Supplier Risk Assessment	54	
GRI 407: Freedom of Association and Collective Bargaining 2017	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.5.2 Supplier Risk Assessment 7.5.2 Human Rights Risk Assessment	54 125	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.5.1 Supplier Risk Assessment	53	
	414-2 Negative social impacts in the supply chain and actions taken	2.5.2 Supplier Risk Assessment	54	
Labor-Management Relations				
Management Strategies	7.4 Labor-Management Relations	123		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		-	According to the relevant provisions of Article 16, Paragraph 1 of the Labor Standards Act
Local Care				
Management Strategies	8.1 Social Engagement Strategy	128		
	8.2 Social Engagement Project	132		

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Topic	Accounting Metric	Code	Charter	Page
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected Description of approach to identifying and addressing data security risks	FN-CB-230a.1 FN-CB-230a.2	2.4.2 Information Security Awareness and External Party Management 2.4.1 Framework of the Information Security	52 51
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development (1) Number and (2) amount of past due and nonaccrued loans qualified to programs designed to promote small business and community development Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.1 FN-CB-240a.2 FN-CB-240a.3 FN-CB-240a.4	6.4.2 Inclusive finance products and services 6.4.2 Inclusive finance products and services 6.4.2 Inclusive finance products and services 6.4.3 Other non-financial support	100 100 100 103
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	5.2 Responsible Lending	78
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3 Gross exposure for each industry by asset class Percentage of gross exposure included in the financed emissions calculation Description of the methodology used to calculate financed emissions	FN-CB-410b.1 FN-CB-410b.2 FN-CB-410b.3 FN-CB-410b.4	3.1.2 Net Zero Strategy and Implementation 3.1.2 Net Zero Strategy and Implementation 3.1.2 Net Zero Strategy and Implementation 3.1.2 Net Zero Strategy and Implementation	57 57 57 57
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations Description of whistleblower policies and procedures	FN-CB-510a.1 FN-CB-510a.2	No relevant cases occurred 2.2.2 Legal Compliance	- 41
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.1 FN-CB-550a.2	Taishin Bank is not a G-SIB and is not applicable to this indicator 2.3.1 Risk Management System	- 44



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

Climate-Related Information of TWSE/TPEX Listed Company

No.	Code	Chapter	Page	2023 Taishin FHC TCFD Report Chapter	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.2 Climate-related financial disclosures (TCFD)	62	1.1 Climate Governance Framework 1.2 Roles & Responsibilities of the Board and Management	7-9
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.2 Climate-related financial disclosures (TCFD)	62	2.1 Climate-related Risks Opportunities 2.2 Climate Strategy and Actions	10-26
3	Describe the financial impact of extreme weather events and transformative actions.	3.2 Climate-related financial disclosures (TCFD)	62	2.1 Climate-related Risks and Opportunities	10-15
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.2 Climate-related financial disclosures (TCFD)	62	3.1 Climate Risk Management Framework 3.2 Climate Risk Management	40-48
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	3.2 Climate-related financial disclosures (TCFD)	62	2.3 Climate Change Scenario Analysis and Resilience Assessment	27-39
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	3.1 Net zero emission goal 3.2 Climate-related financial disclosures (TCFD)	57 62	3.2 Climate Risk Management 4.1 Science-Based Targets (SBT) and Achievement 4.2 Environmental Data of Own Operations 4.3 Net-Zero Emissions Data of Financial Business	43-48 49-55
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	4.2 Energy Conservation & Carbon Reduction	68	2.2 Climate Strategy and Actions	16-26
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.1 Net zero emission goal 4.2 Energy Conservation & Carbon Reduction	57 68	4.1 Science-Based Targets (SBT) and Achievement 4.2 Environmental Data of Own Operations 4.3 Net-Zero Emissions Data of Financial Business	49-55
9	Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	4.2 Energy Conservation & Carbon Reduction	68	4.2 Environmental Data of Own Operations	50-51

