



遠東國際商業銀行
Far Eastern Int'l Bank

When the Great Way Prevails

2021 Sustainability Report



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1 About the Report

Far Eastern International Bank (FEIB) publishes an annual CSR report to present information on its performance in corporate governance, the environment, and society, so that stakeholders can understand FEIB's commitment to sustainable management and actions. Starting from the business philosophy of "honesty, diligence, simplicity and prudence" and infused with the spirit of "innovation", FEIB is working together with aspiring corporate citizens for a better society and environment on the road of corporate social responsibility.



Report Scope and Period

This report discloses the management and execution of the material issues of Far Eastern International Bank's sustainable development for 2021 (January 1 to December 31, 2021), covering its operations in Taiwan, Hong Kong and Vietnam. Except for the consolidated financial statements, the related activities of its subsidiaries are not covered; the relevant statistics are based on internationally accepted standard indicators and do not differ significantly from the previous annual report (2020 report to be issued in June 2021), and all financial performance data are denominated in New Taiwan Dollars. The complete CSR reports from previous years are available on Far Eastern International Bank's website for downloading by the public and all stakeholders.



Report Basis

The contents and structure of this report follow the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (GRI Standards) and its supplementary guidance for the financial industry, as well as the Sustainability Accounting Standards Board's (SASB) Business Banking Standards, and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" as stated by the TWSE.



Compilation Process and Information Quality

The information and statistics disclosed in this report are collected by Far Eastern International Bank and provided by each unit, then compiled and edited by the Administrative Department. The financial data disclosed are based on publicly available information certified by the accountants. The description of all data adopts the general numerical description method, and there are no significant differences from the previous annual report. If there are special circumstances, they are also explained in the report. The first draft of the report is reviewed and revised by the Sustainability Report Team, reviewed at each level in accordance with administrative procedures, and finalized and published after receiving approval from the President. The relevant preparation procedures are incorporated into the internal control system.

Procedures	① Information Collection and Content Compilation	② First Edition Review	③ Confirmation or Verification	④ Final Draft
Description	The related implementation results of the issues provided by each department are compiled and edited by the Administration Department.	Reviewed and revised by the Sustainability Report Team, and reviewed by the supervisor of the relevant unit	Certified by an accountant or verified by an external third party	The President will review and finalize the draft and layout, and the Administration Office will upload it to the official website for public release.

1 About the Report

In order to ensure the reliability of the information in this report, the standards of compliance and the verifying authority for each data are as follows:

Information / Data Category	Standard to Follow	Attestation/ Assurance Agency
Sustainability Information	SASB Commercial Banking Guidelines: FN-CB 230a.1, FN-CB 240a.1, FN-CB 240a.4; GRI G4: Financial Services Supplementary Indicator FS7, FS8	Ernst & Young Global Limited
Financial Information	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards	Deloitte Taiwan
Environmental information	ISO 14064-1 Organizational Greenhouse Gas Inventory ISO 50001 Energy Management Systems	The British Standards Institution (BSI Taiwan)



Comments and Feedback

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2 Message from the Chairperson



In 2021, all of mankind had to face the unpreventable mutation of COVID-19, frequent climate change disasters, and the unstable international political situation. The simultaneous rise of these three major risks will not only bring profound impacts on politics and economy, but also change the livelihood of people in terms of work, education, consumption, and tourism. However, mishaps and good fortunes intertwine, and opportunities arise even in the midst of turbulence. At this time, however, sustainability values have become a common concern for Taiwan's industry, government and academia, and are receiving unprecedented attention, driving the government and enterprises to pursue growth while examining the dynamics of the environment, society and governance. FEIB also established the "Corporate Sustainability Committee" in 2021 to formulate the responsibility of the Board of Directors and senior management on environmental and social-related issues. We were selected for the TFTSE4Good TIP Taiwan ESG Index, the Taiwan High Compensation 100 Index, and the Taiwan Employment Creation 99 Index for our success in implementing corporate social responsibility, and has been awarded the Gold Award in the financial and insurance category of the Taiwan Sustainability Awards, the National Talent Development Award by the Ministry of Labor, and the Best Companies to Work for in Asia Award by HR Asia, an international human resources professional journal.

Sustainability is not just a business strategy, it is the core value of a company. At a time when the world's chaos and uncertainty continue to affect the financial industry, FEIB remains agile and responsive while upholding the spirit of honesty, diligence, simplicity, prudence and innovation, implementing legal compliance and risk management, and adhering to the highest ethical standards in all business interactions. In addition, through our core financial expertise, we have extended our influence to direct financial flows to the development of a green economy, signing a financial disclosure related to TCFD's support for climate change in 2021, and planning to sign a further agreement to support the Equator Principles this year. We have more than 1,000 ESG funds and overseas marketable securities in our portfolio, and we have subscribed to green bonds to support the first geothermal power plant in the country to enter commercial conversion with exclusive project financing, in the efforts to build a green ecosystem of capital and industry. In addition, in the face of the disruptive use of technology such as metaverse and digital currency, Bankee Social Banking maintains its philosophy of openness and cooperation to assist innovative financial technology companies to establish a mutually beneficial business model and introduce a number of financial services to benefit small and medium-sized enterprises. In terms of participation in public welfare services, we have injected the spirit of corporate performance management, including the Humanities and Aesthetics Calendar which has been issued for 18 consecutive years, and has been specially selected to feature Taiwan's art museums, advocating the incorporation of an artistic attitude into life, as well as taking responsibility for the popularization of the arts in society through corporate efforts. The established platform for donations which has been built with the Eden Social Welfare Foundation, which has set a record of uninterrupted and stable donations for 24 years, serving as a model for long-term partnerships between enterprises and non-profit organizations.

Facing the next round of challenges in the big environment, FEIB will take the rudder of sustainable management and the oar of steady growth, and continue to demonstrate our sustainable plan with the main axes of corporate governance, customer trust, happy workplace, environmental sustainability, and humanistic public welfare. Under the principle of enhancing operational competitiveness and deepening ESG fundamentals, we will ride the wave of the wind and sail towards the journey of a long-lasting business, realizing the sustainable values of altruism and mutual benefit, and striving to create a better society and earth.

Chairperson from the Far Eastern International Bank

HOU, CHIN-YING 侯金英

3 About the Far Eastern International Bank



With the business philosophy of "honesty, diligence, simplicity, prudence, and innovation" revealed by our founder, Mr. Yu-Ziang Hsu, and our Chairperson Mr. Douglas Hsu, the Bank has been building a strong foundation based on the concept of sustainable management, constructing an efficient organization to keep up with the trends, and maintain the pace of continuous innovation and agility in the changing world. We provide customers with real-time, cross-border digitalized quality financial services, contribute to the national economy, and create social wealth to become the most trusted financial services company in the Greater China region.

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3 About the Far Eastern International Bank

General Information

Company Name	Far Eastern International Bank Co., Ltd.
Date of Establishment	Approved for establishment on January 11, 1992; officially opened for business on April 11, 1992
Stock Listing	November 27th, 1998
Paid-up Capital	NT\$35,139,632,360
Number of Employees	2,577
Address of the Headquarter	Address: 26, 27F., No. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan
Business Locations	59 branches (56 branches in Taiwan, Hong Kong branch and Vietnam office, Singapore and Canada office)
Industry	Finance & Banking
Ratings	Fitch Ratings: International long-term rating BBB; Domestic long-term rating A+; stable outlook
Vision	Become a professional and sophisticated financial services company in the Greater China region
Mission	Provide intelligent and innovative financial services to individuals and corporate clients in the Greater China market; create maximum value for clients, shareholders, and employees
Spirit of Establishment	Integrity, Prudence and Innovation

Base Date: December 31, 2021

Development History

The Far Eastern International Bank was founded by industrialist Mr. Yu-Ziang Hsu, and has made significant contributions to the development of the country's economy. Since its establishment 30 years ago, FEIB has gone through a competitive financial environment with excessive opening of new banking licenses, and experienced economic turmoil such as the Asian Financial Crisis, the Financial Crisis, the COVID-19 Pandemic, and the China–United States trade war. In the midst of the changes, we have introduced the management concepts of international banks to gradually grow stronger and stronger, including the establishment of Deutsche Bank Far East Investment Trust in alliance with Deutsche Bank, the transfer of AIG Group AIA Credit Card Business. In 2011, the Bank invested in ING Securities, a subsidiary of ING Group, and changed its name to Far Eastern International Securities Company Limited. Its operations have been on track in the past six years, contributing to stable profits for the Bank.

