



遠東國際商業銀行  
Far Eastern Int'l Bank

# When the Great Way Prevails

## 2022 Sustainability Report



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2022 Sustainability Report

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# 1 About the Report

Far Eastern International Bank releases a sustainability report every year to express performance information in corporate governance, environmental and social aspects. Chinese and English versions can be downloaded in the Sustainability Section on the website for stakeholders of to find out our commitment and action to sustainable operations. Our operation is focused on "Faithful, diligent, humble, prudent and creative" and integrate the spirit of innovation into our operation. On the way to corporate sustainability practice, we and like-minded corporate citizens work as one to devote ourselves to a better society and environment.



## Report period and scope

The Report discloses management and execution of all material topics of sustainability development for Far Eastern International Bank in 2022 (January 1 to December 31, 2022). It covers business locations in Taiwan, Hong Kong and Vietnam. It does not cover activities of subsidiaries except for consolidated financial statements. Relevant statistics are calculated based on international common standards and indicators, not significantly different from the report for previous year. (The report for 2021 was released in June 2021.) All financial performance figures are marked in NTD. Complete contents of all sustainability reports are disclosed in the Sustainability Development Section on the website of Far Eastern International Bank for the public and all stakeholders to download and read.



## Basis for composition

The Report complies with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies." The content and structure of the Report are composed according to the Global Reporting Initiative (GRI) GRI Standards with Supplemental Guidance for the Financial Sector, Sustainability Accounting Standards Board (SASB) Commercial Banking Guidelines and TCFD (Task Force on Climate-related Financial Disclosures).



## Compiling procedure and information quality

All information and statistics disclosed in the Report are calculated by Far Eastern International Bank, provided by all responsible units, collected, and organized and edited by the Administration Department. As for financial data, we only adopt publicly announced information signed and verified by the accountant. All data are described numerically like how general data is described. Special situations are explained in the report in detail. The first draft is read and revised by the Sustainability Report Division. It is approved by the President, finalized and published. The compiling procedure is included in internal control system for management.

Procedure	① Information collection and content compilation	② View of first edition	③ Assurance or verification	④ Finalization
Instruction	All responsible departments offer the relevant execution goal and achievement of the topic. The Administration Department organizes and edits the goal and achievement.	The Sustainability Report Division proofreads and amends the goal and achievement, and the President reviews the goal and achievement.	Assured by the accountant or verified and approved by an external third party.	The content assured and approved is submitted to the President and the Sustainability Committee for review and finalization. After typesetting, the Administration Department uploads the content to the official website and releases it openly.



# 1 About the Report

The following describes the compliance standards we refer to for our various data and the assurance institutions for our various data. The compliance standards and assurance institutions are used for ensuring information reliability of the Report.

Information/ Data type	Standard	Assurance provider
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 14001: Environmental management system	The British Standards Institution (BSI Taiwan)
	ISO 14064-1 Organizational Greenhouse Gas Inventory	The British Standards Institution (BSI Taiwan)
Social information	ISO 10002:2018 Customer complaint quality management system	The British Standards Institution (BSI Taiwan)
	TTQS Talent development quality management system	Workforce Development Agency, Ministry of Labor
	ISO 27001: Information security management system	The British Standards Institution (BSI Taiwan)
	BS 10012: Personal Information Management System	The British Standards Institution (BSI Taiwan)



## Feedback

Far Eastern International Bank Co., Ltd.

Li Pei Pin, Administration Department

Tel.: 886-2-23765614

Email: [cr@feib.com.tw](mailto:cr@feib.com.tw)

Address: 27F, No. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Web: [www.feib.com.tw](http://www.feib.com.tw)



## 2 Message from the Chairperson

When the Great Way Prevails  
2022 Sustainability Report



Despite the COVID-19 pandemic finally being over, the new world in post-pandemic era is facing an unprecedented turbulent situation. The world-renowned scholar Nouriel Roubini even pessimistically pointed out that human society is facing a significant change and will enter a chaotic era of severe turmoil and conflict. Global politics, economy, industry and climate change are surrounded by all kinds of changeability, uncertainty, complexity and ambiguity. We urgently need to build a warm, tenacious nature for Far Eastern International Bank. Luckily, sustainability value has gradually become a highlight that enterprises, governments and academic circles in Taiwan in a short time and it is highly respected. Corporations attach importance to momentum of three dimensions: environment, society and governance, while striving for growth. Far Eastern International Bank officially puts the Corporate Sustainability Committee into operation, and establishes the corporate responsibility of the Board of Directors and top management for environmental and social topics. We are successful in corporate sustainability; therefore, we are selected as the flagship division in top 5% in Listed Group of 8th Corporate Governance Evaluation. We have been continually selected as TFTSE4Good TIP Taiwan ESG Index, Taiwan High Compensation 100 Index and Taiwan Employment Creation 99 Index. We have also won the Talent Development Leadership Award of Taiwan Corporate Sustainability Awards, and we have been honored the HR Asia – Best Companies to Work for in Asia continuously (HR Asia is an international professional human resource journal).

Sustainable operation is not just an operating strategy but the core value of a corporation. Disturbance and chaos continue to influence the financial sector. While responding to them with agility, Far Eastern International Bank adheres to honesty, diligence, simplicity, prudence, and innovation, implement compliance and risk management, and abide by the highest ethical standard in all business interactions. Besides this, we expand influence through financial core expertise to motivate investment in green economy. In 2022, we signed the Equator Principles, and strengthened the power of international green financing. We continue to deploy green product lines, including offering construction loan benefits, and ESG fund subscription benefits. We plan to produce employee uniforms with recyclable materials, expand the boundary of green purchase, collect funds to invest in sustainability transition and development, and seek to build a green ecosystem of capital and industry. We introduced numerous inclusive financing services benefited to SMEs and individuals. For the evaluation for fair treatment of customers organized by the FSC, we won the highest grade and we are in the top 25% of domestic banks.

Far Eastern International Bank implements performance management of corporation in charity engagement. We have been publishing our calendar for 19 years. The theme of our calendar this year is performance hall in Taiwan, promoting cultural construction and integrating arts in life. Our donation has been donated to the charity platform of Eden Social Welfare Foundation for 25 years. In 2022, we set up an interactive donation device in all Far Eastern Department Stores in Taiwan in turns for fundraising. We have set an example for long-term partnership between corporation and NPO.

Far Eastern International Bank abides by sustainable operation and strives for stable growth. Our governance and management teams set an example for employees to learn our cultural value. We continue to make plans and take action based on corporate governance, customer trust, happy workplace, environmental sustainability, and combination of charity and humanity aesthetics. While increasing competitiveness and building ESG foundation, we aim for a better society and Earth.

Chairperson, Far Eastern International Bank

侯金英



### 3 About Far Eastern International Bank



We hold fast to the corporate business management announced by the founder Yu-Ziang Hsu and the Chairperson of Group Douglas Hsu, "honesty, diligence, simplicity, prudence, and innovation." Far Eastern International Bank strengthens its foundation, enhances our nature, builds a robust groundwork, leads the industry based on sustainable operation, builds an efficient organization that moves with the times, forges ahead, continues to break new ground with agility in an ever-changing world and a competitive market, strives for long-term stable growth, and offers instant, cross-border, digital, excellent financial services to customers. We exert ourselves to contribute to national economy, revitalize wealth in society, and become the most reliable financial service company in Greater China.