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

No.	Code	Chapter	Page
Sustainability Disclosure Indicators - Financial Insurance Industry			
1	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	2.4.2 Information Security Awareness and External Party Management	52
2	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities	6.3.2 Privacy Protection Measures	98
3	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services	5.2.1 Wholesale Banking Business	78
4	Products and services designed by individual operating units to create benefits for the environment or society	6.4.3 Other non-financial support	103
		5.2 Responsible Lending 5.3 Project Finance 5.4 Responsible Investment 5.5 Asset Management 5.6 Sustainable Insurance 6.4.2 Inclusive finance products and services	78 82 83 85 86 100
		8.1.3 Partner Support	130

GHG Inventory of Taishin FHC and its Subsidiaries (Unit: tons CO₂e; tons CO₂e/NT\$ million)

Emission sources	Scope1				Scope2				
	2022		2023		2022		2023		
	Total Emissions	Intensity							
Taishin FHC	-	-	-	-	58	0.0039	58	0.0038	
Taishin Bank	1,314	0.0333	1,347	0.0299	17,046	0.4325	13,531	0.3008	
Taishin Life	13	0.0006	16	0.0008	1,758	0.0783	1,737	0.0840	
Taishin Securities	78	0.0274	84	0.0189	922	0.3240	882	0.1985	
Taishin Securities Investment Trust	-	-	4	0.0050	140	0.1789	153	0.1937	
Taishin Securities Investment Advisory	-	-	-	-	72	0.5918	71	0.5723	
Taishin Asset Management	13	0.0411	14	0.0474	19	0.0600	17	0.0573	
Taishin Venture Capital Investment	-	-	-	-	N/A	16	0.0040	16	N/A

Note: 1. In 2022, in accordance with ISO 14064-1:2018 and ISO 14064-3:2006, Taishin FHC, Taishin Bank (a total of 105 branches and 5 overseas branches), as well as Taishin Securities, Taishin Asset Management, Taishin Investment Trust, Taishin Venture Capital, Taishin Investment Consulting, and Taishin Life Insurance have a total of 37 subsidiary locations; the assurance level of greenhouse gas verification, Scope 1 and Scope 2 were reasonable assurance levels, and the date of obtaining the assurance certificate was 2023/5/24.

2: In 2023, in accordance with ISO 14064-1:2018 and ISO 14064-3:2019, Taishin FHC, Taishin Bank (a total of 106 branches and 5 overseas branches), as well as Taishin Securities, Taishin Asset Management, Taishin Investment Trust, Taishin Venture Capital, Taishin Investment Consulting, and Taishin Life Insurance have a total of 43 subsidiary locations; the assurance level of greenhouse gas verification, Scope 1 and Scope 2 are reasonable assurance levels, and the confirmation report obtained on 2024/6/14, and obtained before June 30 Confirmation certificate.

3. Scope 2 emissions are market based.

4. Taishin Venture Capital's net income was negative in 2023, so the intensity was presented as N/A.

5. The certificate of assurance is disclosed on the Taishin Financial Holdings website/Corporate Sustainability/Sustainability Regulations and Certification.



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEx Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Taishin Financial Holding Co., Ltd. 2023 Sustainability Report

The British Standards Institution is independent to Taishin Financial Holding Co., Ltd. (hereafter referred to as Taishin FHC in this statement) and has no financial interest in the operation of Taishin FHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Taishin FHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Taishin FHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Taishin FHC only.

Scope

The scope of engagement agreed upon with Taishin FHC includes the following:

1. The assurance scope is consistent with the description of Taishin Financial Holding Co., Ltd. 2023 Sustainability Report.
2. The evaluation of the nature and extent of the Taishin FHC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Taishin Financial Holding Co., Ltd. 2023 Sustainability Report provides a fair view of the Taishin FHC sustainability programmes and performances during 2023. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the report, the information and data provided by the Taishin FHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate Taishin FHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Taishin FHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to Taishin FHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on Taishin FHC's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 20 staff involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that Taishin FHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Taishin FHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization. However, the future report should be further enhanced by the following areas:

- Encouraging to consider international peers' practices to develop the relevant ESG strategies of the bank.