Our business philosophy is to pursue long-term stability and success, and to lay out a digitalization process to balance the development of personal and legal finance business. In the face of the rapid changes in the globalization and technological development environment during our third decade, FEIB has expanded its overseas business extensively, strengthened its channel and financial application innovation to meet the wave of digital economy, and promoted LOHAS humanistic aesthetics to bring warmth to our services. Internally, we strengthened the combination of legal compliance, internal control and risk management, and internalized it into the awareness of all employees through the policy disclosure process placement, so as to implement a sustainable path for long-term stable growth. Our recent operations focuses on the new normal finance in the post-pandemic era, accelerates the deployment of digital banks, and develops an open community financial platform to link the Far Eastern ecosystem and big data to seize digital financial opportunities. We have been actively expanding our SME financial services and integrating our personal finance business group to achieve customer-centric operational efficiency by grasping the trend of returning Taiwanese business investments.



3 About the Far Eastern International Bank

- Opened in April 1992
- Listed in November 1998

Establishing a foundation of integrity and diligence in the early stages of the business

- Mr. Yu-Ziang Hsu founded the Bank in response to the government's policy of financial modernization, liberalization, and internationalization.

- In 1999, an organizational system with separate business groups was established.
- First Issue of Overseas Unsecured Convertible Financial Bonds in 2003.

Organizational Changes to Solidify the Foundation

- We are the first in our industry to establish a separate organizational system for our business groups, which was a revolutionary move in the domestic financial industry's workplace that has enhanced organizational effectiveness and laid a solid foundation for the Bank's second decade.

- Established Hong Kong Branch in 2007
- Since 2010, key layouts such as integration with the international financial group's business have been launched
- Acquisition of 19 branches of the former Chinfon Commercial Bank Co., Ltd. in 2010
- Global depository receipt (GDR) was issued in 2014
- Establishment of Far Eastern International Finance & Leasing in Shanghai in 2015

Key Arrangements that connects us with the Globe

- Accumulated experience in integrating the business of international financial groups, including forming an alliance with Deutsche Bank to establish Deutsche Bank Far East Investment Trust, acquiring the AIG Group's AIA credit card business, investing in the purchase of ING Securities, a subsidiary of the ING Group, and changing its name to Far Eastern International Securities Company Limited.
- Established new business teams such as the Treasury Marketing Unit (TMU); established the Corporate Wealth Management Department under the Corporate Finance Business Group to provide cross-border, highly structured capital market financing solutions.
- We have set up a cross-border corporate finance service platform and hosted international syndicated loans, which became one of the highlights of our business.
- Our competitiveness has passed the international capital market test, and we are the first non-financial holding bank in Taiwan with experience in issuing GDRs and ECBs in the international market at the same time.

- In 2016, the digital financial business group and financial strategy center were established.
- Launch of "Personal Finance Business Group" integrating branches, consumer credit cards, insurance agents and wealth management in 2020.
- The Vietnam Office was set up in the Ho Chi Minh City, Vietnam.
- The former Information and Operations Services Division was separated into the Technology and Operations Services Division 2021.
- Establishment of office in Singapore in 2021
- The Board of Directors establishes Corporate Sustainability Committee in 2021

Cross-border layout of digital innovation

- The virtual financial control structure is being completed and the layout momentum has been enhanced, which is the driving force for profit growth in our third decade.
- Far Eastern International Finance & Leasing, located in the China (Shanghai) Pilot Free Trade Zone, launches its operations and moves forward to become an international bank within the region.
- We have launched digital platforms such as the "FE Cross-Border Mobile Application Platform" and "Bankee Social Banking" to seize digital business opportunities.
- Launched "Happy Credit" coming from the concept of Far East Group Card along with the "Far Eastern Loyal Family+ Card" targeting family customers, and introduced Ten Happiness's wealth management brand.
- We have developed our own financial technology and obtained a number of patents for inventions and new technologies.
- Hosted the first corporate syndicated loan case in the ASEAN market; awarded the best syndicated loan case in the Taiwan banking industry.
- Sign up to support the TCFD climate-related financial disclosures.

3 About the Far Eastern International Bank

Core Business and Service Networks

Main Business

In the face of market changes and a fast-changing competitive business environment, FEIB started to innovate its products and launch niche businesses in the early years, leading the industry 26 years ago with the launch of foreign exchange margin trading and convertible bond asset swap. The company has been the market leader in car loans, motorcycle loans and installment payments since its launch. Among them is the foreign exchange margin trading business, which is uncommon in the industry as it operates 24 hours a day, every day of the year, working in line with the global foreign exchange market. In anticipation of the trend of service specialization and product diversification, FEIB has undergone organizational restructuring and has gradually built up a financial service team specializing in personal finance, digital finance, corporate finance, and financial markets, and other customer segments and transactions. The profit model is based on interest income, fee income, and investment income. The business groups continue to innovate in products and services and grow in business scale, with their respective operations supporting each other.

Business Category	Net income as a percentage of total net income		Profit Growth Rate in 2021
	2020	2021	
Consumer Banking	53.04%	54.11%	-
Corporate Banking	29.09%	29.38%	1%
Financial Market	17.83%	16.46%	-9%
Digital Finance	0.04%	0.05%	18%

Branch Locations

The Bank has 57 branches, with Taiwan as its main operational base. The major breakthrough in 2010 is the expansion of the original 19 branches of Chinfon Commercial Bank to 56 branches, including the Taipei Business Department, Hsinchu Mega City Branch, and Banqiao Mega City Branch, which are boutique branches linked to large shopping centers. The Taipei Tunnan Branch, located on the 13th floor of the Far Eastern Enterprise Building, provides high-end banking services at the private banking level, while the traditional branches are gradually transformed into Smart Branches and Story Branches that are integrated with community humanities, demonstrating a contemporary branch style where technology and humanity complement each other, and providing a dedicated space for customers to enjoy. In addition, in response to the government's policy of promoting a bilingual country in 2030, Taipei Fuxing branch and the sales department were set up to be bilingual service demonstration branches in 2021. A new branch in Cheng Chong, Taipei and a new branch in Linkou, New Taipei are planned for in 2022, and the only overseas branch is located in Hong Kong.



3 About the Far Eastern International Bank

Regional Opportunities

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Virtual Reality Integration



In terms of digital channels, in addition to continuing to refine diverse automated channels and service processes such as Internet banking, mobile z platforms, we have also pioneered the "Bankee Social Banking" within the banking industry in Taiwan, using a recommen-

dation-sharing mechanism to help the younger generation leverage into "branch managers" and operate the so-called "online branches". The number of users will exceed 17,000 in 2021, which is an annual increase of 10 times, with the largest group opening more than 20,000 accounts. Bankee has collaborated and partnered with 7 technology start-ups until 2021 to launch innovative financial services, and has received a total of 14 awards in the past three years for financial technology-related innovation. We continue to build a virtual and integrated financial services network.




