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To fulfill promotion of sustainable development policy, Far Eastern International Bank drew up the "Guidelines for Sustainable Development Practice," disclosing our commitment "promote corporate governance, develop a sustainable environment, maintain social benefit." The Guidelines explicitly described that it would be better that the Board of Directors comply with the following management approach when promoting a sustainable development goal. This management approach is "fully considering the benefits of stakeholders and executing the tasks below:

Drawing up a sustainable development policy, system or relevant management approach, incorporating sustainable development into our operating activity and development direction, stipulating promotion plan of sustainable development, and ensuring immediacy and accuracy of information disclosure associated with sustainable development."

Hou Chin Ying, Chairperson, and Douglas Hsu, Deputy Chairperson, contributed to Taiwanese economy to build long-lasting foundation and realize the spirit of sustainability. They received the highest honor in 2022. Hou Chin Ying, Chairperson, was honored the annual "Financial Special Contribution" Award" of Elite Awards, and "Financial Contribution" Award" of Taiwan Financial Award. These awards praised his contribution to our financial industry over 60 years, Douglas Hsu, Deputy Chairperson, was honored the Global Corporate Sustainability Award (GCSA) and the Corporate Sustainability Lifetime Achievement Award by the Taiwan Corporate Sustainability Awards (TCSA). These awards praised him for leading the Far Eastern Group and Taiwanese corporations to the path of global sustainability.



▲ Hou Chin Ying, Chairperson, was honored two lifetime achievement awards in financial industry, "Financial Special Contribution Award" of Elite Awards, and "Financial Contribution Award" of Tajwan Financial Award



▲ Douglas Hsu, Deputy Chairperson, was honored the Global Corporate Sustainability Award (GCSA) and the "Corporate Sustainability Lifetime Achievement Award" by the Taiwan Corporate Sustainability Awards (TCSA).

Sustainable Development Organization and Strategy

Our Board of Directors set up the "Corporate Sustainability Committee" to merge sustainability plan and action plan into the overall policy system. Humphrey Cheng, Director, serves as the convener. The Administration Department is responsible for execution of committee affairs and preparation of sustainability report. The Corporate Sustainability Committee draws up the eight aspects of promoting our sustainable development disclosed in the table on the right according to three main themes, environment, society and governance. The ESG Promotion Division is set up under the Corporate Sustainability Committee, concurrently serving as the unit promoting sustainable development. Members of the Division are from each department and business groups, to introduce and execute sustainable strategies in all units.



- Coordinate all competent authorities to propose and execute plans promoting relevant business.
- Integrate planning and execution outcome of promotion of sustainable development. Corporate Sustainability Committee held meeting twice in 2022 to discuss or present the planning and execution outcome. Make an arrangement for reporting the planning and execution outcome to the Board of Directors.
- All department heads gather executive progress and achievement, such as letters on sustainability operation from competent authorities, energy saving performance, employee education course or communication plan, online project progress, defects found in audits, risk management indicator, digital innovation progress and public charity implementation. All department heads report executive progress and achievement at the weekly top operation meeting, supervised by the President.
- Sustainability information disclosure is included in the report at the Shareholders' Meeting or the quarterly report at the Investor Conference.
- Released the sustainability report in Chinese and English. The latter was released in 2022 for the first time.
- At the end of 2022, we had been listed in TFTSE4Good TIP Taiwan ESG Index eight times in a row, passed the evaluation regarding more than 300 items in 14 topics in environmental, social and governance aspects by FTSE Russell, and scored 3.0 for overall ESG score, higher than 2.5, the average of companies in financial industry around the world in TFTSE4Good TIP Taiwan ESG Index.

Material topic identification procedure



When the Great Way Prevails 2022 Sustainability Report

Stakeholder Communication

The Sustainability Report Preparation Division checks the stakeholder group list proposed by all departments, which examined the affairs they are in charge of before proposing the list. It identifies the stakeholders we pay attention to and communicate with first in the current stage. The stakeholders are divided into six groups, investors, customers, employees, competent authorities, suppliers and community members/NGOs. The Administration Department reported the performance of communication among stakeholders to the Board of Directors and announced it on our website.



Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
Competent authority	Corporate governance Ethical management Compliance with laws and regulations Risk management Information security Personal information protection Finance innovation Sustainable finance Climate change Fair treatment of customers Inclusive financing	 Perform inspection accordingly and provide relevant information. Perform supervision and examine operating procedure. Adapt to policies and promote topics. Engage in various appraisals or evaluations. Report material incidents actively. The competent authority conducts onsite investigation. The President attends the Domestic Bank President Business Contact Meeting held by the FSC. Managers attend the meeting held by the competent authority. Attend the meeting, discussion and seminar held by an association in your industry and engage in discussion. A stakeholder section and ESG topic survey are available on our website. 	All year round	The financial industry is under high supervision by the government. We comply with regulations, adapt to competent authorities to stabilize the financial business, promote development of financial industry, and policies of sustainable finance and inclusive financing. It endeavors to offer a steady, professional, sustainable financial service: • We are the top 5% among listed companies regarding corporate governance performance. • We are honored with the Nursery Trust Award B Group 1st Place of Trust Industry Promotion Trust 2.0 by FSC. • We are honored with the 2021 SME Lending Grade A Bank by the FSC. • FSC determined that we are the top 25% for fair treatment of customers among banks in Taiwan. • The Chairman of Financial Supervisory Commission (FSC) inspected bilingual branches. • We appointed staff to engage in conferences convened by the FSC or association for learning, such as the Asian Financial Supervision Summit and National Bank Internal Audit Seminar. • Listed in constituent stocks, including TFTSE4Good TIP Taiwan ESG Index, Taiwan Employment Creation 99 Index and Taiwan Employment Creation 99 Index	A designated handling staff is available for competent authorities to contact us immediately. He is also responsible for accepting and replying with the official document and performing tasks assigned.
Investor	Operating performance Corporate governance Ethical management Risk management Finance innovation	 An investor relations section on corporate website is in Chinese and English. Assigned a spokesperson and a deputy spokesperson. The manager in charge of investor service A stakeholder section and ESG topic survey are available on our website. 	All year round	One of the bounded duties of corporate operation is to endeavor for maximization of shareholder rights, because support from investors is an important power of stable growth of corporations. We perform ethical management for all shareholders, and endeavor to offer excellent, stable investment value to investors: • Held the Shareholders' Meeting once. • Held the Investor Conference four times. • Released 42 major information and 24 announcements in Chinese and English.	Spokesperson: Lin Chien Chung, Executive Vice President Tel.: (02) 2378-6868 Deputy spokesperson: Chou Hsin Hua, Vice President Tel.: (02) 2378-6868 Investor service: Chuang Hui Hsin, Senior Manager Tel.: (02) 2378-6868 # 85758

Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
		 Convened the Shareholders' Meeting. Published annual report and sustainability report in Chinese and English. 	Every year	 Released 42 major information and 24 announcements in Chinese and English. Released 45 press releases. 	
		 Convened the Board of Directors and Audit Committee. Held the Investor Conference. 	Every quarter		
		Announced operational performance.	Every month		
		 Published material news News release and media communication 	Occasionally		
Customer	Ethical management Fair treatment of customers Information security Personal information protection Finance innovation	 Conduct satisfaction survey on wealth management customer, customer service, and mobile bank customer. Face-to-face service provided at the branch and business team Offer service channels such as online bank and mobile bank. Set customer service hotline and mailbox, Al customer service and customer grievance hotline. Hold physical events and professional seminars. Hold a sustainability-themed branch and set up a sustainability communication wall. A stakeholder section and ESG topic survey are available on our website. 	All year round	Customer does not only shop at a bank once but continues to interact with the bank. We are customer-oriented, offer a secured, satisfactory banking experience, and strive for a reliable value: Customer satisfaction is 96.3%. Customer service satisfaction is 99.8%. All of the customer grievances are handled in a specified period. A sustainability wall is established in Taipei Chengde Branch to convey our sustainability practice and build a base of sustainability influence.	 Customer service hotline: 0800-261-732 Mobile number: (02) 8073-1166 Customer grievance hotline: 0800-213-198 Online message: Far Eastern HAPPY+ Facebook Fan page HAPPY+ Al customer service on official website Users can leave a message at YouTube Channel "Little Yuan Wins."

Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
		Set up the employee suggestion box and intranet employee forum. Held weekly department meeting or other work conferences. Set up the "Far East WINNERS" Facebook and Instagram Fan page. Survey and symposium of education training course A stakeholder section and ESG topic survey are available on our website. A comprehensive whistleblowing channel and suggestion box	All year round	Corporate operation is based on talents. We endeavor to build a employee-friendly workplace and share the achievement of company growth with employees for employees to elaborate potential, fulfill self-achievement, and be happy at work. • The number of hours all employees received education training reached 410 thousand hours in total. • The labor-management meeting was held four times. • Organized health check-up for all employees. • Human Resources Group held the "Happy Biking Year" to encourage employees to work out by biking and engage in energy saving and carbon reduction. 1,981 employees completed their own goal for biking 30 km.	Human Resources Group hotline: (02)2378-6893 Employee suggestion box: suggestion@feib.com.tw
Employee	Talent attraction and cultivation Talent retention Friendly workplace Ethical management	Executed the performance appraisal communication procedure. Held activities for all employees such as spring party to convey policies. Held the promotion course of "Employee Service Guidelines" and urged employees to sign and promise to follow the guidelines.	Every year	Organized ESG Academy to encourage all employees to learn knowledge on sustainability together. 2,525 employees completed the training. Learn everything about CSR, ESG and SDGs Two sustainable strategies of IKEA FamilyMart reduces leftover	Human Resources Group hotline: (02)2378-6893 Employee suggestion box: suggestion@feib.com.tw
		Convened the Employee welfare committee Held labor-management meeting Published quarterly journal of human resource	Every quarter	4 REIJU Construction transformed itself to join the green supply chain 5 E.Sun FHC takes three actions to create corporate influence 6 ASE Technology Holding built a green semiconductor industry chain 7 Be the first one to grasp three sustainable business opportunities	
		A department held singles mixers or recreational group activities	Occasio nally	8 Three action initiatives of green power of corporation 9 Understand three things about carbon trade 10 Use five pieces of puzzles to build a sustainable business model 11 Elil Gates uses five problems to talk about net zero carbon emissions • There were five grievances and six reports on violations submitted through an internal channel. There were two grievances and no report on violation submitted through an external channel. One of the aforementioned grievances or reports on violation is involved with sexual harassment. None of them is involved with discrimination, rights of Taiwanese aboriginals or human rights.	