Materiality

The Taishin FHC publishes material topics that will substantially influence and impact the assessments, decisions, actions and performance of Taishin FHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Taishin FHC's management and performance. In our professional opinion the report covers the Taishin FHC's materiality assessment process and material issues.

Responsiveness

Taishin FHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the Taishin FHC is developed and continually provides the opportunity to further enhance Taishin FHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Taishin FHC's responsiveness issues. However, the future report should be further enhanced by the following areas:

- Aligning Taishin FHC's expertise with core competency as to develop ESG-related products, services or public welfare projects, and development should assess and screen environmental and social risks.

Impact

Taishin FHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Taishin FHC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the Taishin FHC's impact issues.

Performance Information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, Taishin FHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within Taishin Financial Holding Co., Ltd. 2023 Sustainability Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

Taishin FHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Taishin FHC's sustainability topics. However, the future report will be improved by the following areas:

- Continuously focus on the implementation of sustainability procedures and programs as to correspond the updated relative standards.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the Taishin FHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Statement No: SRA-TW-804501

2024-06-03

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

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Peter Pu, Managing Director BSI Taiwan

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About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

Independent Limited Assurance Report



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Independent Limited Assurance Report

To Taishin Financial Holding Co., Ltd.:

We were engaged by Taishin Financial Holding Co., Ltd. ("Taishin FHC") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2023 Sustainability Report of Taishin FHC ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

Taishin FHC shall prepare the Subject Matter Information in accordance with applicable criteria required by Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies ("the Regulation"), Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board, and the Sustainability Accounting Standards for Commercial Banks Industry issued by Sustainability Accounting Standards Board ("SASB") as set forth in Appendix I.

Management's Responsibilities

Taishin FHC is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Taishin FHC is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive

- 1 -

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system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Taishin FHC;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information;
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Taishin FHC. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Yu-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)
Jun 25, 2024