	Region	Business Locations
Taiwan	Northern Taiwan	41 Branches
	Central Taiwan	7 Branches
	Southern Taiwan	8 Branches
Overseas	Hong Kong	1 Branch
	Shanghai, China	Established 1 finance and leasing company
	Vietnam	1 Office
	Singapore	1 Office

Financial Performance

FEIB's operating strategy considers both the quality of its assets and the growth of its business. A strategic meeting is held in the fourth quarter of each year to set the operating budget and capital expenditure budget for the following year, taking into account the internal and external environment and the current operating conditions, which is then submitted to the Board of Directors for approval. The management team holds weekly executive meetings that are chaired by the President, and the The Financial Strategy Center reports overall performance figures and achievement of targets as well as reviews market risks and opportunities. At each Board meeting, the Financial Strategic Center is responsible for reporting on financial performance milestones so that the highest levels of governance can ensure and monitor the progress of budget achievement. In response to the impact of the COVID-19 pandemic in 2021, FEIB continued to pursue a long-term steady growth strategy, with total assets growing by 6% and net profit after tax increasing by 17%; while overdue loan ratio and overdue loan coverage ratio are 0.265% and 496% respectively.

	Item	2019	2020	2021
Operating Capacity and Profitability	Total assets (millions NT\$)	654,888	680,047	723,055
	Total shareholders' equity (millions NT\$)	47,284	48,744	49,702
	Operating income (millions NT\$)	18,952	16,417	14,562
	Net income after tax (millions NT\$)	3,633	2,519	2,939
	Return on Assets ROA	0.57%	0.38%	0.42%
	Return on Equity ROE	7.89%	5.25%	5.97%
	Earnings per share EPS (NT\$)	1.03	0.72	0.84
Economic value of distribution	Operating Costs (millions NT\$)	7,230	5,204	3,769
	Employee Salary and Benefits (millions NT\$)	4,064	4,141	4,080
	Distribution of dividends to shareholders (millions NT\$)	2,493	1,783	2,066
	Payment of government taxes (millions NT\$)	1,171	1,159	848
	Investment in the Community (millions NT\$)	4	28	2

Base Date: December 31, 2021

3 About the Far Eastern International Bank

Glory and Affirmation

Theme	Won domestic and overseas awards in 2021 and selected for ESG-related index stocks	Awarding Unit
ESG Sustainability	🏆 Gold Award in the Finance and Insurance Category of the Taiwan Corporate Sustainability Awards	Taiwan Institute for Sustainable Energy (TAISE)
	🏆 Excellence in Sustainability Award	The British Standards Institution (BSI)
	🏆 Best Sustainable Capital Award in Taiwan by All Asia Banking Awards	"The Assets" Hong Kong
	🏆 Top 6% to 20% of the corporate governance evaluation for the listed companies group	Top 6% to 20% of the corporate governance evaluation for the listed companies group
	🏆 National Talent Development Awards	Ministry of Labor
	🏆 HR Asia Best Companies to Work For in Asia	"HR Asia" Malaysia
	🏆 Third Place for isports Calendar Points Tournament	Sports Administration, MOE
	🏆 Badge of Accredited Healthy Workplace at one work location, and Health Activation Badge at 15 branches.	Health Promotion Administration, MOHW
	🏆 Learning Star Award	CommonWealth Leader Campus
	🏆 Two President's Distinguished Club Awards and one Selected Distinguished Club Award	Toastmasters International
	🏆 Green Procurement Sample List	Department of Environmental Protection, Taipei City Government
	🏆 Buying Power, Third Place for Social Innovation, Product and Service Procurement	Small and Medium Enterprise Administration, Ministry of Economic Affairs
	🏆 FTSE4Good TIP Taiwan ESG Index Constituent Stock, Taiwan High Compensation 100 Index Constituent Stock, TWSE RA Taiwan Employment Creation 99 Index Constituent Stock	Taiwan Stock Exchange Corporation

3 About the Far Eastern International Bank

Theme	Won domestic and overseas awards in 2021 and selected for ESG-related index stocks	Awarding Unit
Service and Innovation 	 Editors' Triple Star -Best Wealth Management Experience, privilege services	"The Assets" Hong Kong
	 Best Brand Image Award, Best Wealth Management Award, and Best Customer Recommendation Award in the Banking Excellence Awards	"The Excellence Magazine"
	 Best Wealth Enhancement Award, Best Professional Team Award and Best Financial Service Innovation Award in the Wealth Management Survey	"The Wealth Magazine"
	 Best Channel Strategy Award of the Insurance Prestige Award	"Risk Management, Insurance and Finance Magazine"
	 National Brand Award for Best Product Awarded for Bankee Social Banking	Republic of China National Enterprise Competitiveness Development Association
	 Digital Financial Service Awards - Banking Category Excellence Award Awarded for Bankee Social Banking	"Commercial Times"
	 Harvard Business Review Digital Transformation Award for Exemplary Business Models Awarded for Bankee Social Banking	"Harvard Business Review"
	 Digital Bank of the Year Awarded for Bankee Social Banking	"The Asiamoney Magazine"
	 The Most Innovative Digital Bank Awarded for Bankee Social Banking	"The Global Economics"
	 A-class performance in handling SME loans	Financial Supervisory Commission R.O.C (Taiwan)
	 Best Customer Service Team Award and Best Customer Service Training Team Award for Customer Service Excellence	Taiwan Contact Center Development Association TCCDA

Community Exchange

In December 2021, FEIB signed an initiative to support TCFD's climate-related financial disclosure, and actively participated in industry-related association affairs or served as a member of the committee to provide timely advice on government policies and practical operations, in an effort to enhance the competitiveness of the financial industry and the overall financial environment in the country. In addition, Bankee Social Bank, a digital sub-brand, has joined the FinTech Space, a financial technology innovation park established by the FSC and the Taiwan Financial Services Roundtable to promote the development of financial technology, and is the first bank to participate in the financial digital sandbox experiment. We consider new entrepreneurs to be our peer partners in the implementation of the FSC's motto of responsible innovation, and have joined hands with seven new entrepreneurs in Taiwan so far, five of which are still in partnership. FEIB's Corporate Finance Group will also join the "Global Trade Sharing Blockchain" service launched by the financial industry in 2021 to support the introduction of blockchain technology for inter-bank data transfer and verification of corporate finance cases.

FEIB participated in the following 64 public associations in 2021, including the Association of Certified Anti-Money Launderers (ACAMS), which was founded in 2001 and headquartered in Miami, Florida, USA, is dedicated to combating financial crime, and is the world's largest international organization of money laundering and financial crime prevention professionals.