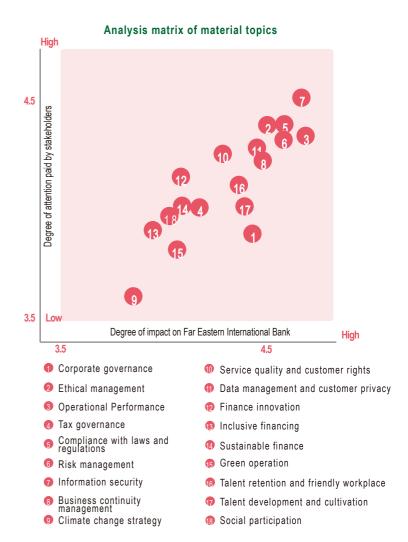
Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
Supplier	Ethical management Green operation	 Appointed a manager in charge of supplier service and announced the manager on the corporate website. Stipulated an open bidding process, held bidding seminar and bargaining seminar. The "Supplier Social Responsibility Letter of Commitment" is provided on the corporate website for download. Received suppliers and held relevant work meeting. A stakeholder section and ESG topic survey are available on our website. 	All year round	Supplier is our operation partner. We convey our ideal of honesty, diligence, simplicity, prudence, respect for quality and sustainable operation. We hope to influence suppliers, so that they will practice ESG together: • 37 new suppliers signed the Social Responsibility Letter of Commitment. • All primary suppliers signed the letter.	Chen Yung Chang, Senior Manager Tel.: (02) 2378-6868 # 85112
		 Appointed the manager in charge of public affairs. The social responsibility section is available on the corporate website. A stakeholder section and ESG topic survey are available on our website. 	All year round	Since founding, we have received countless social resources while growing, hence it is our responsibility to give back to society. Through continuous systematic social engagement, we strive for co-prosperity with partners such as charity groups, academic circles, environmental groups and communities, and expand the power of truth, kindness and beauty for society: This is the 29th year we donated to Eden Social Welfare Foundation. We made an arrangement for our	Name: Li Pei Pin, Manager Tel.: (02) 2378-6868 # 85614 ESG Email: cr@feib.com.tw
Community member/NPO (NGO)	Sustainable finance Green operation Inclusive financing	 Co-organized or sponsored at least two to three community festival events. Sponsored or collaborated with at least five charity groups. Helped charity groups to make short promotional videos. Sponsored arts, cultural, campus, community and charity events. Published a sustainability report in Chinese and English. 	Every year	President to meet executives of Eden Social Welfare Foundation and discussed cooperation projects. Launched "FEIB30,ESG30" to celebrate our 30th anniversary with 30 ESG events. One of the events is to donate 300 picture books on sustainability to three elementary schools in offshore islands of Taiwan, Neian Elementary School and Waian Elementary School in Penghu, and Green Island Elementary School in Green Island. Sponsored "Taiwan Connection" to support the plan for cultivating music talents in remote areas. In 2022, we worked with ten elementary schools in remote areas, composed music with 1,233 students and enlightened them with music aesthetics.	
		 Convened three to five press conferences. Published at least 30 press releases. 	Occasio nally	 Sponsored one more charity group, Taiwan Guide Dog Association. Held the employee beach cleanup second time. Held the "Climate Change Sustainability Topic Summit" with Yuan Ze University 350 people attended the Summit. 	

Note: "All year round" means routine affairs in daily operation.



Identification of Material Issues

- 1. In 2022, we entrusted an external consulting company to organize 18 topics for us to identify materials sustainability topics. We determine the 18 topics by referring to the financial sector of MSCI ESG Rating, topics international indicator evaluation institution paid attention to, including Dow Jones Sustainability Indexes (DJSI), information on five benchmark financial competitors, and topics the departments, responsible for interacting with stakeholders, reported that they care about.
- 2. For 18 topics that stakeholders might pay attention to, the Report Preparation Division evaluates the following from the axis "degree of attention paid by stakeholders" and "impact on corporate operation":
 - Degree of attention paid by stakeholders: We conducted a stakeholder survey and collected 217 valid surveys.
 Impact on company operation: We conducted a survey on senior managers and the members of ESG division in all departments, and collected 44 valid surveys.
- 3. The two axes above are evaluated and they with each other to form a matrix of topic materiality analysis. 11 material topics that our corporate social responsibility practice focus on have been identified. We made the following adjustments to these topics later on.
 - Survey shows that currently some stakeholders have not paid high attention to topics "Climate change strategy," "Sustainable finance," "Green operation" and "Corporate governance," and these topics have no immediate impact on business. However, these topics are the trend of the times, hence they are included in the 11 topics. Out of these topics, "Climate change strategy" has been merged into our risk management strategy, hence this will not be a material topic but included in "Risk management" instead, to disclose relevant conduct of management.
 - 2 To adapt to the trend, "Service quality and customer rights" is renamed to "Service quality and fair treatment of customers."
 - S"Finance innovation" and "Inclusive financing" do not have much impact on operational performance in the current stage. Considering that our development focuses on these topics, "Finance innovation" is therefore included in these 11 material topics. "Inclusive financing" is incorporated into "Service quality and fair treatment of customers" to disclose relevant management conducts.
 - Ocntents under "business continuity management" are explained in a relevant risk response section in "Risk Management" and "Information Security." We have not set up topics to deal with them for now.
 - Ocnsidering the businesses covered are partially duplicated, "Data management and customer privacy" is merged into "Information security and personal information protection" to disclose relevant management conduct.



