



CTBC Financial Holding Co., Ltd. Sustainable Management Policy Version 2.0

CTBC Financial Holding Co., Ltd.

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Version history

| Version | Effective date | Details | Author | Remarks |
|---------|----------------|--|-------------------------------------|---------|
| 1.0 | Dec. 25, 2020 | Policy formulation | Corporate Sustainability Office | |
| 2.0 | Jun. 30, 2023 | Formulation and amendment of articles on the group's net-zero emissions goal and implementation principles | Corporate Sustainability Department | |
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CTBC Financial Holding Co., Ltd.

Sustainable Management Policy

Article 1 Formulation basis and objectives

In order to continually support the U.N. Sustainable Development Goals (SDGs) while balancing the Company's business growth, stakeholders' rights, and sustainable environmental and social development, CTBC Financial Holding Co., Ltd. (hereinafter, "CTBC Holding" or "the Company") hereby formulates the CTBC Holding Sustainable Management Policy (hereinafter "the Policy") as the basis for compliance in practicing sustainable management and working toward the goal of net-zero emissions by 2050.

The Policy is formulated with reference to international standards, agreements, and initiatives including the U.N.'s SDGs, Paris Agreement, Global Compact, Principles for Responsible Banking, Principles for Responsible Investment, and Principles for Sustainable Insurance and the Science-based Targets initiative (SBTi) as well as relevant policies and laws of the competent authorities. Any matter not covered by the Policy shall be executed in accordance with the Company's other policies or procedures.

Article 2 Scope

The applicable scope of the Policy is the Company and its subsidiaries.

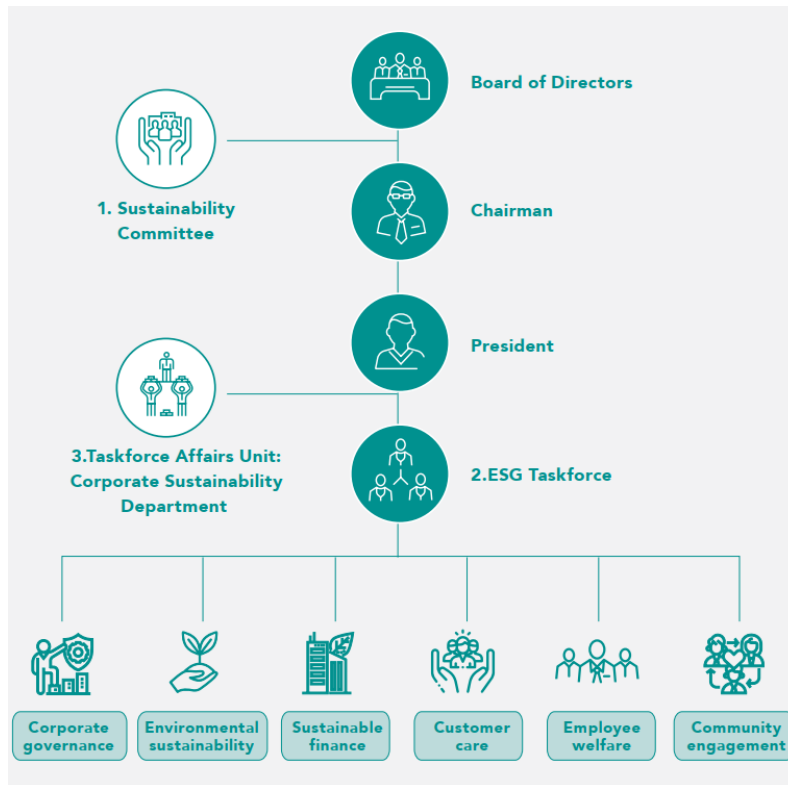
Article 3 Management structure

- I. The responsible unit for the Policy is the Company's Corporate Sustainability Department.
- II. To implement the Policy, the Company has established a sustainable management structure, as shown in the image below. The Corporate Sustainability Committee is a functional committee of the Board of Directors. In addition, a management-level ESG Taskforce has been established; it works with the management team of each subsidiary to formulate the annual corporate sustainable development targets for six ESG areas, namely corporate governance, environmental sustainability, employee welfare, sustainable finance, community engagement, and



customer service. The implementation of these targets is tracked and supervised.

III. The Corporate Sustainability Department monitors the effectiveness of target formulation and implementation, and reports it to the Board of Directors.



Article 4 Sustainability strategies and development goals

The three major themes of the Company’s sustainable development strategies are “Sustainable Growth,” “Responsible Operations,” and “A Connected Society.” The Company commits to formulating management objectives around these themes as follows in order to promote a culture of sustainability that reflects the group’s values, in turn creating long-term shared values for the Company’s stakeholders:

I. Sustainable Growth

By integrating sustainable development with digital technological trends, the Company supervises its subsidiaries to continually improve and innovate financial products, services, and operational quality in order to achieve sustainable growth. The Company commits to:



- (I) striving to develop financial products and services linked with the SDGs, including but not limited to the fields of inclusive finance and low-carbon economy, in the hopes of building a financial ecosystem with positive impact through capital utilizations; and
- (II) building a universally accessible and usable financial system through digital technologies in order to provide financial services that are even more convenient, innovative, and secure to customers.

II. Responsible Operations

A good workplace environment, corporate culture, and sound governance system, are the foundations to the Company's sustainable management. To comprehensively fulfill responsible operations in practice, the Company supervises subsidiaries to be dedicated to reducing direct and indirect environmental impacts generated during their own operating processes. The Company commits to:

- (I) treating talent as the key capital in the Company's sustainable development, empowering employees to cultivate both their personal and the Company's collective growth by providing a fair work environment and a mutually trusting corporate culture;
- (II) upholding the philosophy of ethical business management to ensure that the Company's governance system and risk management are aligned with international best practices, and engaging in transparent and sufficient information disclosure to optimize value for shareholders; and
- (III) optimizing the efficiency of energy and resource utilization and reducing the negative environmental impact of the Company's business activities through its day-to-day operations and procurement practices.

III. A Connected Society

In line with the SDGs, the Company and its subsidiaries shall focus on and continue to invest in specific social themes, and regularly examine the overall social return of investments. Furthermore, the Company and



its subsidiaries shall regularly communicate and engage with stakeholders regarding sustainable themes in order to create synergies.

The Company commits to:

- (I) leveraging corporate resources to invest in the areas of charity, anti-drug awareness, sports, education, and arts and culture in order to promote community development and social stability and to reinforce social capital; and
- (II) actively engaging with customers, suppliers, domestic and international NGOs, government agencies, academic institutions, and other stakeholders to establish sustainable partnerships that create shared value, thereby achieving our vision and goals of sustainability.

Article 5 Implementation principles

- I. When participating in a domestic or foreign initiative, the Company shall ensure that the initiative's environmental sustainability goals are consistent with those of the Paris Agreement.
- II. During business and operating activities, the Company shall consider the positive and negative impacts on the environment (e.g., climate, forests, water resources, and biodiversity), society (e.g., human rights), and the economy. It shall actively establish engagement and communication channels with stakeholders including employees, customers, communities and community partners, suppliers, governments, and investors, and shall assess relevant risks and opportunities.

Article 6 Information disclosure

The Company will adopt widely accepted international standards or guidelines in preparing Chinese and English versions of its Sustainability Report every year, and will disclose the report on the Corporate Sustainability section of its website as well as the location designated by the competent authority.

Article 7 The Policy, and any amendment thereto, shall take effect upon approval by the Board of Directors.