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## Basic Information

Company name	Far Eastern International Bank Co., Ltd.
Date of incorporation	Founding of the Company was approved on January 11, 1992, and the Company went into business on April 11, 1992.
Listing date	November 27, 1998
Paid-up capital	NT\$40,694,838,550
Number of employees	2,573
Address of Head Office	26&27F., No. 207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City
Business location	58 (55 branches in Taiwan, one branch in Hong Kong, Vietnam Office, Singapore Office)
Industry	Financial banking industry
Rating	Fitch Ratings: International long-term rating BBB, domestic long-term rating A+ (tw). The prospect is stable. We are an excellent investment-grade financial institution.
Vision	Become a professional, sophisticated financial service company in Greater China.
Mission	Offer intelligent, innovative financial and money management service to personal and corporate customers in the market of Greater China. Create the biggest value for customers, shareholders and employees.
Founding spirit	Honesty, diligence, simplicity, prudence and innovation

Base date: December 31, 2022



## History and Development

Far Eastern International Bank was founded by businessman Mr. Yu-Ziang Hsu. Mr. Yu-Ziang Hsu founded numerous companies and contributed a lot to national economic development. We've been founded 30 years ago, encountered a competitive financial environment with unrestrained bank license issuance, and gone through economic turbulences such as Asian Financial Crisis, Financial Crisis, COVID-19 pandemic, and China–United States trade war. In a turbulent situation, we introduce international bank management concept and grow gradually, including that we set up the joint venture Deutsche Bank Far East Investment Trust with Deutsche Bank, transfer the credit card business of AIG Group, and made an investment to purchase ING Securities under IN Group and renamed it to Far Eastern International Securities Company Limited.

In our third decade, we face rapid change of environment, such as globalization and technological development. Our overseas business expands from a point to an entire area. We adapt to digital economic wave, reinforce channel and application and innovation of digital finance, lead wealth management by the HAPPY+ Value, and offer warm service. For interior issues, we strengthen combination of compliance, internal control and risk management. We make sure that all employees are aware of risk management internally by revealing policies and implementing process, to step on the sustainability path in long-term, stable growth. Recently our business has focused on new normal finance for adapting to post-pandemic era, faster deployment of digital bank, development of open social finance platform, connection of ecosystem of Far Eastern Group, and integration of consumer finance, insurance agency, credit card and wealth management, to strengthen personal financial business group. We implement customer-oriented operation synergy to strive for deployment based on long-term stable growth to enter the fourth decade.



### 3 About Far Eastern International Bank

- Opened in April 1992.
- Listed in November 1998.

- Established the organization system with separate business groups in 1999.
- Issued our first overseas unsecured convertible financial bonds in 2003.

- Founded the Hong Kong Branch in 2007.
- Initiated critical deployment in 2010, including the business connecting to international financial groups.
- Merged 19 branches of Chinfon Commercial Bank in 2010.
- Issued the Global Depositary Receipt (GDR) in 2014.
- Founded Far Eastern International Finance & Leasing in Shanghai in 2015.

- Set up the Digital Banking Group and Financial Strategy Center in 2016.
- Initiated the "Retain Banking Group" in 2020, which integrates branch, consumer finance, credit card, insurance agency and wealth management.
- Set up an office in Ho Chi Minh City in 2020.
- Set up an office in Singapore in 2021.
- The Board of Directors founded the Corporate Sustainability Committee in 2021.
- Being selected as the top 5% in Listed Group of Corporate Governance Evaluation in 2022.

In the early days of founding, we set up foundation based on honesty and diligence.

We transform our organization, strengthen foundation and enhance our nature.

We make critical deployment and connect to the world market.

We expand business across borders and implement digital innovation.

- Mr. Yu-Ziang Hsu founded the Bank to respond to the government policy, modern, liberal, international finance.
- We are the first bank in Taiwan to set up an organization system with separate business groups, which is groundbreaking among work platforms of companies in financial sector in Taiwan. The system increases performance of the organization and builds robust foundation for entering our second decade.
- Gained experience in business connecting to international financial groups, including setting up the joint venture Deutsche Bank Far East Investment Trust with Deutsche Bank, transferring the credit card business of AIG Group, and making an investment to purchase ING Securities under IN Group and renamed it to Far Eastern International Securities Company Limited.
- Established new business teams such as Treasury Marketing Unit (TMU) and Corporate Finance Department under Corporate Banking Group. Offered cross-border, high-structure-degree capital market financing programs.
- Deployed a cross-border corporate financial service platform. Organized international syndication loan, which becomes one of our highlight businesses.
- Our competitiveness has overcome the obstacles in the international capital market. We are the first non-financial holding bank in Taiwan issuing GDR and ECB in the international market.
- Yuan Rong Auto International Co., Ltd. in China (Shanghai) Pilot Free Trade Zone went into operation. It will become a regional international bank.
- Launched the digital brand Bankee to grasp the digital business opportunity. Our own fintech acquired numerous invention patents and utility model patents.
- Issued the "Happy Cash" card, which is a card of Far Eastern Group, and the "Happy Home+ Card," which targets family and pet owner.
- Introduced HAPPY+, a wealth management brand. Transformed traditional branches into HAPPY+ branches.
- Organized the first corporate loan syndication in ASEAN market. Honored the Best Taiwanese Banking Sector Syndication Loan.
- Signed the Equator Principles. Support Task Force on Climate-related Financial Disclosures (TCFD). Became the only bank granting loans to the first geothermal power plant in Taiwan.



## Core Business and Service Network

### Primary business

While facing market change and fast-changing, competitive business environments, we have been devoted to product innovation in our early years, and launched niche business. We are the first bank offering foreign exchange margin trading and Convertible Bond Asset SWAP (CBAS). Later on, we launched businesses regarding civilian economy, such as strategic-alliance car loan, motorcycle loan and installment payment. We've been a leading brand in the market for the businesses. To adapt to the global foreign exchange market, our foreign exchange margin trading service is a 24-hour service, which is rare in the industry. We foresee the trend of professional service and diverse product. We implemented reorganization several times. We started with corporate finance when we were founded, gradually built four separate business groups, personal finance, digital finance, corporate finance and financial market, and built a financial service team handling customer group and transaction based on specialization. Our business model targets on interest revenue, fee income and interest revenue. Business groups support each other while operating independently. We continue to create new products and services and increase business scale continuously.

Business	Ratio of net income to total net income	
	2021	2022
Personal finance	54.11%	50.39%
Corporate finance	29.38%	35.41%
Financial market	16.46%	14.22%
Digital finance	-0.05%	-0.02%

Deposit business		
All employees	Number of accounts (in thousands)	Total (million NTD)
Personal	1,966	221,062
SME	30	59,854
Corporate customer	8	326,741
Total	2,004	607,657

Loan business		
All employees	Number of accounts (in thousands)	Amount (million NTD)
Private	155	249,223
Small and startup SME	1	54,954
Other companies	2	157,528
Loan balance	158	461,705



### 3 About Far Eastern International Bank

#### Branch location

- We have 56 branches and most of our business locations are in Taiwan. The only overseas branch is in Hong Kong. In 2010, our number of branches in Taiwan increased significantly by merging 19 branches of Chinfon Commercial Bank in 2010, which is a major breakthrough for establishing more branches. In 2022, the number of branches is one less than in 2021 because Nong'an Mini-Branch and Jinhu Mini-Branch were merged as Taipei Jinhu Branch in 2022. Furthermore, Taipei Zhongshan Branch was relocated and renamed Taipei Chengde Branch.
- Taipei Head Office Branch, Hsinchu Big City Branch and Banqiao Mega City Branch are luxury complex branches connected to large shopping centers.
- Dunnan AI Intelligent Financial Management Branch on the 13th floor of Far Eastern Plaza primarily offers private-bank-level high-end money management service.
- To respond to the Taiwanese government's 2030 Bilingual Policy, we planned to transform Taipei Fuxing Branch and Taipei Head Office Branch into a bilingual demonstration branch in 2021. We transformed Taipei Chengzhong Branch, New Taipei City Linkou Branch, Taipei Chengde Branch and Taichung Gongyi Branch into a bilingual demonstration branch in 2022. Huang Tien Mu, Chairman, Financial Supervisory Commission, and Kung Ming Hsin, Chairman, National Development Council, inspected these branches and recognized us for setting up the benchmark of the industry.
- To increase the value of the business locations in physical channels, traditional branches are gradually transformed into HAPPY+ branches integrating with humanity characteristics in communities in the past three years. A happy space for customers is organized for these branches to show the style of branches in contemporary times, with technology and humanity complementary to each other.