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

-1-1-



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

Summary of the Underlying Subject Matters

No	Chapter	Assured Information	Rules/ GRI Standards
1	2.4.2 Information Security Promotion and Information Security Incident	<ul style="list-style-type: none"> Taishin FHC has implemented the "Taishin FHC Information Security Incident Management Guidelines" to establish the reporting and response procedures for information security incidents. The Company and its subsidiaries will each consider the scope and severity of impact of information security incidents and proceed to determine and analyze such incidents. For example, major information security incidents will be reported to the supervisors in charge as well as Taishin FHC Chief Information Officer and Chief Information Office. The information security response procedures will be carried out for incident management, cause confirmation and correction, service restoration, and review and improvement in order to reduce hazards and losses. Taishin adheres to the domestic regulatory requirements as well as local regulatory requirements in other countries, and checks and reports compliance regularly to the local competent authorities. In 2023, Taishin FHC and its subsidiaries did not incur any information security incidents or other major extraordinary events that were required to be reported to local financial authorities, and did not have any compliance deficiencies. Information security violations in 2023 <ul style="list-style-type: none"> Number of violations of information security regulations or cyber security incidents: 0 Number of data breaches: 0 As a percentage of data breaches events involving personally identifiable information (%): 0 Number of customers and employees affected by breaches of company information: 0 Fines for information security or network security incident (NT\$): 0 	FN-CB-230a.1 Taiwan Stock Exchange Corporation Rules Appendix 1-3 No.1 Number of data breaches, percentage involving personally identifiable information, and number of account holders affected
2	6.3.2 Privacy Protection Measures	<ul style="list-style-type: none"> In 2023, a total of 14 cases (10 from external organizations and 4 from customers) related to personal information protection were reported by Taishin Bank customers to Taishin Bank or through the competent authorities, and among them, 4 cases were attributed to the responsible parties. After explanation and handling, the customers had no other objections, and all of them were handled appropriately. In 2023, there were 4 cases related to personal information protection that customers reflected to Taishin Life or through the competent authorities, and there were 2 cases of attribution of responsibility. After explaining and handling the cases, the customers had no other objections, and they were all handled appropriately. Regarding personal information protection related complaints, there were a total of 3 data breaches events in 2023, 100% of which involved breaches of personal information. The total number of customers affected by data breaches events was 4. 	FN-CB-240a.1 Taiwan Stock Exchange Corporation Rules Appendix 1-3 No.2 Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities
3	5.2.1 Wholesale Banking Business	<ul style="list-style-type: none"> In 2023, Taishin Bank has assisted 15,960 SMEs to obtain funds for their business operations, and provided access to more than NT\$280.8 billion in loans for these SMEs. Number of small and medium enterprises financing accounts: 15,960 Outstanding of small and medium enterprises loans <small>Note 2:</small> NT\$ 280,824,449 thousand Note: 1. The definition of small and medium enterprises is in accordance with the definition of small and medium enterprises by the Ministry of Economic Affairs, excluding overseas branches and OBU. 2. The number and balance of small and medium enterprises are calculated based on the results after tagging to account (that is, the same uniform number is only calculated once), and number of financing accounts and its balance exclude overdue loans (including collection). Taishin Bank is committed to improving the safety of buildings in response to the government's policy for reconstruction of dangerous and old buildings. We offer "land and building construction loans" to builders who are subject to the Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings and have obtained consent from owners of all land and legal buildings within the scope of the reconstruction plan. In 2023, support 88 financing projects, with the balance exceeding NT\$19 billion. Number of financing cases for redevelopment of old buildings at risk: 88 Outstanding of loans for redevelopment of old buildings at risk: NT\$ 19,369,148 thousand Note: Number and balance of reconstruction of old and dangerous houses are calculated based on the results after tagging to the account (that is, the same uniform number is only calculated once), and number of financing accounts and its balance exclude overdue loans (including collection) 	FN-CB-240a.3 Taiwan Stock Exchange Corporation Rules Appendix 1-3 No.3 Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.

(Continue)



About This Report

Message From the Chairman

Message From the President

About Taishin

Sustainability Project

Sustainability Awards and Recognition

1. Sustainability Strategy

2. Sustainability Governance

3. Climate Strategy

4. Green Operation

5. Sustainable Finance

6. Smart Services

7. Employee Care

8. Social Inclusion

Appendix

GRI Standard Index

Sustainability Accounting Standards Board (SASB) Index-Commercial Banks

Climate-Related Information of TWSE/TPEX Listed Company

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Greenhouse Gas Inventory of Taishin FHC and its Subsidiaries