 The Bankers Association of the Republic of China

 The Bankers Association of Taipei and 49 other regional banking industry associations

 Trust Association of R.O.C

 Securities Investment Trust & Consulting Association of the R.O.C

 Taiwan Securities Association

 Insurance Agents Association of the Republic of China

 Financial Planning Association of Taiwan

 Independent Director Association of Taiwan

 The Institute of Internal Auditors-Chinese Taiwan

 Taiwan Stock Affairs Association

 FinTechSpace

 Taiwan Contact Center Development Association

 Taiwan Vocational Rehabilitation Association

 Chinese National Association of Industry and Commerce, Taiwan

 APLMA, Asia Pacific Loan Market Association

 ACAMS , Association of Certified Anti-Money Laundering Specialists

4 Material Topics



17 Communication with Stakeholders

20 Identification of Material Issues

21 Management Policies for Material Issues

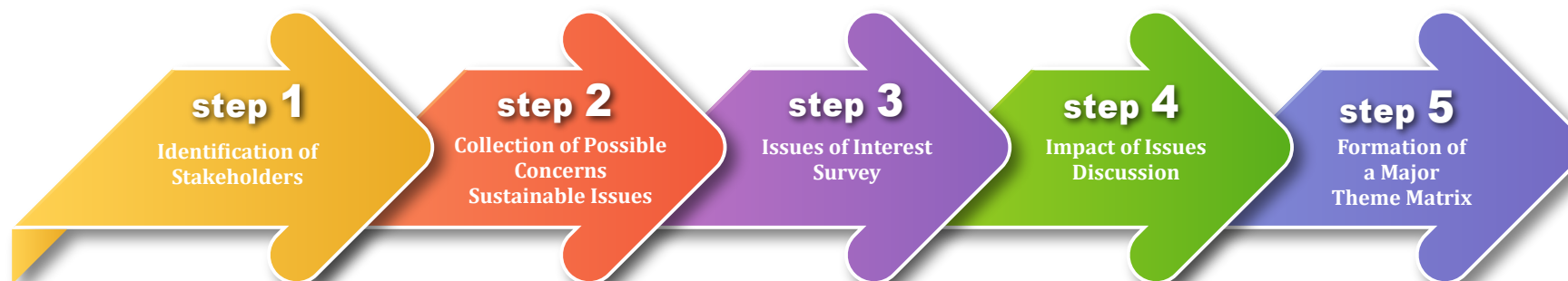
4 Material Topics

Far Eastern Commercial Bank has formulated the "Corporate Social Responsibility Best Practice Principles", which explicitly reveals the implementation CSR policies and the Sustainability Report Team is responsible for the coordination and communication of the report. The department supervisors will compile the progress and results of the implementation, such as letters from the competent authorities, quarterly energy-saving performance, employee education courses or communication plans, progress of e-business projects, audit findings, risk management indicators, digital innovation processes, public welfare projects, etc., and report them in the top management meeting held every week under the personal supervision of the President. In addition to the inclusion of social responsibility issues in the annual shareholders' meeting report, the Sustainability Report Team regularly reports to the Board of Directors on the content and results of implementation. In order to integrate sustainability plans and action plans into the overall policy system, FEIB has established a Corporate Sustainability Committee under the Board of Directors at the end of 2021, which will convene at least 2 meetings per year.

The members of the Sustainability Report Team consists of the supervisors from each department, with the Administration Department as the integration unit. Through the direct participation of supervisors as well as long-term continuous communication, the concept of sustainability is conveyed and all colleagues are encouraged to invest in order to achieve corporate social responsibility. The policies and actions of the company are gradually integrated into the operating system, so as to exert the positive influence of the enterprise on the society. Due to our successful implementation, in addition to winning the Gold Award in the Finance & Insurance category of the Taiwan Corporate Sustainability Awards in 2021, we have also been selected as a constituent stock of the FTSE4Good TIP Taiwan ESG Index for the sixth consecutive time since 2019, and has achieved an overall ESG score of 3.2 out of 5 on 14 themes and over 300 items from FTSE Russell in the three categories of environment, society and governance. The ESG score of 3.2 is higher than the average score of 2.5 under the global financial sector.

Corporate Sustainability Committee	
Purpose of Establishment	Rights and Responsibilities
To guide the implementation of the following matters: ❶ Implementing Corporate Governance ❷ Developing a Sustainable Environment ❸ Protecting Social Welfare ❹ Enhancing Corporate Sustainability Disclosure	To perform the following duties and be accountable to the Board of Directors: ❶ Promote and strengthen the Ethical Corporate Management System ❷ Promotion and Development of Corporate Sustainability Related Matters ❸ Supervise other sustainability-related matters resolved by the Board of Directors



Identification Process of Material Issues





4 Material Topics

Communication with Stakeholders



The diversity of stakeholder opinions and expectations serves as a compass for FEIB to move towards sustainability and enables us to assess the potential impact of our operations in a more holistic manner. The ESG team reviewed the list of stakeholder groups submitted by each department to review their responsibilities, and FEIB's priority stakeholders at this stage are investors, customers, employees, authorities, suppliers, and community members/non-profit organizations (NGOs).

Stakeholders	Major Issues of Concern	Major Communication Channels	Frequency	Importance and Effectiveness of Communication
 Competent Authorities	Corporate Governance Ethical Corporate Management Legal Compliance Risk Management Information Security Financial Innovation Green Finance	<ul style="list-style-type: none"> Cooperate with the competent authorities to check and provide relevant information Cooperate with supervisors to review the internal work flow Proactive notification of major incidents Set up real-time communication channels and the process of receiving and handling official documents. Maintain a smooth two-way communication Attend meetings related the competent authorities Attend industry meetings, seminars and participate in practical discussions The project joined the theme lab of FinTechSpace, a financial technology innovation park Questionnaire on ESG Topics 	Year-Round	The financial industry is highly regulated by the government. FEIB provides stable and professional financial services in compliance with laws and regulations and in line with the policies of the competent authorities to stabilize the financial conditions and promote the development of the financial system.
		<ul style="list-style-type: none"> Participate in government agency evaluations Join the industry associations related to finance 	Annually	
 Investors	Operating Performance Corporate Governance Ethical Management Risk Management Financial Innovation	<ul style="list-style-type: none"> The Investors Relations section of the corporate website is set up in both Chinese and English. Spokesperson, Deputy Spokesperson Manager for Investors Services Questionnaire on ESG topics are set up on the corporate website 	Year-Round	One of the vocation of a company is to maximize shareholders' equity, the reason being that the support from shareholders and investors are an important force for the stable growth of any enterprise. FEIB treats all shareholders with ethics and integrity, and strives to provide investors with quality and stable investment value.
		<ul style="list-style-type: none"> Convene regular shareholders' meetings; convene extraordinary general meetings when necessary Issue Annual Reports and Corporate Sustainability Reports 	Annually	
		<ul style="list-style-type: none"> Recruit the Board of Directors and the Audit Committee Hold investor conferences 	Quarterly	
		<ul style="list-style-type: none"> Announcement of Operating Performance 	Quarterly	
		<ul style="list-style-type: none"> Announcement of material information Press Release and Media Communications 	Occasional	

4 Material Topics

Stakeholders	Major Issues of Concern	Major Communication Methods	Frequency	Importance
 Customer	Customer Service and Rights Information Security Data Management and Personal Data Protection Green Finance Uninterrupted Operations	<ul style="list-style-type: none"> ● Customer Satisfaction Survey ● Face-to-face service for branches, business teams, etc. ● Provide internet banking, mobile banking, and other service channels ● Set up customer service hotline, customer service mailbox, intelligent customer service, and Customer Complaint Hotline ● FEIB's HAPPY+ Facebook Fan Page provides suggestions on communication and other matters. Communication Channels ● Organize physical events and professional seminars ● Questionnaire on ESG topics are set up on the corporate website 	Year-round	The relationship between the customer and the bank is not a one-time consumer relationship, but a partner that undergoes constant exchange and continuous interactions. FEIB is guided by the needs of its customers, providing them with a secure and enjoyable banking experience and pursuing the value of trust.
 Employees	Talent Attraction and Development Labor Relations and Friendly Workplace Ethical Corporate Management	<ul style="list-style-type: none"> ● Set up employee opinion mailboxes and a employee communication section on the internal website ● Organize weekly departmental meetings or other work meetings ● Set up the "FEIB WINNERS" Facebook Fan Page and Hold interactive activities online ● Feedback Questionnaires and Seminars on the Education and Training Courses ● Questionnaire on ESG topics are set up on the corporate website 	Year-round	One of the vocation of a company is to maximize shareholders' equity, because the support of shareholders and investors is an important force for the healthy growth of a company. FEIB faces all shareholders with integrity and strives to provide investors with quality and stable investment
		<ul style="list-style-type: none"> ● Implement performance appraisal procedures for communication ● Organize pledging events such as the annual party and implement courses on "Employee Code of Conduct" and signing activities to advocate directions for policies. 	Annually	
		<ul style="list-style-type: none"> ● Convene the Employee Welfare Committee 	Every 6 months	
		<ul style="list-style-type: none"> ● Conducting labor-management meetings ● Publish quarterly newsletters 	Quarterly	
		<ul style="list-style-type: none"> ● Departmental social or group recreational activities 	Occasional	