HAPPY+ Bank		
Branch	HAPPY+ Topic	Feature
Taipei Fuxing Mini-Branch	Happy to learn knowledge	The theme of the branch is a story hall
Taipei Chengzhong Branch	Happy to create	Contrary between the modern and magnificent ancient times
Taipei Chengde Branch	Happy to engage in charity	ESG Sustainability Charity Wall
New Taipei City Linkou Branch	Happy to enjoy music	Music salon and performance hall
Taipei Jinhu Branch		
Taichung Chaofu Branch	Happy to share	Arts and cultural happy space



### 3 About Far Eastern International Bank

#### Business opportunity in regions

In the early days, our overseas business focused on Hong Kong Branch and Far Eastern International Finance & Leasing. We deploy a cross-border corporate financial service platform targeting Greater China, and we expand our business to the ASEAN market. We set up Ho Chi Minh Office and Singapore Office. The latter one is located in Singapore Land Tower at Raffles Place downtown, which is a central business and financial district. Numerous world-renowned agencies set up their office at Raffles Place. Our corporate customers are located in Taiwan, China, Hong Kong, numerous ASEAN countries, India and Australia.

#### Virtual-physical integration

With regard to digital channel, besides continuing to enhance our diverse automated channels and service procedures, e.g. online bank, mobile bank App, i-Platform, we are the first bank in Taiwan launching Bankee, a community bank. Through a recommendation and sharing mechanism, we



help young people operate their business like a branch manager. Twenty-six thousand young people joined Bankee in 2022, significantly higher than before. There are more than twenty thousand account holders in our largest group. Bankee has worked with seven technological startups for service streaming as of 2022, has received 16 fintech innovation awards in three years, and continues to enhance virtual-physical integrated financial service network.



	Region	Business location
Taiwan	Northern Taiwan	40 branches
	Central Taiwan	7 branches
	Southern Taiwan	8 branches
Overseas	Hong Kong	1 branch
	Shanghai, China	Set up one financing lease company
	Vietnam	One office
	Singapore	One office



## Operational Performance

Our operation strategy gives consideration to quality and business growth. We hold the strategy meeting in Q4 every year, consider internal and external environments and current operating condition, set the operating budget and CapEx budget for next year, and submit the budgets to the Board of Directors for resolution and approval. The management team holds the banking business meeting, hosted by the President. The Financial Strategy Center reports the overall performance and goal progress, and examines market risks and opportunities. At each board meeting, the Financial Strategy Center is in charge of reporting performance in stage for the top management to keep track of and supervise budget progress.

We follow our own goal of long-term stable growth. In 2022, our total asset increased by 2.4% and our operating margin increased by 9%. We improved our interest rates and our net interest income increased by 9% because we are aware that national and international central banks have lifted interest rates. We reduced overheads and drew less bad debt, increasing net income by 25%. Our EPS was raised to NT\$1.

We organized capital to meet business development needs. In Q4 2022, our capital increase by cash for common stock was NT\$4.8 billion, we increased CAR to 14.98% and CET1 ratio to 11.70%, effectively improving the capital structure.

Our basic objective of capital management is that equity fund and consolidated equity fund must be sufficient to meet the regulatory capital requirements, and our CAR must meet the statutory limit in the Regulations Governing the Capital Adequacy and Capital Category of Banks. In our basic objective, we also ensure that we have sufficient capital to help us overcome all kinds of risks, and realize resource allocation optimization and robust capital structure based on the

operating plan and budget goal approved by the Board of Directors. In our management procedure, we regularly report relevant information to competent authorities, and report execution and actual change of operating data of capital planning to members of the Assets and Liabilities Management Committee every quarter. We also perform stress test and CAR assessment.

Item		2020	2021	2022
Operating ability and profitability	Total asset (million NTD)	680,047	723,055	740,540
	Total equity (million NTD)	48,744	49,702	54,972
	Revenue (million NTD)	16,417	14,562	17,835
	Net profit margin (million NTD)	2,519	2,939	3,678
	Return on Assets (ROA)	0.38%	0.42%	0.50%
	Return On Equity (ROE)	5.25%	5.97%	7.03%
	Earnings per share (EPS) (NTD)	0.71	0.82	1.00
Economic value and distributed	Operating costs (million NTD)	5,204	3,769	6,096
	Employee salary and welfare (million NTD)	4,141	4,080	4,240
	Dividend to shareholders (million NTD)	1,783	2,066	1,664
	Tax payment to the government (million NTD)	1,159	848	959
	Community investment (million NTD)	28	2	3

Base date: December 31, 2022



## Award and Recognition from Evaluation

Theme	The domestic and international awards we won and the ESG indexes we have been selected in 2022	Institution conferring the award
ESG Sustainability	🏆 Top 5% in Listed Group of 8th Corporate Governance Evaluation	Taiwan Stock Exchange
	🏆 Taiwan Corporate Sustainability Awards Sustainability Report Finance and Insurance Group Bronze Award	Taiwan Institute for Sustainable Energy (TAISE)
	🏆 Taiwan Corporate Sustainability Awards Finance and Insurance Group Talent Leadership Award	Taiwan Institute for Sustainable Energy (TAISE)
	🏆 Outstanding Bank Award – Best Social Co-Prosperity Award	Excellence Magazine
	🏆 Wealth Management and Securities Evaluation Best Sustainable Development Award	Business Today
	🏆 Wealth Management Survey Best Welfare Promotion Award	Wealth Magazine
	🏆 National Talent Development Awards	Ministry of Labor
	🏆 HR Asia--Best Companies to Work for in Asia	HR ASIA from Malaysia
	🏆 Happy Enterprise Gold Award	1111 Job Bank
	🏆 TTQS Talent development quality management system Gold Award	Workforce Development Agency, Ministry of Labor
	🏆 CWLC Learn Super Star Award, Benchmark Learning Award	CommonWealth Leader Campus
	🏆 Won the President Outstanding Branch Award three times	Toastmasters International, District 67
	🏆 Buying Power – Social Innovation Products and Services Procurement	Small and Medium Enterprise Administration, MOEA
	🏆 Selected as TFTSE4Good TIP Taiwan ESG Index	Taiwan Stock Exchange, FTSE Russell
	🏆 Selected as Taiwan High Compensation 100 Index and Taiwan Employment Creation 99 Index	Taiwan Stock Exchange

### 3 About Far Eastern International Bank

Theme	The domestic and international awards we won and the ESG indexes we have been selected in 2022	Institution conferring the award
<b>Service and innovation</b>  	 Wealth Management Bank Best Brand Image Award	The Assets from Hong Kong
	 Outstanding Bank Award – Best Brand Image Award and Best Wealth Management Award	Excellence Magazine
	 Wealth Management Survey Best Wealth Accumulation Award and Best Service Award	Wealth Magazine
	 National Brand Yushan Award – Most Popular Brand Award and Best Product Award	Republic of China National Enterprise
	 Trust 2.0 Plan Evaluation Nursery Trust Award B Group 1st Place	Competitiveness Development Association
	 Trust Award Cross-industry collaboration Recommendation Award	Financial Supervisory Commission
	 Digital Finance Award – Digital Innovation Golden Quality Award Bank Group 1st Place	Commercial Times
	 The Global Economics Award	Commercial Times
	 SME Lending Grade A Bank	The Global Economics
	 Top 25% of Fair Treatment of Customer Evaluation in Financial Industry	Financial Supervisory Commission





## Club Interaction

In 2022, we signed the Equator Principles, became a member of the Equator Principles, a global member bank, and the 21st bank signing the Equator Principles in Taiwan. We signed the Equator Principles because we want to evaluate the environmental and social risk of financing and loan to large projects. We always actively engage in industrial guilds, serve in industrial committees or attend functional divisions such as Fintech Innovative Development Division under Financial Holding Business Committee of The Bankers Association Of The Republic Of China. We adequately offer advice on government policy and practice, and strive to increase competitiveness of the financial sector and overall domestic financial environment. We signed the Equator Principles, joined the National Chengchi University Scientific Research Industrial Platform Plan (Global Research & Industry Alliance (GLORIA)), Taiwan Computer Emergency Response Team/Coordination Center and Commonwealth Sustainability Club this year.