After making adjustments above, we chose 12 material topics. Departments in charge of each topic assess positive and negative impact of each topic on economy, society and human rights, and how much the aforementioned impact is involved in our operation. Deputy presidents and director-level heads of each department in charge of each topic examine these topics, and eventually confirm that all of the 12 material topics have significant impact. The Administration Department gathers contents and compiles a sustainability report accordingly. The order of the impact of the topics will be completed in 2023 and disclosed in the sustainability report in 2023 after studying a consistent method for assessing impact on different topics.

Material Topics Management

We confirm the impact boundary of 12 material topics, and examine and formulate management guidelines and executive programs. We throw ourselves into these topics via a systematic mechanism for a long time, respond to them openly, transparently, continue to examine performance and feedback of all topics, to firmly stay committed to stakeholder rights. In addition to two topics related to human resource, the achievement of the rest of topics is included in the report to the Board of Directors or Sustainability Committee.

Material	Critical impact	GRI Material Topic SAAB Commercial	Corresponding SDGs	Purpose for setting management	Chapters corresponding to management	The subject under the in of value chain bounda					impa ıdary	ict
Topics	·	Banking Guidelines	·	approach	approach and outcome	0	2	3	0	6	6	0
Corporate governance	A responsible governance mechanism strengthens operation stability of corporation. It is beneficial to long-term development of the corporation, guarantees investor rights, and facilitate revitalization of capital market and economic development.	GRI 2-9-2-21 General disclosures	5.5 Make sure that women have an equal opportunity to participate in decision-making on all levels 12.6 Encourage corporations to adopt sustainable industrial and business practices 16.6 Develop effective accountable and transparent institutions	Maintain effectiveness of corporate governance structure and operation.	5.1 Operation of the Board of Directors	0		0		0		
Ethical management	Market and stakeholder expect corporations to express their ethical management and governance practice. If unethical risks such as employee fraud are out of control, stakeholders might not trust the bank or the bank might be punished by competent authorities.	GRI 205-1,2,3 Anti-competitive behavior GRI 415-1 Political contributions FN-CB-510a.1 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 FN-CB_510a.2 Description of whistleblower policies and procedures	16.5 Substantially reduce corruption and bribery 16.6 Develop effective accountable and transparent institutions	Create an ethical business culture and prevent corruption.	5.6 Ethical Management				•			
Operational Performance	Corporation is duty bound to pursue long-term growth and stable profitability, affecting sustainable operation of corporation, impacting the rights of investors and confidence of employee.	GRI 201-1,2,3,4 Economic performance FN-CB-000A (1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business FN-CB-000B (1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	8.1 Sustainable Economic Growth	Strengthen business constitution and profitability to guarantee investor rights.	3.4 Operational Performance	0	•	0		•		

Material Topics	Critical impact	GRI Material Topic SAAB Commercial Banking	Corresponding SDGs	Purpose for setting	Chapters corresponding to management approach	Th	e sul of va	oject lue c	und hain	er the	imp ndar	act
		Guidelines		management approach	and outcome	0	0	8	0	6	0	0
Compliance with laws and regulations	The financial industry is under high supervision. Compliance is one of the lines of defense of bank management risk, and avoids fine caused by compliance. It assists in maintaining order in financial industry and directly maintaining stability of economic environment, society and people's livelihood. Banking industry is on the frontline of defense and it is duty bound to fulfill anti-money laundering and work with the world to fight crime.	GRI 419-1 Socioeconomic compliance GRI 307-1 Environmental compliance	16.4 Combat organized crime and illicit financial and arms flows	Ensure effective management of compliance	5.3 Compliance with Laws and Regulations	0	•	•	0	0		
Risk management	Perform various risks involved in all businesses included in or excluded from the balance sheet, and include them into management, e.g. credit risk, market risk, interest rate risk, liquidity risk, operational risk, climate change, environmental risk or other risks. While balancing operation stability and business flexibility, reduce risk occurrence, strictly prevent loss caused by these risks from impacting financial performance or hurting reputation.	GRI 419 Socioeconomic compliance FN-CB 550a.2 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	13.1 Strengthen resilience and adaptive capacity to climate related disasters 13.3 Build knowledge and capacity to meet climate change	Reduce risk impact from climate change and discover relevant opportunities	3.4 Operational Performance 5.4 Risk Management	0	•	0	•	⊙		
Information Security and Personal Information Protection	Cybercrime is rampant. We build a network security system kept up to date, and block hacking, making sure that we are embattled. We aspire to avoid impairing stability and security of financial service and privacy of customer asset trading, and avoid operating loss, image damage and punishment. Personal information protection is an important customer right and it is protected by specific laws. Personal information must be managed effectively to prevent theft, impairing customer trust or rights, or being liable for legal liability.	GRI 418-1 Customer privacy FN-CB 230a.1 (1) Number of information leakage incidents (2) Proportion of information leakage incidents related to personal data (3) Number of customers affected by information leakage incidents FN-CB 230a.2 Information security protection and risk identification methods	16.4 Combat organized crime and illicit financial and arms flows	Guarantee safety of customer trade and personal information	5.5 Information Security and Personal Information Protection	0		•	0	•		