4 Material Topics

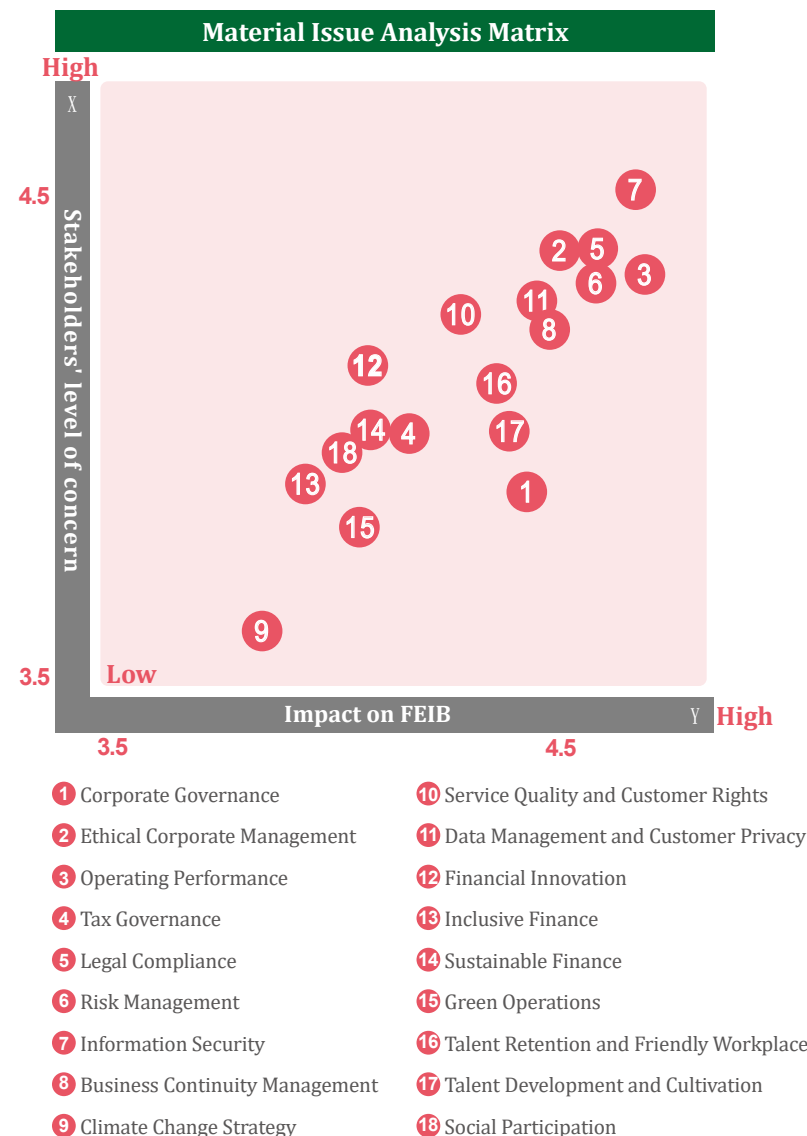
Stakeholders	Major Issues of Concern	Major Communication Methods	Frequency	Importance
<div></div> <div>Suppliers</div>	<div>Ethical Corporate Management</div> <div>Green Operations</div>	<ul style="list-style-type: none">● Establishment of a dedicated manager for supplier services and announcement on the corporate website● Develop an open bidding process, hold bidding briefings, and price negotiations briefings● Preferential procurement of green building materials, environmental labeling and compliance with the all construction materials, equipment and devices compliant to the laws and regulations● Corporate website provides download for the "Supplier Social Responsibility Pledge"● Host visiting suppliers and hold work meetings● Questionnaire on ESG topics are set up on the corporate website	Year-Round	Suppliers are the business partners of FEIB. Through our procurement practices, we convey our philosophy of honesty, prudence, quality and sustainable management, and influence our suppliers to fulfill their social responsibility together.
<div></div> <div>Community members/ non-profit organizations (NGOs)</div>	<div>Green Operations</div> <div>Social Welfare and Community Relations</div>	<div><ul style="list-style-type: none">● Establishment of a dedicated public affairs manager● Set up a "CSR Section" and a dedicated e-mail inbox on the corporate website● Set up a Stakeholder Section and the ESG questionnaire on corporate website</div> <div><ul style="list-style-type: none">● Co-organize or sponsor 2~3 community festivals● Sponsor or cooperate with at least 5 non-profit organizations● Issuing the Corporate Sustainability Report</div> <div><ul style="list-style-type: none">● Hold press conferences and press releases● Sponsorship of arts, academic, campus, community, and charity events</div>	<div>Year-round</div> <div>Annually</div> <div>Occasional</div>	Includes community and public welfare, academic, environmental protection, and other partners. Since its establishment, FEIB has grown and thrived with the support of numerous social resources. We consider it our responsibility to give back to the society, and through continuous and systematic social participation, we have been developing with public welfare organizations and communities to expand the power of truth, goodness, and beauty for the society.

Note: "Year-round" refers to the daily operation routine or at any time depending on the demand.

4 Material Topics

Identification of Material Issues






- I. The Sustainability Report Team reviewed and compiled 18 issues for FEIB's ESG focus working in collaboration with an external consultant, while taking into account the following issues of importance to the international indices and information from the benchmark partners in the financial industry in Taiwan:
 1. Top Issues in the Financial Industry by the MSCI ESG Rating
 2. Issues that have value to the DJSI (Dow Jones Sustainability Index)
 3. ESG issues from 5 benchmark partners in the financial industry
 4. By responding to the concerns of the department responsible for dealing with the stakeholders
- II. For each of the 18 possible issues of concern, the team evaluated them along the "level of concern for the stakeholders" axis and the "impact or influence on company operations" axis:
 1. Stakeholders' level of concern: A questionnaire survey was conducted for the stakeholders, and 217 valid questionnaires were collected.
 2. Impact on company operations: A survey was conducted with senior executives and team members from various departments.
- III. The above two axes of evaluation interacted to form a matrix for the analysis of the significance of issues, and 11 issues were identified as significant issues for FEIB's CSR practices, which were subsequently adjusted by the team:
 1. Although the issues of "Climate Change Strategy", "Sustainable Finance" and "Green Operations" were not of high concern to stakeholders at this stage and have a significant and immediate impact on operations, they are still included in the list because of the general trend. The "Climate Change Strategy" is included in FEIB's risk management policy and is therefore disclosed under the topic of "Risk Management".
 2. Although "Financial Innovation" does not have a direct impact on the performance of FEIB's operations at this stage, it is still included because it is the focus of the bank's development and the stakeholders are still concerned about this topic.
 3. The issue of "Business Continuity Management" has been described in the "Risk Management" section under the relevant risk response, so it is not dealt with separately for the time being.
 4. After the above adjustments, 13 major issues were finally submitted to the top management meeting for confirmation.







4 Material Topics

Management Policies for Material Issues







The Bank identifies impact boundaries, reviews, and develops management strategies and implementation plans for the 14 material issues. We are committed to upholding the rights and interests of our stakeholders through a systematic management mechanism with long-term investment, open and transparent responses, and continuous review of performance and feedback on various issues.