- |   |   |
|---|---|
|  The Bankers Association Of The Republic Of China                                      |  Taiwan Computer Emergency Response Team/Coordination Center  |
|  The bankers association for various regions such as The Bankers Association of Taipei |  FISAC, Financial Information Sharing & Analysis  |
|  Trust Association of R.O.C.   |  The Equator Principles   |
|  Securities Investment Trust and Consulting Association of the R.O.C.                 |  APLMA, Asia Pacific Loan Market Association   |
|  Taiwan Securities Association   |  ACAMS, Association of Certified Anti-Money Laundering Specialists  |
|  Insurance Agency Association of The Republic Of China                               |   |
|  Financial Planning Association of Taiwan  |  Toastmasters International, District 67  |
|  The Institute of Internal Auditors-Chinese Taiwan                                   |  National Chengchi University Scientific Research Industrial Platform Plan (Global Research & Industry Alliance (GLORIA)) |
|  Taiwan Stock Affairs Association  |  Chinese National Association of Industry and Commerce  |
|  Independent Director Association Taiwan   |  Commonwealth Magazine Commonwealth Sustainability Club   |
|   |  Commonwealth Leader Campus   |



## 4 Material Topics



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## 4 Material Topics

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 Taiwan 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.

Environmental aspect	Climate change, environmental sustainability, sustainable finance
Social aspect	Human rights protection, inclusive innovation, social co-prosperity
Governance aspect	Corporate governance, risk management

- 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




## 4 Material Topics

### 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	<ul style="list-style-type: none"> <li>Perform inspection accordingly and provide relevant information.</li> <li>Perform supervision and examine operating procedure.</li> <li>Adapt to policies and promote topics. Engage in various appraisals or evaluations.</li> <li>Report material incidents actively.</li> <li>The competent authority conducts onsite investigation.</li> <li>The President attends the Domestic Bank President Business Contact Meeting held by the FSC.</li> <li>Managers attend the meeting held by the competent authority.</li> <li>Attend the meeting, discussion and seminar held by an association in your industry and engage in discussion.</li> <li>A stakeholder section and ESG topic survey are available on our website.</li> </ul>	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: <ul style="list-style-type: none"> <li>We are the top 5% among listed companies regarding corporate governance performance.</li> <li>We are honored with the Nursery Trust Award B Group 1st Place of Trust Industry Promotion Trust 2.0 by FSC.</li> <li>We are honored with the 2021 SME Lending Grade A Bank by the FSC.</li> <li>FSC determined that we are the top 25% for fair treatment of customers among banks in Taiwan.</li> <li>The Chairman of Financial Supervisory Commission (FSC) inspected bilingual branches.</li> <li>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.</li> <li>Listed in constituent stocks, including TFTSE4Good TIP Taiwan ESG Index, Taiwan Employment Creation 99 Index and Taiwan Employment Creation 99 Index.</li> </ul>	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	<ul style="list-style-type: none"> <li>An investor relations section on corporate website is in Chinese and English.</li> <li>Assigned a spokesperson and a deputy spokesperson.</li> <li>The manager in charge of investor service.</li> <li>A stakeholder section and ESG topic survey are available on our website.</li> </ul>	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: <ul style="list-style-type: none"> <li>Held the Shareholders' Meeting once.</li> <li>Held the Investor Conference four times.</li> <li>Released 42 major information and 24 announcements in Chinese and English.</li> </ul>	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



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Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
		<ul style="list-style-type: none"> <li>Convened the Shareholders' Meeting.</li> <li>Published annual report and sustainability report in Chinese and English.</li> </ul>	Every year	<ul style="list-style-type: none"> <li>Released 42 major information and 24 announcements in Chinese and English.</li> <li>Released 45 press releases.</li> </ul>	
		<ul style="list-style-type: none"> <li>Convened the Board of Directors and Audit Committee.</li> <li>Held the Investor Conference.</li> </ul>	Every quarter		
		<ul style="list-style-type: none"> <li>Announced operational performance.</li> </ul>	Every month		
		<ul style="list-style-type: none"> <li>Published material news</li> <li>News release and media communication</li> </ul>	Occasionally		
 Customer	Ethical management Fair treatment of customers Information security Personal information protection Finance innovation	<ul style="list-style-type: none"> <li>Conduct satisfaction survey on wealth management customer, customer service, and mobile bank customer.</li> <li>Face-to-face service provided at the branch and business team</li> <li>Offer service channels such as online bank and mobile bank.</li> <li>Set customer service hotline and mailbox, AI customer service and customer grievance hotline.</li> <li>Hold physical events and professional seminars.</li> <li>Hold a sustainability-themed branch and set up a sustainability communication wall.</li> <li>A stakeholder section and ESG topic survey are available on our website.</li> </ul>	All year round	<p>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:</p> <ul style="list-style-type: none"> <li>Customer satisfaction is 96.3%.</li> <li>Customer service satisfaction is 99.8%.</li> <li>All of the customer grievances are handled in a specified period.</li> <li>A sustainability wall is established in Taipei Chengde Branch to convey our sustainability practice and build a base of sustainability influence.</li> </ul>	<ul style="list-style-type: none"> <li>Customer service hotline: 0800-261-732</li> <li>Mobile number: (02) 8073-1166</li> <li>Customer grievance hotline: 0800-213-198</li> <li>Online message:               <ul style="list-style-type: none"> <li>Far Eastern HAPPY+ Facebook Fan page</li> <li>HAPPY+ AI customer service on official website</li> <li>Users can leave a message at YouTube Channel "Little Yuan Wins."</li> </ul> </li> </ul>

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Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion																						
 Employee	Talent attraction and cultivation Talent retention Friendly workplace Ethical management	<ul style="list-style-type: none"><li>Set up the employee suggestion box and intranet employee forum.</li><li>Held weekly department meeting or other work conferences.</li><li>Set up the "Far East WINNERS" Facebook and Instagram Fan page.</li><li>Survey and symposium of education training course</li><li>A stakeholder section and ESG topic survey are available on our website.</li><li>A comprehensive whistleblowing channel and suggestion box</li></ul>	All year round	<p>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.</p> <ul style="list-style-type: none"><li>The number of hours all employees received education training reached 410 thousand hours in total.</li><li>The labor-management meeting was held four times.</li><li>Organized health check-up for all employees.</li><li>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.</li></ul>	Human Resources Group hotline: (02)2378-6893 Employee suggestion box: suggestion@feib.com.tw																						
		<ul style="list-style-type: none"><li>Executed the performance appraisal communication procedure.</li><li>Held activities for all employees such as spring party to convey policies.</li><li>Held the promotion course of "Employee Service Guidelines" and urged employees to sign and promise to follow the guidelines.</li></ul>	Every year	<ul style="list-style-type: none"><li>Organized ESG Academy to encourage all employees to learn knowledge on sustainability together. 2,525 employees completed the training.</li></ul>	Human Resources Group hotline: (02)2378-6893 Employee suggestion box: suggestion@feib.com.tw																						
		<ul style="list-style-type: none"><li>Convened the Employee welfare committee</li><li>Held labor-management meeting</li><li>Published quarterly journal of human resource</li></ul>	Every quarter	<table><tr><td>1</td><td>Learn everything about CSR, ESG and SDGs</td></tr><tr><td>2</td><td>Two sustainable strategies of IKEA</td></tr><tr><td>3</td><td>FamilyMart reduces leftover</td></tr><tr><td>4</td><td>REIJU Construction transformed itself to join the green supply chain</td></tr><tr><td>5</td><td>E.Sun FHC takes three actions to create corporate influence</td></tr><tr><td>6</td><td>ASE Technology Holding built a green semiconductor industry chain</td></tr><tr><td>7</td><td>Be the first one to grasp three sustainable business opportunities</td></tr><tr><td>8</td><td>Three action initiatives of green power of corporation</td></tr><tr><td>9</td><td>Understand three things about carbon trade</td></tr><tr><td>10</td><td>Use five pieces of puzzle to build a sustainable business model</td></tr><tr><td>11</td><td>Bill Gates uses five problems to talk about net zero carbon emissions</td></tr></table>		1	Learn everything about CSR, ESG and SDGs	2	Two sustainable strategies of IKEA	3	FamilyMart reduces leftover	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	8	Three action initiatives of green power of corporation	9	Understand three things about carbon trade	10	Use five pieces of puzzle to build a sustainable business model	11	Bill Gates uses five problems to talk about net zero carbon emissions
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<ul style="list-style-type: none"><li>A department held singles mixers or recreational group activities</li></ul> 	Occasionally	<ul style="list-style-type: none"><li>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.</li></ul>																									