Independent Assurance Opinion Statement

Independent Limited Assurance Report

Summary of the Underlying Subject Matters

No	Chapter	Assured Information	Rules/ GRI Standards
4	<p>5.2.1 Wholesale Banking Business</p> <p>8.1.3 Partner Support</p>	<ul style="list-style-type: none"> Loans on Renewable Energy for power generation <ul style="list-style-type: none"> Description: Those who have a "Renewable Energy Power Generation Equipment Consent Filing Letter" or a "Renewable Energy Power Generation Equipment Registration Letter" issued by the Energy Administration, Ministry of Economic Affairs, and the purpose of the funds belongs to renewable energy power generation. The loan balance in 2023 was NT\$6,136 million, accounting for 0.90% of the loan balance of corporate financial institutions. Sustainability-linked Loans <ul style="list-style-type: none"> Description: According to our guidelines for sustainability-linked loans, Taishin must engage with clients to set sustainability relevant indicators, such as energy conservation, emissions reduction, waste management, and take into consideration the link or correlation between client's overall operations and future business plans, methodology consistency, and principles of being measurable, quantifiable, and comparable. Clients fulfilling the criteria are given special loan interest rates to direct their funds toward sustainable investments. The loan balance in 2023 was NT\$17,925 million, accounting for 2.63% of the loan balance of corporate financial institutions. Cotton Field Co-branded Card <ul style="list-style-type: none"> To support organic farming in Taiwan, Taishin Bank issued a co-branded card in 2018 in collaboration with Cotton Field Organic. An additional 0.6% rebate on Cotton Field transaction will be allocated to relevant foundations, who will then use the fund to subsidize small organic farmers for obtaining organic certification and transitioning to organic farming. The objective is to increase the number of small organic farmers in Taiwan and create a positive cycle between consumers, enterprises, and producers. With this cycle, greater support is afforded to more Taiwanese organic farmers to ensure effective crop rotation, land development, and food production, thereby facilitating the development of Taiwan's organic agriculture. In 2023, Taishin had 11,320 credit cards in circulation, donated NT\$ 280,798, and has contributed NT\$3.24 million to the foundation since the card was first issued. Taishin continues to invite everyone who identifies with environmental friendliness and cherishes public welfare to become a card member. 	Taiwan Stock Exchange Corporation Rules Table 1-3 No.4 Products and services designed by individual operating units to create benefits for the environment or society.
5	1.2.1 Materiality and Impact Valuation	<ul style="list-style-type: none"> This year, Taishin FHC identified material topics based on the recommended steps in the GRI Standards and the concept of double materiality. In 2022, we assessed the financial materiality of 19 sustainability, then focused on redefining the topics based on the impacts of these issues on the economy, environment, and people, subsequently identified 8 topics with positive impact and 14 topics with negative impact, respectively, and determined which material topics to include in sustainability reporting on the basis of an analysis of the degree of impact and likelihood of occurrence and the recommendations provided by experts and external stakeholders at each step. In 2023, we re-examined and evaluated the sustainability topics and positive/negative impacts defined in the previous year, coordinated with various units of Taishin FHC to conduct annual due diligence on each impact, and calibrated the materiality assessment by considering the annual performance of key indicators related to the impact and the annual trends. Financial materiality questionnaires were distributed to top-level managers of relevant units to complete the double materiality assessment for the year. The materiality analysis procedures implemented this year are explained below: <ol style="list-style-type: none"> 1. Definitions of impact <ul style="list-style-type: none"> By adopting the steps and contents recommended in the GRI Standards, Taishin FHC used the list of 19 sustainability topics as the basis and appointed an external sustainability consultant to redefine the list based on the impact of the issues. After refocusing the 19 topics, Taishin FHC identified 8 topics with positive impact and 14 topics with negative impact. In 2023, the aforementioned sustainability topics, definitions, and impact were re-examined and evaluated, and 2 topics were renamed accordingly. 2. Evaluation of materiality <p>Impact Materiality</p> <ul style="list-style-type: none"> Relevant units of Taishin FHC evaluated the degree and likelihood of impact. Degree of impact was assessed by taking into consideration the value chain, significance, and management or remedial measures associated with the impact. Likelihood was assessed by considering the frequency of an impact based on past occurrences. This year, due diligence on each impact was conducted to re-examine the annual changes in the impact, and the results are used as the basis for correcting the materiality of the impact of each topics. <p>Financial Materiality</p> <ul style="list-style-type: none"> A financial materiality questionnaire was distributed to 15 top-level managers including the convener and team leader of the ESG Team. 3. Ranking and calibration of evaluation results <ul style="list-style-type: none"> Weights were added to the following factors: three sustainability key topics of Taishin FHC, topics that have a negative impact on human rights, and the number of entities in the value chain. The topics of significant impact were prioritized based on the analysis results and corrected as recommended by the external sustainability consultant and managerial officers. This year, opinions and feedback from internal due diligence were included to re-examine the likelihood of a positive /negative impact. 4. Approval of the management <ul style="list-style-type: none"> The analysis results were presented to the Board of Directors for final approval and confirmation of the material topics for this year's Sustainability Report. 	GRI Standards 3-1 Process to determine material topics.



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