Material Issues	Key Risks and Opportunities	GRI Material Topics	Corresponding SDGs	Boundary objects for the Topics						
				Company	Employees	Investors	Customer	Competent Authorities	Suppliers	Community Members NGO
Corporate Governance	A responsible governance mechanism strengthens the stability of corporate operations, contributes to long-term corporate development, protects investors' rights and interests, and promotes a vibrant capital market and economic development.	102-18 to 102-39 General Disclosures	5.5 Ensure women's equitable participation in leadership decisions at all levels 16.6 Develop effective, accountable and transparent systems of corporate governance  	○		○		○		
Ethical Corporate Management	The market and stakeholders expect companies to demonstrate ethical corporate and governance practices, and dishonest practices may undermine stakeholders' trust in the bank or result in penalties from authorities, which may create a negative impact.	102-16,17 General Disclosures GRI 205 Anti-corruption	16.5 Reduce all forms of bribery and corruption 				●			
Operating Performance	The pursuit of growth and profitability is the duty of a company, and maintaining profitable growth is the foundation of a sustainable business.	GR-201 Operating Performance	8.1 Pursuing growth and profit based on GDP growth is the duty of an enterprise, and it is also necessary to maintain profit growth 	○	⊙	○		⊙		
Legal Compliance	The financial industry is highly regulated, and the law not only serves as a line of defense for banks to manage risks, but also avoids related fines and helps maintain the order of the financial industry and indirectly maintain the stability of the economic environment as well as people's livelihood. Being at the forefront of implementing money laundering prevention and cooperating with the world to fight crime is an obligatory mission for the banking industry.	GRI 419 Compliance to Social and Economic Regulations GRI 307-1 About Environmental Protection, Compliance to Social and Economic Regulations	16.4 Reducing the illicit flow of money and arms and combating organized crime. 	○	⊙	⊙	○	○		







4 Material Topics

Material Issues	Key Risks and Opportunities	GRI Material Topics	Corresponding SDGs	Boundary objects for the Topics					
				Company	Employees	Investors	Customer	Competent Authorities	Suppliers
Risk Management	The Company manages risks properly to balance operational stability and business flexibility, reduce the likelihood of crises, and prevent losses arising from risks that may impact financial performance or damage the bank's reputation.	102-30 Effectiveness of risk management procedures GRI 419 Compliance to Social and Economic Regulations	13.1 Strengthen countries' resilience and adaptability to climate change disasters. 13.3 Building institutional and human capacity for climate change mitigation, adaptation and education. 	○	⊙	○	●	○	
Information Security	With rampant cybercrimes happening, information security and hacker prevention are issues that businesses must take seriously. Personal data protection is an important right of our customers and is protected by specific laws, so that it can be effectively managed and not be stolen by those who want to damage the trust of customers and cause legal liability.	102-15, 30 General Disclosure GRI 418-1 Customer Privacy	16.4 Reduce the illicit flow of money and arms, and fight organized crime. 	○		●	○	⊙	
Service Quality and Customer Rights	Financial services are closely related to customer asset management, and unclear labeling or improper marketing of products may mislead customers' decisions and affect customer satisfaction and reputation together with service quality, which has a significant impact on business development.	102-2, 43, 44 General Disclosure GRI 417 Marketing and Labeling FS 7 Products or services designed to bring clear social benefits FS 14 Improving access to financial services for disadvantaged communities FS 15 Policy for Fair Design and Sale of Financial Services FS 16 Raise public awareness of financial products and knowledge FN-CB 240a.1 Lending to Promote Small Businesses FN-CB 240a.4 Provide financial education to disadvantaged groups	1.5 Empowering the disadvantaged with disaster resilience 16.6 Develop effective, accountable, and transparent systems at all levels  	○	⊙		●	⊙	●
Data Management And Protection of Customer Privacy	Personal data protection is an important right of our customers and is protected by specific laws, so that it can be effectively managed and not be stolen by those who want to damage the trust of customers and cause legal liability.	GRI 418-1 Customer Privacy FN-CB 230a.1 Personal Information Leakage The number of incidents, the percentage, and the number of customers affected and the number of customers affected							

4 Material Topics

Material Issues	Key Risks and Opportunities	GRI Material Topics	Corresponding SDGs	Boundary objects for the Topics					
				Company	Employees	Investors	Customer	Competent Authorities	Suppliers
Financial Innovation	The development of technology has impacted the business model of the financial industry, and the deployment of financial technology has become a critical issue for the banks' service efficiency, competitiveness, and sustainable survival.	<p>102-15 General Disclosures</p> <p>FS 8 Goods or services designed to provide clear environmental benefits</p>	<p>4.4 Promote the youth's access to information and communication technology skills</p> <p>8.2 Improving Economic Productivity through Technology and Innovation</p> <p>8.3 Support creativity and innovation, and encourage the normalization and growth of small, medium and micro enterprises</p> <p>8.10 Provide a broader range of financial services</p> <p>9.6 Support technology innovation to help increase the added value of industrial and commercial products</p> <p>17.8 Launch a technological bank and a technology and innovation capability training mechanism, and increase the use of technology.</p> <div>     </div>	○	○	⊙	●	⊙	
Sustainable Finance	The banking industry can effectively support the green energy and environmental protection industries through credit and investment, and assist in the development of enterprises that emphasize corporate governance and social responsibility, so as to promote the green economic power and corporate sustainability for a better world.	<p>FS 1 Policies applicable to the specific environmental/social elements of the business unit</p> <p>Policies applicable to the specific environmental/social elements of the business unit</p> <p>Policies applicable to the specific environmental/social elements of the business unit</p> <p>FS 8 Goods or services designed to provide clear environmental benefits</p> <p>Goods or services designed to provide clear environmental benefits</p>	<p>7.a Promote investment in energy infrastructure and clean energy technologies</p> <p>7.2 Increase the sharing of renewable energy</p> <p>12.7 Increase green procurement</p> <div>   </div>	○	○	⊙	●		

4 Material Topics

Material Issues	Key Risks and Opportunities	GRI Material Topics	Corresponding SDGs	Boundary objects for the Topics						
				Company	Employees	Investors	Customer	Competent Authorities	Suppliers	Community Members NGO
Green Operations	Although banks are not industries that consume large amounts of energy or emit large amounts of waste, they are still not immune to the risks of climate change such as global warming. Moreover, the purchasing power of listed companies can be used as a resource to motivate suppliers to attach importance to the environment and social responsibility, to demonstrate the influence of corporate management, and to bring related industries in line with the international trend of sustainability.	GRI 302-1,4Energy GRI 307Compliance to environmental regulations Compliance to environmental regulations GRI 414-1,2Social Assessment for Suppliers FS 3 Monitoring the customer's environmental and social processes in the scope of the agreement or transaction	7.3Increase energy efficiency 12.4Proper waste management processed in an environmentally friendly manner 12.8Ensuring people have information on sustainable development 12.6Encourage businesses to adopt sustainable business practices 15.2Implement sustainable forest management   	○					●	●
Talent Development and Cultivation	The bank operates on a talent-based approach. In the era of rapid industrial changes, human resources have become the key to success.	GRI 402 Labor Relations GRI 404 Training and Education GRI 406-1Non-discrimination	5.1Eliminate all forms of discrimination against women 5.bImprove the ability to use technology such as ICT, especially for women 10.4Adopt appropriate policies such as salary and social protection to gradually achieve further equality 12.8Ensure that everyone has information and awareness on sustainability   	○	○	◎	●			