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Stakeholder	Material attention topics	Major communication channel	Frequency	Achievement in communication in 2022	Grievance and opinion
 Supplier	Ethical management Green operation	<ul style="list-style-type: none"> <li>Appointed a manager in charge of supplier service and announced the manager on the corporate website.</li> <li>Stipulated an open bidding process, held bidding seminar and bargaining seminar.</li> <li>The "Supplier Social Responsibility Letter of Commitment" is provided on the corporate website for download.</li> <li>Received suppliers and held relevant work meeting.</li> <li>A stakeholder section and ESG topic survey are available on our website.</li> </ul>	All year round	<p>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:</p> <ul style="list-style-type: none"> <li>37 new suppliers signed the Social Responsibility Letter of Commitment.</li> <li>All primary suppliers signed the letter.</li> </ul>	Chen Yung Chang, Senior Manager Tel.: (02) 2378-6868 85112
 Community member/NPO (NGO)	Sustainable finance Green operation Inclusive financing	<ul style="list-style-type: none"> <li>Appointed the manager in charge of public affairs.</li> <li>The social responsibility section is available on the corporate website.</li> <li>A stakeholder section and ESG topic survey are available on our website.</li> </ul>	All year round	<p>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:</p> <ul style="list-style-type: none"> <li>This is the 29th year we donated to Eden Social Welfare Foundation. We made an arrangement for our President to meet executives of Eden Social Welfare Foundation and discussed cooperation projects.</li> <li>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.</li> <li>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.</li> <li>Sponsored one more charity group, Taiwan Guide Dog Association.</li> <li>Held the employee beach cleanup second time.</li> <li>Held the "Climate Change Sustainability Topic Summit" with Yuan Ze University 350 people attended the Summit.</li> </ul>	Name: Li Pei Pin, Manager Tel.: (02) 2378-6868 85614 ESG Email: cr@feib.com.tw
		<ul style="list-style-type: none"> <li>Co-organized or sponsored at least two to three community festival events.</li> <li>Sponsored or collaborated with at least five charity groups.</li> <li>Helped charity groups to make short promotional videos.</li> <li>Sponsored arts, cultural, campus, community and charity events.</li> <li>Published a sustainability report in Chinese and English.</li> </ul>	Every year		
		<ul style="list-style-type: none"> <li>Convened three to five press conferences.</li> <li>Published at least 30 press releases.</li> </ul>	Occasionally		

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

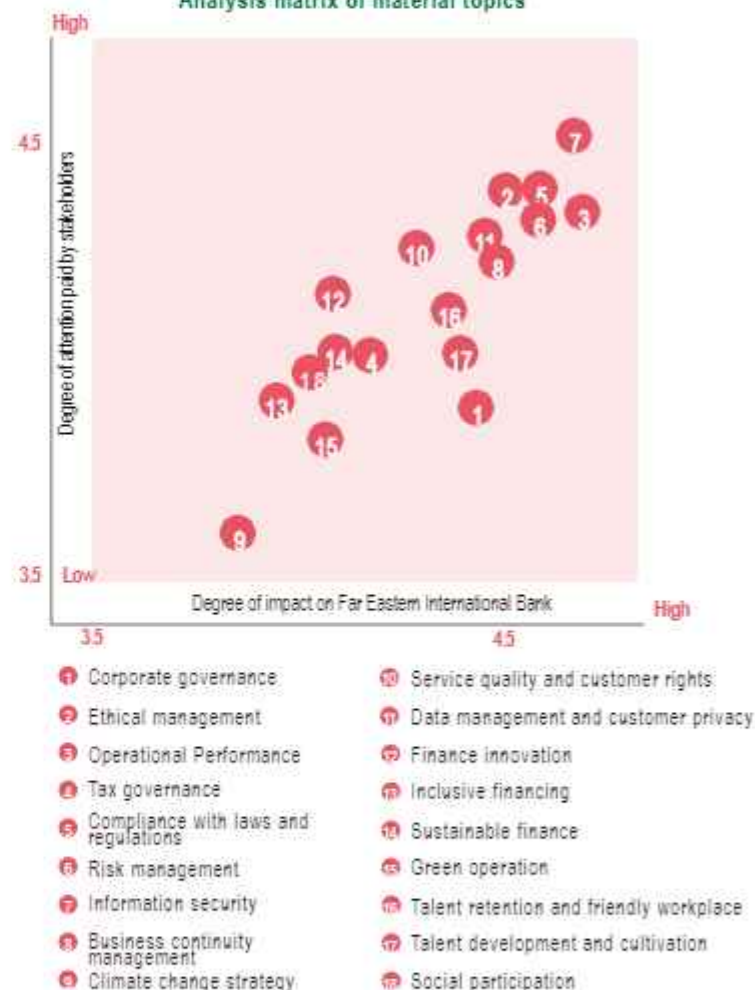
## 4 Material Topics

### Identification of Material Issues

- 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.
- 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.
- 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.
  - To adapt to the trend, "Service quality and customer rights" is renamed to "Service quality and fair treatment of customers."
  - "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.
  - Contents 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.
  - Considering 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.

Analysis matrix of material topics













# 4 Material 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 Topics	Critical impact	GRI Material Topic SAAB Commercial Banking Guidelines	Corresponding SDGs	Purpose for setting management approach	Chapters corresponding to management approach and outcome	The subject under the impact of value chain boundary							
						1	2	3	4	5	6	7	
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	○		○		○			
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	○	○	○		○			

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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	○	○	○	○	○		
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	5.4 Operational Performance 5.4 Risk Management	○	○	○	●	○		
Information Security and Personal Information Protection	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	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	○		●	○	○		



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						1	2	3	4	5	6	7	
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.	<p><b>FS 1</b> Policies with specific environmental and social components applied to business lines</p> <p><b>FS 3</b> Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions</p> <p><b>FS 8</b> Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</p> <p><b>FN-CB_410a.1</b> Commercial and industrial credit exposure, by industry</p> <p><b>FN-CB_410a.2</b> Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis</p>	<p><b>3.9</b> Reduce illnesses and death from hazardous chemicals and pollution</p> <p><b>7.a</b> Enhancing international cooperation to facilitate access to clean energy research and technology, and promote investment in energy infrastructure and technology</p> <p><b>7.2</b> Increase global percentage of renewable energy</p> <p><b>9.4</b> Upgrade all industries and infrastructures for sustainability</p> <p><b>12.6</b> Encourage corporations to adopt sustainable industrial and business practices</p> <p><b>12.8</b> Promote universal understanding of sustainable lifestyles</p> 	Support sustainable environmental development of the world	8.2 Help the industry with Low-Carbon Transition	⊕			⊖	⊕			
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.	<p><b>GRI 302-1,4,5</b> Energy</p> <p><b>GRI 307-1</b> Environmental compliance</p> <p><b>GRI 414-1,2</b> Supplier social assessment</p> <p><b>FS 3</b> Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions</p>	<p><b>7.3</b> Double the improvement in energy efficiency</p> <p><b>9.4</b> Upgrade all industries and infrastructures for sustainability</p> <p><b>12.4</b> Responsible management of chemicals and waste</p> <p><b>12.6</b> Encourage corporations to adopt sustainable industrial and business practices</p> <p><b>12.7</b> Promote sustainable public procurement practices</p> <p><b>12.8</b> Promote universal understanding of sustainable lifestyles</p> 	Build an operating structure and practice route beneficial to environmental sustainability	8.3 Environmental Management 8.4 Supplier Management	⊖					●	●	