Material Topics	Critical impact	GRI Material Topic SAAB Commercial Banking	Corresponding SDGs			Th	e sub of va	ject lue c	unde hain	r the	imp ndary	act
		Guidelines	general desired and the second	approach	outcome	0	0	3	0	6	0	0
Sustainable finance	Corporations used to strive for economic development, and have been neglecting social, environmental and human rights costs for years, causing problems and imposing negative impact on the overall benefit of our bankroller. The banking industry uses its ability in loan, investment and fund intermediary to support green energy and environmental industry, assists in development of corporations caring about corporate governance and social responsibility. Banking industry motivates invested and financed companies to elaborate their power of sustainability as corporations, to increase the value of invested and financed companies and fund providers, creating a positive impact.	FS 1 Policies with specific environmental and social components applied to business lines FS 3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions FS 8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose FN-CB_410a.1 Commercial and industrial credit exposure, by industry FN-CB_410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	3.9 Reduce illnesses and death from hazardous chemicals and pollution 7.a Enhancing international cooperation to facilitate access to clean energy research and technology, and promote investment in energy infrastructure and technology 7.2 Increase global percentage of renewable energy 9.4 Upgrade all industries and infrastructures for sustainability 12.6 Encourage corporations to adopt sustainable industrial and business practices 12.8 Promote universal understanding of sustainable lifestyles	Support sustainable environmental development of the world	8.2 Help the Industry with Low-Carbon Transition	0			0	⊙		
Green operation	The banking industry does not consume massive energy or emit massive waste, but it cannot avoid impact of climate change risks such as global warming. Purchasing power of corporations is the resource for banks to urge suppliers to attach importance to environmental and social responsibility. It helps corporations elaborate influence through their power of management and drive industries to keep up with the international sustainable trend.	GRI 302-1,4,5 Energy GRI 307-1 Environmental compliance GRI 414-1,2 Supplier social assessment FS 3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	7.3 Double the improvement in energy efficiency 9.4 Upgrade all industries and infrastructures for sustainability 12.4 Responsible management of chemicals and waste 12.6 Encourage corporations to adopt sustainable industrial and business practices 12.7 Promote sustainable public procurement practices 12.8 Promote universal understanding of sustainable lifestyles	Build an operating structure and practice route beneficial to environmental sustainability	8.3 Environmental Management 8.4 Supplier Management	0					•	•

Material Topics	Critical impact	GRI Material Topic SAAB Commercial Banking	Corresponding SDGs	Purpose for setting management	Chapters corresponding to management approach		e sub of va					
·	·	Guidelines	Corresponding obes	approach	and outcome	0	0	3	0	6	0	0
Fair treatment of customers and inclusive financing	Financial service is associated with customer asset management. Customers might be misguided by poor labeling or improper marketing of product. This and service quality influence customer satisfaction and word-of-mouth, imposing a huge impact on business development. Inclusive financing facilitates social fairness and integration. If fair financial service or information is not accessible to disadvantaged groups, wealth gap will be widened and financial fraud will be more severe, impairing inclusivity of a civilized society.	GRI 417-1,2,3 Marketing and labeling FS 7 Monetary value of products and services designed to deliver a specific social benefit FS 14 Initiatives to improve access to financial services for disadvantaged people FS 15 Policies for the fair design and sale of financial products and services FS 16 Initiatives to enhance financial literacy by type of beneficiary FN-CB 240a.1 Number and amount of loans outstanding qualified to programs designed to promote small business and community development FN-CB 240a.2 Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community FN-CB 240a.3 Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers FN-CB 240a.4 Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	1.3 Social protection systems, including floors 1.4 Equal rights to ownership, basic services, technology and economic resources 1.5 Build resilience to environmental, economic and social disasters 8.3 Promote policies to support job creation and growing enterprises 8.10 Universal access to banking insurance and financial services 16.6 Develop effective accountable and transparent institutions	Guarantee the rights of financial consumers and make sure that disadvantaged groups are accessible to fair financial service	6.1 Fair Treatment of Customers 6.2 ESG Product	0	0		•	·		•
Finance innovation	Technological development impacts the business model of financial industry. Fintech deployment is already a topic critical to service efficiency and competitiveness of bank and judging whether a bank is willing to forge ahead. Financial innovation is a great tool for developing inclusive financing and green finance. Banking service can reach remote areas, while physical branches can only service urban areas. Carbon emissions related to hardcopies and OTC service regarding financial service can be reduced.	FS 7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose FS 8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	4.4 Increase the number of people with relevant skills for financial success 8.2 Diversify, innovate and upgrade for economic productivity 8.3 Promote policies to support job creation and growing enterprises 8.10 Universal access to banking insurance and financial services 9.6 Support technological innovation and help industrial and commercial products increase added value 17.8 Strengthen the science, technology and innovation capacity for least developed countries	Build an operating structure and practice route beneficial to environmental sustainability	8.3 Environmental Management 8.4 Supplier Management	0					•	•