4 Material Topics

Material Issues	Key Risks and Opportunities	GRI Material Topics	Corresponding SDGs	Boundary objects for the Topics					
				Company	Employees	Investors	Customer	Competent Authorities	Suppliers
Talent Retention and Friendly Workplace	Smooth and unhindered communication between labor and management provides opportunities to improve work issues. Employees who are happy with their jobs are the basis for the stable development of society, and those who are happy with their jobs and can take care of their family responsibilities are more effective and efficiently.	GRI 401-2,3 Labor Relations GRI 403-3 Occupational Health and Safety Health	8.8 Promoting labor rights such as workplace safety, especially for women 16.b Promote and enforce non-discrimination laws and policies  		○			⊙	

○ Direct Impact ⊙ Indirect Impact ● Impact due to commercial activities

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Corporate Governance	Through the establishment of an open and transparent governance mechanism and the implementation of internal control systems to ensure that all employees and operations do not fail to comply with the relevant laws and regulations, forms the cornerstones of a sustainable business operation.	Corporate Governance Operation of the Board of Directors Key Indicators <ul style="list-style-type: none"> ● Ranked in the top 20% of corporate governance ratings ● Selected for the FTSE4Good TIP Taiwan ESG Index 	<ul style="list-style-type: none"> ● Ranked in the top 20% of corporate governance ratings ● Selected for the FTSE4Good TIP Taiwan ESG Index ● Formulated the "Corporate Sustainability Committee" ● The proportion of female directors reaches the target of more than 25% of the total seats of a single gender ● Zero violations of relevant regulations on information reporting or major information 	<ul style="list-style-type: none"> ● Corporate Governance Rating maintained its previous ranking and achieved 5 new targets. ● 5% increase in FESE Russell rating score and selected for the FTSE4Good TIP Taiwan ESG Index ● The implementation of ESG sustainability will be included in the audit and inspection.
Ethical Corporate Management	We have established a culture of honesty, diligence, and prudence, and have established internal rules and regulations such as the Ethical Corporate Management Best Practice Principles, the Corporate Governance Best Practice Principles, the Donation Management Regulations, the Code of Service and Conduct for Employees, and the Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct.	Corporate Governance Ethical Corporate Key Indicators <ul style="list-style-type: none"> ● 100% of employees receive relevant training and sign the relevant regulations ● 100% of the directors and senior executives signed the relevant declarations 	<ul style="list-style-type: none"> ● Established the "Ethical Corporate Management Team". ● 100% of employees receive training for ethical corporate management and sign a code of conduct ● 100% of the Board of Directors and senior executives signed the "Declaration of Compliance with the Ethical Corporate Management Policies" ● To the extent practicable, include the terms of ethical corporate management in the contract to regulate the parties to the transaction ● No cases of improper acceptance of benefits by employees 	<ul style="list-style-type: none"> ● 100% of employees receive relevant training and sign the code of conduct ● 100% of the directors and senior executives signed the "Declaration of Compliance with the Ethical Corporate Management Policies"

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Operating Performance	FEIB's operating strategy considers both the quality of its assets and the growth of its business. A strategic meeting is held in the fourth quarter of each year to set the operating budget and capital expenditure budget for the following year, taking into account the internal and external environment and the current operating conditions, which is then submitted to the Board of Directors for approval. The management team holds weekly executive meetings to fully grasp the situation of achieving the budget targets at each stage.	About FEIB Financial Performance Key Indicators <ul style="list-style-type: none"> Long-term steady growth of total assets Credit rating 	<ul style="list-style-type: none"> Total assets grew by 6%, achieving a rate of 100%; 17% growth in net income after tax Rated as a stable investment grade financial institution Established office in Singapore 	<ul style="list-style-type: none"> Total assets of \$745.3 billion Total deposits of \$629.8 billion. Total lending amounted to \$436.9 billion Credit rating maintained at investment grade
Legal Compliance	The combination of law compliance, anti-money laundering, combating the financing of terrorism, internal control, and risk management is strengthened and internalized into the awareness of all employees, and the performance of each department is examined by means of communication with the law, legal compliance control, education and training, cases of violation of internal and external regulations, field checks, self-assessment of legal compliance, and the quality of operations related to the money laundering prevention system. The evaluation results will be included in the individual's annual performance appraisal, accounting for 7% of the overall performance score.	Corporate Governance Legal Compliance Key Indicators <ul style="list-style-type: none"> Enforcing Compliance and Anti-Money Laundering and Combating Money Laundering Education and Trainin Implementation of compliance and anti-money laundering and counter-financing of terrorism field audits and evaluations by various units 	<ul style="list-style-type: none"> Complete all staff training Completion of all unit related audits and Evaluation Conducted the first overseas branch legal compliance Departmental manpower adequacy assessment 	<ul style="list-style-type: none"> Completion of Compliance and Prevention of Money Laundering and Anti-Money Laundering Education Training, Training, verification and evaluation Set up a digital platform for legal compliance platform, providing Q & A
Risk Management	<ul style="list-style-type: none"> To create an organizational culture that emphasizes risk management, we have established a dedicated unit that uses internal and external quantitative and qualitative indicators as operational references to effectively identify, measure, monitor and control all existing and potential risks. The increased risk of climate change may affect the quality of banking products due to the impact on financing targets, and may trigger complex and unpredictable systemic financial crises that affect the stability of the financial industry. In addition, FEIB has been prompted by the latest legislation and regulations to address and develop strategies to incorporate climate change into its risk management policies and improve the implementation of TCFD. 	Corporate Governance Risk Management Key Indicators <ul style="list-style-type: none"> Refine the risk management systems and mechanisms Inclusion of emerging risks Climate change strategy and TCFD implementation Penalty cases by the competent authorities 	<ul style="list-style-type: none"> Import TCFD to complete key opportunity and risk identification Sign the TCFD International Initiatives All auditing operations are performed as scheduled, and improvements are completed for the identified deficiencies. 41 items of strengthened inspections were planned and 50 items were actually implemented No cases of improper benefits received by employees and no cases of penalties imposed by authorities 	<ul style="list-style-type: none"> Corporate sustainability incorporates a risk management policy that clearly defines climate and environmental risks. Established the Climate Functional Group and set up a reporting process to the Corporate Sustainability Committee. Continuous Improvement of TCFD Planned 38 items of strengthened inspections

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Information Security	The Information Security Department is dedicated to the planning and management of information security affairs, from the establishment of a complete control framework to continuously strengthen the complex and multi-defense information security system, to the investment in education and emergency response drills to strengthen the information security mindset of employees and enhance incident handling capabilities, etc. The company will work on all fronts, including improving incident handling capabilities, building a management system that complies with the competent authorities' information security supervision and international information security standards, strengthening automated detection capabilities, and cultivating information security professionals.	Corporate Governance Information Security Key Indicators <ul style="list-style-type: none"> Information Security Incidents Safety awareness for all employees 	<ul style="list-style-type: none"> Integrate critical systems and all information security equipment into the information security control center Introduce an automatic detection mechanism for counterfeits of the bank's website No Information Security Incidents All employees received 100% information security training 100% information system redundancy drill completed 	<ul style="list-style-type: none"> Complete the information security strategy blueprint and plan the three-year implementation plan, identify major operational shocks, and establish various management documents in line with international standards No Information Security Incidents All staff receive 100% information security training 100% information system redundancy drill completed
Ethical Corporate Management	To reduce the environmental footprint of our operations, we promote green procurement, greenhouse gas inventory and energy-saving target management, and implement a low-carbon-friendly environment in our internal operations; we use our procurement influence to drive our suppliers to take corporate social responsibility seriously, require important suppliers to jointly commit to human rights and environmental sustainability, and initiate supplier evaluations.	Sustainable Environment Management of Energy Saving Targets Key Indicators <ul style="list-style-type: none"> Achievement of energy saving targets Greenhouse Gas Inventory Environmental Sustainability Related Actions Important suppliers sign the Supplier Social Responsibility Pledge Conduct supplier evaluations annually, incorporate the ESG assessment 	<ul style="list-style-type: none"> 3.43% annual reduction in electricity consumption; ISO 50001 demonstration site Saved 11.46% of power in 2021 100% of suppliers with annual transactions of over NT\$ 1 million signed up. Completed supplier evaluation with ESG assessment Received third place for Buying Power's Social Innovation, Product, and Service Procurement Continued to adopt the green walkway around the headquarters for 22 years, and launched the first employee beach cleaning activity. 	<ul style="list-style-type: none"> The ISO 50001 implementation experience will be extended to all branches year by year. The demonstration site sets a target of 8% reduction in total electricity saving by 2022, taking 2019 as the base year. In 2023, we will complete and passed the external verifications of the ISO 14064-1 greenhouse gas inventory at all locations of the bank and set short-, medium- and long-term reduction targets. Plans to build photovoltaic panels in our own premises Plans to obtain green electricity and certificates through the transfer capability model. Signing and implementation of supplier evaluation with ESG assessment by new key suppliers To be certified by the government as an innovative product and service procurement or green procurement benchmarking unit Continued to adopt the green walkway and promote beach cleaning activities