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Fair treatment of customers and inclusive financing	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<p><b>GRI 417-1,2,3</b> Marketing and labeling</p> <p><b>FS 7</b> Monetary value of products and services designed to deliver a specific social benefit</p> <p><b>FS 14</b> Initiatives to improve access to financial services for disadvantaged people</p> <p><b>FS 15</b> Policies for the fair design and sale of financial products and services</p> <p><b>FS 16</b> Initiatives to enhance financial literacy by type of beneficiary</p> <p><b>FN-CB 240a.1</b> Number and amount of loans outstanding qualified to programs designed to promote small business and community development</p> <p><b>FN-CB 240a.2</b> Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community</p> <p><b>FN-CB 240a.3</b> Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers</p> <p><b>FN-CB 240a.4</b> Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers</p>	<p><b>1.2</b> Social protection systems, including floors</p> <p><b>1.4</b> Equal rights to ownership, basic services, technology and economic resources</p> <p><b>1.5</b> Build resilience to environmental, economic and social disasters</p> <p><b>8.3</b> Promote policies to support job creation and growing enterprises</p> <p><b>8.10</b> Universal access to banking insurance and financial services</p> <p><b>16.6</b> Develop effective accountable and transparent institutions</p>	Guarantee the rights of financial consumers and make sure that disadvantaged groups are accessible to fair financial service	<p>6.1 Fair Treatment of Customers</p> <p>6.2 ESG Product</p>	○	○		●	○		●
Finance innovation	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<p><b>FS 7</b> Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose</p> <p><b>FS 8</b> Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</p>	<p><b>4.4</b> Increase the number of people with relevant skills for financial success</p> <p><b>8.2</b> Diversify, innovate and upgrade for economic productivity</p> <p><b>8.3</b> Promote policies to support job creation and growing enterprises</p> <p><b>8.10</b> Universal access to banking insurance and financial services</p> <p><b>9.6</b> Support technological innovation and help industrial and commercial products increase added value</p> <p><b>17.8</b> Strengthen the science, technology and innovation capacity for least developed countries</p>	Build an operating structure and practice route beneficial to environmental sustainability	<p>8.3 Environmental Management</p> <p>8.4 Supplier Management</p>	○					●	●



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						1	2	3	4	5	6	7
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 12.6 Promote universal understanding of sustainable lifestyles 16.b Promote and enforce non-discriminatory laws 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	○	○	○	●			
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		○		○			

Note 1: ○ Direct impact ○ Indirect impact ● Impact due to business activity

Note 2: Subject of topic boundary: ①Company ②Employee ③Investor ④Customer ⑤Competent authority ⑥Supplier ⑦Community and NGO

# 4 Material Topics

## Objective of Material Topics Management

Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Corporate governance	We stipulated the Guidelines for Corporate Governance. By establishing an open, transparent governance mechanism and implementing internal control system, we actively participate in evaluation, ensure smooth implementation of governance regulations, and form a foundation for sustainable business.	Ranking of corporate governance evaluation	Top 20% of corporate governance	Top 5% of corporate governance	Top 5% of corporate governance
		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 management	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 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 employees.	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.
		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
		Accessible report channel	Accessible report channel and process	All of the six reports have been handled	Accessible report channel and process
Operational Performance	Our operation strategy gives consideration to quality 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 operating condition, and set the operating budget and CapEx budget for next year. The management team convenes the administrative affairs every week and fully keeps track of budget goal progress in different stages.	<ul style="list-style-type: none"> <li>Stable growth of total assets</li> <li>Total loans</li> <li>Total deposits</li> <li>Credit rating</li> </ul>	<ul style="list-style-type: none"> <li>The total asset reaches NT\$745,745.3 billion</li> <li>The total loan reaches NT\$436.9 billion</li> <li>The total deposit reaches NT\$629.8 billion</li> <li>The financial institutions with credit rating considered to be stable in investment</li> </ul>	<ul style="list-style-type: none"> <li>The total asset reaches 99.37%</li> <li>The total loan reaches 101.65%</li> <li>The total deposit reaches 96.45%</li> <li>The financial institutions with credit rating considered to be stable in investment</li> </ul>	<ul style="list-style-type: none"> <li>The total asset reaches NT\$784.2 billion</li> <li>The total loan reaches NT\$476.9 billion</li> <li>The total deposit reaches NT\$643.3 billion</li> <li>Make sure that the financial institutions with credit rating is always considered to be stable in investment</li> </ul>
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.	<ul style="list-style-type: none"> <li>Executed compliance and anti-money laundering inspection onsite</li> <li>Executed compliance and anti-money laundering evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Conducted onsite inspection 51 times</li> <li>Conducted evaluation at the Head Office, branches and subunits 170 times</li> </ul>	<ul style="list-style-type: none"> <li>100% implementation of inspection</li> <li>100% evaluation achievement</li> </ul>	<ul style="list-style-type: none"> <li>Conducted onsite inspection 51 times</li> <li>Conducted evaluation at the Head Office, branches and subunits 169 times</li> </ul>




# 4 Material Topics

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	<ul style="list-style-type: none"> <li>Amended the risk management policy and incorporated climate risk management into operation</li> <li>Stipulated the management guidelines of climate change and environmental risk on the level of Board of Directors</li> <li>Analyzed climate change scenarios</li> </ul>	<ul style="list-style-type: none"> <li>Amended the risk management policy and incorporated climate risk management into operation</li> <li>Stipulated the "Management Guidelines of Climate Change and Environmental Risk"</li> <li>Completed analysis of climate change scenarios</li> </ul>	Enhance climate risk management and advanced analysis
Information Security and Personal Information Protection	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 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 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.	<ul style="list-style-type: none"> <li>No information security incident</li> <li>No personal information leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>No information security incident</li> <li>No personal information leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>No information security incident occurred</li> <li>No personal information leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>No information security incident</li> <li>No personal information leakage incident</li> </ul>
		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%
		<ul style="list-style-type: none"> <li>Enhance resilience of information security</li> </ul>	<ul style="list-style-type: none"> <li>Implement ISO 22301</li> <li>Expand surveillance of information security</li> </ul>	<ul style="list-style-type: none"> <li>Implement ISO 22301</li> <li>Maintain validity of certification of ISO 27001/BS 10012, international management standards</li> <li>Achieved real-time 24/7 surveillance of information system</li> <li>Employees obtained 18 international information security certificates this year, 95% increase</li> </ul>	<ul style="list-style-type: none"> <li>Acquire ISO 22301 certification</li> <li>Maintain validity of certification of international management standards</li> <li>Information security maturity has reached the advanced level</li> <li>Appoint directors and counselors in information security field or set up a counseling division</li> </ul>
Finance innovation	The theme of digital transformation is practical finance, probing into three levels: ① optimize customer experience ② digitalization of 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 processes, support eco-friendliness, and promote contactless digital financial service.	Off-counter rate	94% off-counter rate	94.7% off-counter rate	95% off-counter rate
		Digital customer acquisition	40% digital customer acquisition	47.7% digital customer acquisition	50% digital customer acquisition
		Honored the digital innovation awards	Honored the digital innovation awards	Honored two digital innovation awards	Strived for digital innovation awards