Material Topics	Critical impact	GRI Material Topic SAAB Commercial Banking	Corresponding SDGs	Purpose for setting management	Chapters corresponding to management approach			oject lue c				
	·	Guidelines	·	approach	and outcome	0	2	3	0	6	0	0
Talent development and cultivation	Human resource increases competitiveness of corporation and employee. Corporations actively engage in social talent cultivation, ensure stable employment, and realize co-benefit value. On the contrary, corporate competitiveness and employment environment may be impacted.	GRI 402-1 Labor/Management relations GRI 402-1,2,3 Training and education GRI 405-1,2 Diversity and equal opportunity GRI 406-1 Non-discrimination	5.1 End discrimination against women and girls 5.b Promote empowerment of women through technology 10.3 Ensure equal opportunities and end discrimination 12.8 Promote universal understanding of sustainable lifestyles 16.b Promote and enforce non-discriminatory laws and policies 10 months and policies 110 months and policies 110 months and policies 110 months and policies	From talent recruitment to training, we consider the future of the bank from the perspective of the goal, to build a continuous talent development program from this perspective.	7.1 Non-Discrimination Employment 7.3 Training Program	0	0	•	•			
Talent retention and friendly workplace	A friendly workplace is composed of remuneration, promotion and benefit, enhancing employee's and his family's wellbeing, and guaranteeing industrial harmony. Without a friendly workplace, talent retention is impossible, leading to excessive expenses of recruitment and training. Business operation will be impacted by major industrial conflict.	GRI 401-1,2,3 Labor/Management relations GRI 403-1,2,3,5,6 Occupational safety and health GRI 412_1,2,3 Human rights assessment	8.5 Full employment and decent work with equal pay 8.8 Protect labor rights and promote safe working environments 10.4 Adopt fiscal and social policies that promotes equality	We organized diverse benefits better than the regulations and helped employees become happy at work and take care of themselves and their family comprehensively.	7.2 Compensation and Benefit 7.4 Workplace Environment 7.5 Labor Human Rights Maintenance		0			•		

Note 2: Subject of topic boundary: OCompany OEmployee OInvestor OCustomer OCompetent authority OSupplier OCommunity and NGO



Objective of Material Topics Management

Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Corporate	We stipulated the Guidelines for Corporate Governance. By establishing an open, transparent governance mechanism and implementing internal control system,	Ranking of corporate governance evaluation	Top 20% of corporate governance	Top 5% of corporate governance	Top 5% of corporate governance
governance	we actively participate in evaluation, ensure smooth implementation of governance regulations, and form a foundation for sustainable business.	Selected as TFTSE4Good TIP Taiwan ESG Index	Selected as TFTSE4Good TIP Taiwan ESG Index	Selected as TFTSE4Good TIP Taiwan ESG Index	Selected as TFTSE4Good TIP Taiwan ESG Index
Ethical	Build our working culture based on our founding spirit, Honesty, diligence, simplicity and prudence. Draw up internal regulations such as the Ethical Management Guidelines, Codes of Ethical Conduct, Donation	Code of Conduct Promotion and Signing	All of the directors and the senior management signed the compliance statement. All of the employees signed the code of conduct and completed training.	All of the directors and the senior management signed the compliance statement. All of the employees signed the code of conduct and completed training.	All of the directors and the senior management signed the compliance statement. All of the employees signed the code of conduct and completed training.
management	Management Guidelines, Employee Service Guideline and Code of Conduct, Illegal Unethical and Dishonest Conduct Reporting Precautions, and Supplier Social Responsibility Management Regulations to guide our	Evaluate the ethical risk	Complete evaluation of ethical risk	The risk of unethical behavior of all of the 105 businesses is low risk	Complete evaluation of ethical risk
	employees.	Accessible report channel	Accessible report channel and process	All of the six reports have been handled	Accessible report channel and process
	Our operation strategy gives consideration to quality	Stable growth of total assets	The total asset reaches NT\$745,745.3 billion	• The total asset reaches 99.37%	The total asset reaches NT\$784.2 billion
Onematical	and business momentum, and pursues long-term stable growth. We hold the strategy meeting in Q4 every year, consider internal and external environments and current	Total loans Total deposits	 The total loan reaches NT\$436.9 billion 	 The total loan reaches 101.65% 	 The total loan reaches NT\$476.9 billion
Operational Performance	operating condition, and set the operating budget and CapEx budget for next year. The management team	Credit rating	 The total deposit reaches NT\$629.8 billion 	 The total deposit reaches 96.45% 	 The total deposit reaches NT\$643.3 billion
	convenes the administrative affairs every week and fully keeps track of budget goal progress in different stages.		 The financial institutions with credit rating considered to be stable in investment 	 The financial institutions with credit rating considered to be stable in investment 	 Make sure that the financial institutions with credit rating is always considered to be stable in investment
Compliance with laws and regulations	Formulate the "Compliance System Enforcement Procedure," "Compliance Evaluation Guidelines," "Immediate Violation Reporting Procedure," and "Overseas Branch Compliance, Anti-money Laundering and Counter-Terrorism Financing Management Precautions" for employees to abide by.	Executed compliance and anti-money laundering inspection onsite Executed compliance and anti-money laundering evaluation	Conducted onsite inspection 51 times Conducted evaluation at the Head Office, branches and subunits 170 times	 100% implementation of inspection 100% evaluation achievement 	Conducted onsite inspection 51 times Conducted evaluation at the Head Office, branches and subunits 169 times



Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Risk management	Draw up risk management policies and the management guidelines of credit/market/operation/fluctuation/climate change and environmental risk for the Board of Directors and the senior management to instruct all units to follow the three lines of defense, manage these units and implement internal control on these units.	Strengthen resilience of all kinds of risks	Amended the risk management policy and incorporated climate risk management into operation Stipulated the management guidelines of climate change and environmental risk on the level of Board of Directors Analyzed climate change scenarios	Amended the risk management policy and incorporated climate risk management into operation Stipulated the "Management Guidelines of Climate Change and Environmental Risk" Completed analysis of climate change scenarios	Enhance climate risk management and advanced analysis
	Draw up the "Information Security Policy." The Information Security Department is responsible for planning and management of information security affairs. Based on integrity of establishment of control	No information security incident No personal information leakage incident	 No information security incident No personal information leakage incident 	 No information security incident occurred No personal information leakage incident 	 No information security incident No personal information leakage incident
Information	framework, continue to reinforce complex information security system with multiple defenses, throw ourselves into education promotion to strengthen employees' knowledge on information security and enhance event	Ratio of information security expenditure to information budget of the entire bank	-	The percentage of information security is 11%	The percentage of information security is 20%
Security and Personal Information Protection	handling ability. By taking all of these actions, establish a management system that meets information security supervision and international information security standard, and cultivate professional talents.	Enhance resilience of information security	Implement ISO 22301 Expand surveillance of information security	 Implement ISO 22301 Maintain validity of certification of ISO 27001/BS 10012, international management standards Achieved real-time 24/7 surveillance of information system Employees obtained 18 international information security certificates this year, 95% increase 	Acquire ISO 22301 certification Maintain validity of certification of international management standards Information security maturity has reached the advanced level Appoint directors and counselors in information security field or set up a counseling division
	The theme of digital transformation is practical finance, probing into three levels: ◆ optimize customer experience ◆ digitalization of	Off-counter rate	94% off-counter rate	94.7% off-counter rate	95% off-counter rate
Finance innovation	financial service process ③ create a new business model. Strengthen digital finance infrastructure, collaborate to expand financial scenes, build a financial ecosystem, develop various digital services and	Digital customer acquisition	40% digital customer acquisition	47.7% digital customer acquisition	50% digital customer acquisition
	procésses, support eco-friendlĭness, and promote contactless digital financial service.	Honored the digital innovation awards	Honored the digital innovation awards	Honored two digital innovation awards	Strived for digital innovation awards



Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
	Comply with guidelines for stewardship of institutional investor. Incorporate ESG assessment into investment process. Sustainable risk evaluation is added to long-term investment target.	Disclosed stewardship	Disclosed stewardship	Stewardship in 2022 is disclosed on our website	Organized the activity for stewardship of institutional investor
Sustainable finance	Incorporated the Equator Principles into our operation. Elaborated the financial power of loan and investment. Examined the ESG performance of loan customer or investment target. Rolled out wealth management instruments related to ESG. Supported investment made to green industries and the corporations realizing sustainable value.	Implemented the Equator Principles and set up relevant systems	Became a member bank of the Equator Principles	 Joined the Equator Principles Association. Used ESG evaluation checklist for loan approval 	Established and released sustainable deposit management mechanism of corporate finance Loans are launched according to the Equator Principles
		Invest into sustainability bonds Sustainable investment management	Invested in more sustainability bonds	Granted NT\$500 million of sustainability bonds	Increase the portion of sustainable development bond by 10% Add guidelines for sustainable investment operation
		Ratio of ESG loan balance to total loan balance	8.5% of our loan balance is ESG loan Stipulated the evaluation indicator for performance of promotion of ESG loan	8.7% of our loan balance is ESG loan Stipulated the bonus point indicator for performance of promotion of ESG loan	Initiated the study in industries with ESG business opportunities Exchanged ESG information with customers
	We sign the 1.5°C Climate Action Declaration, promise to promise to cooperate with the Net-Zero 2050 Routemap organized by the government, and integrate resources to fulfill low carbon transition. We aim to work together with the government to limit the average temperature rise within 1.5°C, the goal specified in the Paris Agreement. The Environmental Management Provisions are stipulated based on ISO 14001 and ISO 50001.	Set the goal for reducing 1% of carbon emissions per year. Expect to reduce 8% of carbon emissions from 2022 to 2023	Reduced 1% of carbon emissions Organized the first office using solar power and initiated establishment of solar panels Initiated carbon Inventory for the entire bank	 Reduced 13.75% of carbon emissions Organized the offices using solar power and initiated establishment of solar panels Performed carbon inventory for all of the domestic and overseas offices 	 Reduced 1% of carbon emissions Built an office using solar power. This will be the first branch using 100% green power
Green operation	Stipulate the "Management Guidelines for Supplier Social Responsibility." Require main suppliers to read and sign the "Supplier Social Responsibility Letter of Commitment," "Supplier Social Responsibility Self-checklist" and "Supplier Corruption and Bribery Risk Evaluation Form." Build a systematic sustainable procurement process and initiate supplier evaluation to motivate suppliers to fulfill sustainability responsibility by our influence of procurement.	Amount of green purchases Suppliers who made a single purchase in millions of New Taiwan dollars signed the letter of commitment	The number of green purchases grows All of the main suppliers signed the ESF letter of commitment The number of green purchases grows The number of green purchases grows gr	The amount of green purchases is NT\$28.71 million All of the main suppliers signed the ESF letter of commitment	The number of green purchases grows All of the main suppliers signed the ESF letter of commitment



Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Service quality and fair treatment of customers	Perform operation according to our management principles "Principles and policies of fair treatment of customers" and financial consumer protection principles. Relevant staff follow instructions from these management principles regarding professionality, friendly service, fairness and integrity. Set up the "Fair Treatment of Customers Promotion Division" to supervise and evaluate outcome of implementation by all departments. Draw up customer complaint management guidelines. Try to make sure that all customer complaints are handled properly in a specified period. Discuss and correct improvement measures regularly.	Customer satisfaction Customer service satisfaction	Satisfaction of wealth management customer is higher than 96% Customer service satisfaction is higher than 95% Al customer service satisfaction is at least 85%	Satisfaction of wealth management customers is 96.3% Customer service satisfaction is 99.8% Al customer service satisfaction is 88.8%	Satisfaction of wealth management customer is higher than 96% Customer service satisfaction is higher than 95% Al customer service satisfaction is at least 85%
		Customer service level The percentage of the customer complaint being handled properly	Customer service level is at least 80% Sensitive and general customer grievances are handled in three and ten workdays, respectively The percentage of the customer complaint being handled properly is higher than 85%	 All of the customer grievances are handled in a specified period. Customer service level is at least 80% The percentage of the customer complaint being handled properly is 87% 	Customer service level is at least 80% Sensitive and general customer grievances are handled in three and ten workdays, respectively The percentage of the customer complaint being handled properly is higher than 85% Pass the ISO 10002 certification
		Enhancement and executive outcome for fair treatment of customers	Organize the campaign Check reception via the Mystery Shopper Project	We are the top 25% for fair treatment of customers among banks in Taiwan Completed the Mystery Shopper Project Set up regulations of senior service and financial friendly service Four branches were honored with the dementia friendly mark	Organize the campaign Execute the inspection project of operation of financial friendly service Inspect customer service via the Mystery Shopper Project
		Inclusive financing	Senior Nursery Trust is graded as excellent in evaluation Donate microinsurance Open bilingual demonstrative branches	The Senior Nursery Trust was honored B Group 1st Place by FSC Donated microinsurance to disadvantaged people Opened four bilingual demonstrative branches The Chairman of Financial Supervisory Commission (FSC) inspected bilingual demonstrative branches	Try to earn excellence awards in FSC's trust plan Continue to donate microinsurance The ratio of bilingual demonstrative branch to all branches increases from 10% to 15%

Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Talent development and cultivation	Promote relevant five policies: 1. complete training system and talent development plan; 2. diverse development opportunity and supporting measures; 3. abundant learning resources, and training commitment and allowance; 4. fair and transparent promotion system; 5. promote youth employment, continue to support industrial and academic activities, and engage in social talent cultivation.	Selected as Taiwan Employment Creation 99 Index	Selected as Taiwan Employment Creation 99 Index	Selected as Taiwan Employment Creation 99 Index	Selected as Taiwan Employment Creation 99 Index
		Obtain subsidy for training granted by the government	Strived for higher subsidy provided to human resource of corporation	Obtained NT\$1.32 million for subsidy	Strived for subsidy regarding human resource
		Strived for TTQS certifications and relevant awards	Obtain TTQSS certification Strive for awards related to public and private institutions	Received the TTQS Gold Medal Certification Received the National Talent Development Awards Received the Talent Development Leadership Award of Sustainability Award Received five training awards	Maintain the TTQS Gold Medal Certification Strive for relevant awards
Talent retention and friendly workplace	Promote six relevant policies, and offer: 1. competitive salary, share operating achievement; 2. accessible promotion channel; 3. diverse benefits; 4. maintain workplace safety and facilitate employee health; 5. Diverse communication channel; 6. friendly parenting measures.	Listed in Taiwan High Compensation 100 Index	Listed in Taiwan High Compensation 100 Index	Listed in Taiwan High Compensation 100 Index	Listed in Taiwan High Compensation 100 Index
		Acquire certifications or awards	Strive for relevant awards	Received the award HR Asia Best Companies to Work for in Asia Received the Happy Enterprise Gold Award	Strive for relevant awards
		Provided more welfare measures Held health promotion activities Build offices with certification of healthy workplace	 Provide more welfare measures Hold health promotion activities 	80% of the employees buy FPO stocks that we offer in a discount rate Increase meal allowance by 25% Add employees to notifiable infectious disease health insurance Hold Happy Biking Year, an event for motivating exercising Build 16 offices with certification of healthy workplace and help three offices extend certification of healthy workplace	Provide more welfare measures Hold health promotion activities Build offices with certification of healthy workplace