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Sustainable Finance	We incorporate the spirit of the Equator Principles and exert financial power such as credit granting and investment, and review the ESG performance of credit grantors or investment targets. ESG-related financial products are available to support companies that invest in green-related industries and implement sustainable values.	Sustainable Environment Assisting the industry in low carbon transformation Key Indicators <ul style="list-style-type: none"> Green Credit or Green Investment Performance Amount of Green Procurement The number and proportion of ESG funds 	<ul style="list-style-type: none"> We have added 47 new green credit companies, and the accumulated balance has grown by 13%. We hold 7 green bonds and 1 ESG sustainable bond with a total amount of NT\$2.1 billion, and invested in 8 ESG constituent stocks of Taiwan stocks with a total amount of NT\$710 million. There are 1,269 ESG funds in total, accounting for 49% of the total number of funds on the shelf. We have 107 overseas ESG marketable securities, accounting for 16% of the total number of securities on the shelf. The amount of Green Procurement is NT\$18.06 million. Develop ESG credit policy and organize related education and training 	<ul style="list-style-type: none"> New green credit accounts or a balance growth of 30% Add ETFs of overseas ESG sustainable enterprises as investment targets Continue to introduce ESG commodities, accounting for 45% of the total number of investment grade products in 5 years Signed the Equatorial Principles
Financial Innovation	The digital transformation takes "pragmatic digital finance" as the main axis, and continues to develop in three stages: ①Optimize the customer experience②Digitalize the process of financial services③To create new business models, strengthen digital financial infrastructure, and at the same time cooperate with new entrepreneurs to expand the financial scene, build a financial ecosystem, and develop various digital services. Promote contact-less digital financial services.	Customer Trust Financial Technology Innovation Key Indicators <ul style="list-style-type: none"> Service replacement rate Digital Customer Acquisition Rate Digital Innovation Awards Received 	<ul style="list-style-type: none"> Service replacement rate 94.3% Digital Customer Acquisition Rate 51.4% Received 4 Digital Innovation Awards 	<ul style="list-style-type: none"> Service replacement rate 93% Digital Customer Acquisition Rate 40% Digital Innovation Awards Received

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Data Management and Customer Privacy	With the advancement of smart technology, data analysis can bring faster and more accurate services to customers. Under the premise of following the current personal data protection act, we should keep pace with the current trend and establish a better privacy protection system, define the responsibilities of data controllers, establish processes to cooperate and strengthen auditing, and continue to strengthen the employees' awareness of data protection in order to smoothly evolve the combination of modern financial services and technology to move towards a more advanced society.	Customer Trust Service Quality and Customer Rights Internet Transaction Security / Personal Data Protection Key Indicators Incidents of Personal Data Breach Number of customers affected by the data breach	<ul style="list-style-type: none"> ● No Incidents of Personal Data Breach ● Number of customers affected by the data breach 0 	<ul style="list-style-type: none"> ● No Incidents of Personal Data Breach ● Number of customers affected by the data breach 0 ● Revised "Personal Information Security Incident Reporting and Handling Specifications" to strengthen relevant SOPs
Service Quality and Customer Rights	We collect customers' thoughts and opinions, conduct quarterly customer satisfaction surveys, and link the results to the service personnel's performances in order to correct misconduct, improve service quality, and bring a human touch to our services. The customer service center has introduced a multi-media interactive platform for all channels and continues to optimize intelligent services.	Customer Trust Service Quality and Customer Rights Key Indicators <ul style="list-style-type: none"> ● Customer Satisfaction Levels ● Customer Service Satisfaction Ratio ● Execution effectiveness of treating customers fairly 	<ul style="list-style-type: none"> ● Financial management customer satisfaction > 96 points ● Customer Service Satisfaction Ratio > 99% ● Received 10 awards for financial management and customer service ● Set up a "Fair treatment Team" ● Customer Service Center established the Customer Experience Department ● Established bilingual demonstration branches 	<ul style="list-style-type: none"> ● Financial management customer satisfaction > 96 points ● Customer Service Satisfaction Ratio > 95% ● Organize fair hospitality promotion activities and check the status of service with a confidential customer program. ● Develop customer complaint management specification and import the ISO 10002 customer complaint quality management system validation ● The utilization rate of the intelligent customer services is 22%, and the service accuracy is 95% ● Additional bilingual demonstration branches

4 Material Topics

Topics	Strategies	Evaluations and Objectives		
		Section on Management Policies and Evaluation Mechanisms	Achievement Status in 2021	Targets in 2022
Talent Development and Cultivation	Using the strategy of the best employer brand to attract talents, we recruit diversified talents externally and assist employees to upgrade their professionalism internally, so as to meet the development of financial technology transformation and further achieve the bank's operation goal of long-term stable growth.	Talent Recruitment Training Programs Key Indicators <ul style="list-style-type: none"> Selected for the Taiwan Employment Creation 99 Index Received governmental incentive grants and subsidies TTQS certification and other relevant certifications or awards 	<ul style="list-style-type: none"> Obtained government awards and subsidies for education and training for 19 consecutive years TTQS Gold Certification Selected for the Taiwan Employment Creation 99 Index Received the National Talent Development Awards Awarded the HR Asia Best Companies to Work For in Asia Received the Learning Star Award from the Common-Wealth Learning Platform 	<ul style="list-style-type: none"> The Training Program Receives Government Incentive Grant TTQS Gold Certification Selected for the Taiwan Employment Creation 99 Index Continue to strive for awards such as the HR Asia Best Companies to Work For in Asia Launched the ESG Classroom for all employees
Talent Retention and Friendly Workplace	We provide better pay and benefits than that required by the labor laws and regulations, emphasize workplace safety, and create a happy workplace that promotes the employees' physical and mental well-being.	Talent Recruitment Compensation and Benefits/ Workplace Environment Key Indicators <ul style="list-style-type: none"> Selected for the Taiwan High Compensation 100 Index Received relevant certifications or awards Participation rates of health promotional activities 	<ul style="list-style-type: none"> Selected for the Taiwan High Compensation 100 Index Promoted activity participation rate of 87% Acquired 16 healthy workplace labels Received the Corporate Health Responsibility Corporate Citizen Pledge Received Third Place for isports Calendar Points Tournament from the Sports Administration 	<ul style="list-style-type: none"> Selected for the Taiwan High Compensation 100 Index Received the Corporate Health Responsibility Corporate Citizen Pledge Participation rate of health promotional activities is 88%