# 4 Material Topics

Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Sustainable finance	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
	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	<ul style="list-style-type: none"> <li>Joined the Equator Principles Association.</li> <li>Used ESG evaluation checklist for loan approval</li> </ul>	<ul style="list-style-type: none"> <li>Established and released sustainable deposit management mechanism of corporate finance.</li> <li>Loans are launched according to the Equator Principles</li> </ul>
		<ul style="list-style-type: none"> <li>Invest into sustainability bonds</li> <li>Sustainable investment management</li> </ul>	<ul style="list-style-type: none"> <li>Invested in more sustainability bonds</li> </ul>	<ul style="list-style-type: none"> <li>Granted NT\$500 million of sustainability bonds</li> </ul>	<ul style="list-style-type: none"> <li>Increase the portion of sustainable development bond by 10%</li> <li>Add guidelines for sustainable investment operation</li> </ul>
		Ratio of ESG loan balance to total loan balance	<ul style="list-style-type: none"> <li>8.5% of our loan balance is ESG loan</li> <li>Stipulated the evaluation indicator for performance of promotion of ESG loan</li> </ul>	<ul style="list-style-type: none"> <li>8.7% of our loan balance is ESG loan</li> <li>Stipulated the bonus point indicator for performance of promotion of ESG loan</li> </ul>	<ul style="list-style-type: none"> <li>Initiated the study in industries with ESG business opportunities</li> <li>Exchanged ESG information with customers</li> </ul>
Green operation	We sign the 1.5°C Climate Action Declaration, 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	<ul style="list-style-type: none"> <li>Reduced 1% of carbon emissions</li> <li>Organized the first office using solar power and initiated establishment of solar panels</li> <li>Initiated carbon inventory for the entire bank</li> </ul>	<ul style="list-style-type: none"> <li>Reduced 13.75% of carbon emissions</li> <li>Organized the offices using solar power and initiated establishment of solar panels</li> <li>Performed carbon inventory for all of the domestic and overseas offices</li> </ul>	<ul style="list-style-type: none"> <li>Reduced 1% of carbon emissions</li> <li>Built an office using solar power. This will be the first branch using 100% green power</li> </ul>
	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.	<ul style="list-style-type: none"> <li>Amount of green purchases</li> <li>Suppliers who made a single purchase in millions of New Taiwan dollars signed the letter of commitment</li> </ul>	<ul style="list-style-type: none"> <li>The number of green purchases grows</li> <li>All of the main suppliers signed the ESF letter of commitment</li> </ul>	<ul style="list-style-type: none"> <li>The amount of green purchases is NT\$28.71 million</li> <li>All of the main suppliers signed the ESF letter of commitment</li> </ul>	<ul style="list-style-type: none"> <li>The number of green purchases grows</li> <li>All of the main suppliers signed the ESF letter of commitment</li> </ul>



# 4 Material Topics

Material Topics	Commitment/Policy/Strategy	Key performance indicator	Goal for 2022	Achievement in 2022	Goal for 2023
Service quality and fair treatment of customers	<ul style="list-style-type: none"> <li>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 professionalism, friendly service, fairness and integrity. Set up the "Fair Treatment of Customers Promotion Division" to supervise and evaluate outcome of implementation by all departments.</li> <li>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.</li> </ul> 	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Customer service satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of wealth management customer is higher than 96%</li> <li>Customer service satisfaction is higher than 95%</li> <li>All customer service satisfaction is at least 85%</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of wealth management customers is 96.3%</li> <li>Customer service satisfaction is 99.8%</li> <li>All customer service satisfaction is 88.8%</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction of wealth management customer is higher than 96%</li> <li>Customer service satisfaction is higher than 95%</li> <li>All customer service satisfaction is at least 85%</li> </ul>
		<ul style="list-style-type: none"> <li>Customer service level</li> <li>The percentage of the customer complaint being handled properly</li> </ul>	<ul style="list-style-type: none"> <li>Customer service level is at least 80%</li> <li>Sensitive and general customer grievances are handled in three and ten workdays, respectively</li> <li>The percentage of the customer complaint being handled properly is higher than 85%</li> </ul>	<ul style="list-style-type: none"> <li>All of the customer grievances are handled in a specified period.</li> <li>Customer service level is at least 80%</li> <li>The percentage of the customer complaint being handled properly is 87%</li> </ul>	<ul style="list-style-type: none"> <li>Customer service level is at least 80%</li> <li>Sensitive and general customer grievances are handled in three and ten workdays, respectively</li> <li>The percentage of the customer complaint being handled properly is higher than 85%</li> <li>Pass the ISO 10002 certification</li> </ul>
		Enhancement and executive outcome for fair treatment of customers	<ul style="list-style-type: none"> <li>Organize the campaign</li> <li>Check reception via the Mystery Shopper Project</li> </ul>	<ul style="list-style-type: none"> <li>We are the top 25% for fair treatment of customers among banks in Taiwan</li> <li>Completed the Mystery Shopper Project</li> <li>Set up regulations of senior service and financial friendly service</li> <li>Four branches were honored with the dementia friendly mark</li> </ul>	<ul style="list-style-type: none"> <li>Organize the campaign</li> <li>Execute the inspection project of operation of financial friendly service</li> <li>Inspect customer service via the Mystery Shopper Project</li> </ul>
		Inclusive financing	<ul style="list-style-type: none"> <li>Senior Nursery Trust is graded as excellent in evaluation</li> <li>Donate microinsurance</li> <li>Open bilingual demonstrative branches</li> </ul>	<ul style="list-style-type: none"> <li>The Senior Nursery Trust was honored B Group 1st Place by FSC</li> <li>Donated microinsurance to disadvantaged people</li> <li>Opened four bilingual demonstrative branches</li> <li>The Chairman of Financial Supervisory Commission (FSC) inspected bilingual demonstrative branches</li> </ul>	<ul style="list-style-type: none"> <li>Try to earn excellence awards in FSC's trust plan</li> <li>Continue to donate microinsurance</li> <li>The ratio of bilingual demonstrative branch to all branches increases from 10% to 15%</li> </ul>

# 4 Material Topics

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	<ul style="list-style-type: none"> <li>Obtain TTQSS certification</li> <li>Strive for awards related to public and private institutions</li> </ul>	<ul style="list-style-type: none"> <li>Received the TTQS Gold Medal Certification</li> <li>Received the National Talent Development Awards</li> <li>Received the Talent Development Leadership Award of Sustainability Award</li> <li>Received five training awards</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the TTQS Gold Medal Certification</li> <li>Strive for relevant awards</li> </ul>
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	<ul style="list-style-type: none"> <li>Received the award HR Asia – Best Companies to Work for in Asia</li> <li>Received the Happy Enterprise Gold Award</li> </ul>	Strive for relevant awards
		<ul style="list-style-type: none"> <li>Provided more welfare measures</li> <li>Held health promotion activities</li> <li>Build offices with certification of healthy workplace</li> </ul>	<ul style="list-style-type: none"> <li>Provide more welfare measures</li> <li>Hold health promotion activities</li> </ul>	<ul style="list-style-type: none"> <li>80% of the employees buy FPO stocks that we offer in a discount rate</li> <li>Increase meal allowance by 25%</li> <li>Add employees to notifiable infectious disease health insurance</li> <li>Hold Happy Biking Year, an event for motivating exercising</li> <li>Build 16 offices with certification of healthy workplace and help three offices extend certification of healthy workplace</li> </ul>	<ul style="list-style-type: none"> <li>Provide more welfare measures</li> <li>Hold health promotion activities</li> <li>Build offices with certification of healthy workplace</li> </ul>





## 5 Corporate Governance

 When the Great Way Prevails  
2022 Sustainability Report



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Turbulent situation brings risks and challenges and comes with opportunities and hope. In the ever-changing era, emerging risk, technologically innovative development, customer behavior change, and evolution of regulations and supervision rules affect each other. Operation in financial industry must ensure internal stability and reinforce external agility at the same time. This aims to prevent damaging investors' rights, and prevent stakeholders from losing confidence in financial system. Both of these problems hinder development of economy, industry and society. Far Eastern International Bank drew up the Corporate Governance Guidelines and Ethical Management Principles, and built an effective corporate governance structure, to ensure compliance, enhance internal management and monitoring mechanism, increase investment value and social reputation of the company, and pursue long-term, stable performance growth and sustainable operation. We endeavor to give back to shareholders, take care of employees, gain national economic capital, inherit social wealth, and build a competitive, reliable long-lasting foundation.

### Join the third-party evaluation

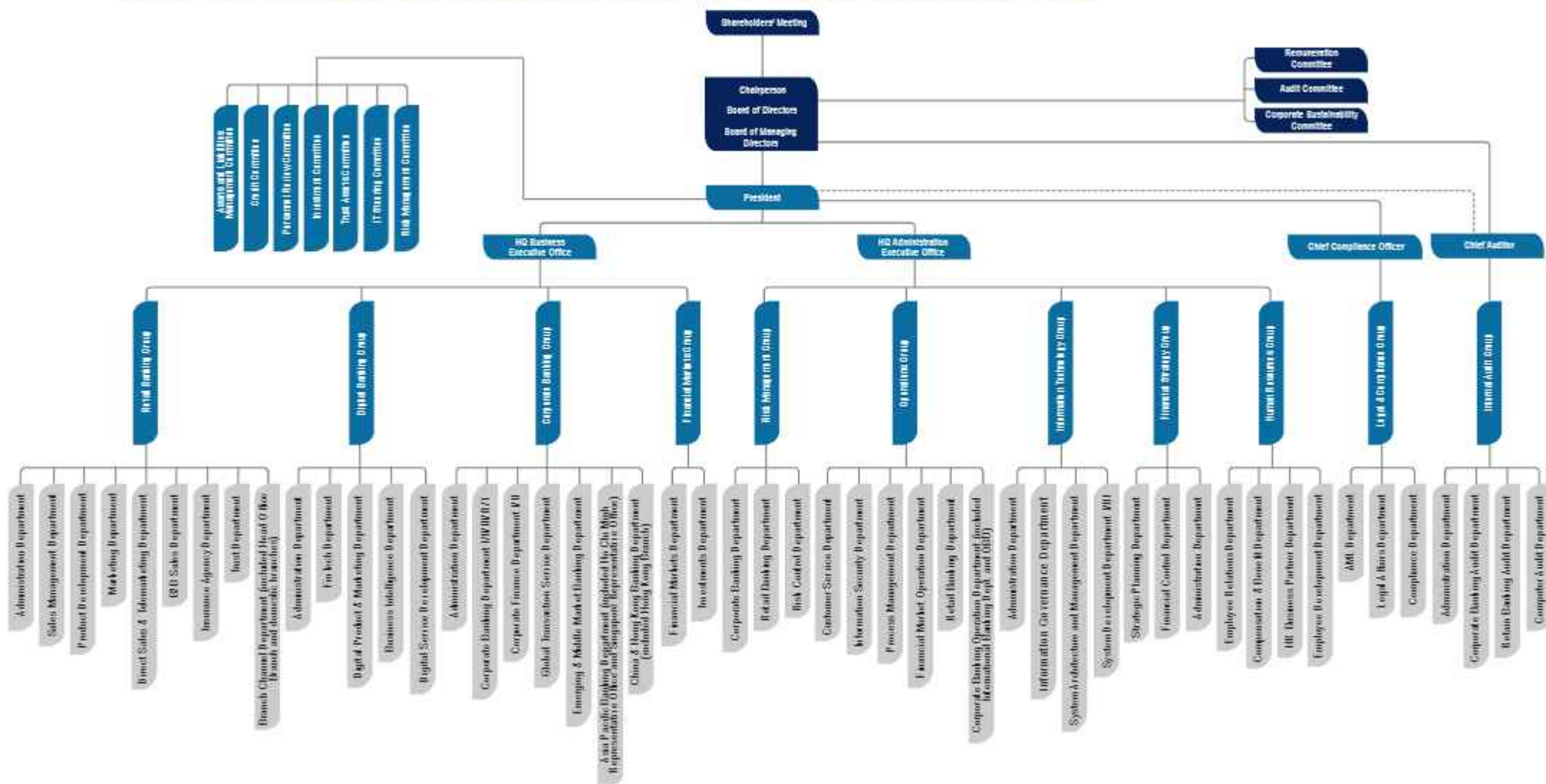
We join the corporate governance evaluation held by TWSE every year. Through objective, professional evaluation, we aim to find out the possibility for improving ourselves in five governance aspects and internal control system, including maintaining shareholders' rights, fair treatment to shareholders, reinforcing the structure and operation of the Board of Directors, enhancing information transparency, and fulfilling the corporate social responsibility. The 9th term of evaluation results released in 2023 indicates that we are in top 5% in the Listed Company Group, as good as previous year.





# 5 Corporate Governance

## Governance structure and organization chart of Far Eastern International Bank



## Operation of the Board of Directors

We treat shareholders fairly and enhance transparency of director nomination and review. Directors candidates nomination system is adopted for director election. The Board of Directors chooses an independent accounting firm to check finance and internal control. It regularly discusses with internal auditors on internal control system. In 2022, general key points to operation of the Board of Directors are shown below:

### Diverse director composition

1. Directors have professional educational background and experience. Their background includes finance, banking, law and management, and they have worked in the industry, government agency or academic institution. Their abilities cover the fields of international market perspective, industrial knowledge, operation management, and financial analysis. Therefore, they are able to bear the responsibility for making business judgments and major decisions in the financial industry, supervising the management team and management risk in a complicated, ever-changing environment.
2. Among the 11th term of the Board of Directors, there's no director who's also an employee. One independent director holds the post over six years and one holds the post over four years but less than six years. Four directors are over 81 years old, three of them are between 71 to 80 years old, and three of them are between 61 to 70 years old.
3. We care about gender equality of the Board of Directors. The Chairperson is a female and 30% of the members are female. We achieved the goal of making sure that 25% of the members have the same gender.
4. The policy on diversity of the Board of Directors is announced in the Corporate Governance Section of the website.

### Overall attendance

1. The Board of Directors held six meetings in the year. The overall attendance is 91%.
2. The Shareholders' Meeting was held on June 16. More than half of the directors attended the Meeting themselves. The convener of the Audit Committee attended the Meeting via video conferencing.

### Continuing education of directors

Directors took refresher courses on news regarding development of corporate governance. The number of hours of courses they took reached or exceeded the annual number of hours required by law. Courses include corporate sustainability topics such as "Corporate Digital Transition," "Major Trend of ESG/CSR and Sustainable Governance," and "Three Principles and Cases on Ethical Management, Corporate Governance, and Corporate Social Responsibility."

### Independence of directors and management of conflicts of interest

At the board meeting, for discussion and voting on bills that a director or the entity the director represents has a stake in, recusal is mandatory. The director may not exercise voting rights on behalf of other directors. Evasion of conflict of interest regarding bills is disclosed fully and accurately in our annual report.



## Performance evaluation of the Board of Directors

- > Internal evaluation: Conduct performance evaluation of the Board of Directors and functional committee every year. All members and individual members are evaluated. All decision-making units conduct overall evaluation based on the rubrics. Individual members fill out the self-evaluation survey based on their position. The Administration Department collects surveys to grade the members.

External evaluation: In April 2022, we authorize EY Business Advisory Services Inc. to conduct external evaluation every three years. The first evaluation period is from 2020 to 2022. The evaluation result shows that our comprehensive performance in all aspects, e.g. structure of the Board of Directors, member process and information of the member, is rated "Advanced," conforming to basic requirements specified by competent authorities and specified in relevant laws. "Advanced" also means that we have an existing, effective practice or we voluntarily improved our performance in all aspects.

Performance evaluation of the Board of Directors in 2022		
Scope of Evaluation		Score
Board of Directors	Overall evaluation	100.0
	Self-evaluation of director	96.1
Audit Committee	Overall evaluation	100.0
	Self-evaluation of director	98.5

## Director Summary

The 11th director's term of office starts from July 20, 2021 and it is three years. Director's information is as follows:

Title	Name	Date of first appointment	Primary education and experience	Concurrent positions in our bank and other companies
Chairperson	Representative of Yue Ding Industry Co., Ltd.: Hou Chin Ying	05.19.1995	<ul style="list-style-type: none"> <li>M.A. in Economics, Vanderbilt University</li> <li>B.A. in Economics, and M.A. in Economics, National Taiwan University</li> <li>Chair and Professor, Department of Money and Banking, National Chengchi University</li> <li>Chairperson, Taiwan Academy of Banking and Finance</li> <li>Supervisor, Far Eastern New Century Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Director, Southern Taiwan University of Science and Technology</li> </ul>
Deputy Chairperson	Douglas Hsu	12.09.1991	<ul style="list-style-type: none"> <li>Honorary Doctorate in Management, National Chiao Tung University</li> <li>MBA, University of Notre Dame</li> <li>M.A. in Economics, Columbia University</li> <li>Chairperson, Far Eastern New Century Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson, Far Eastern New Century Corporation</li> <li>Chairperson, Asia Cement Corporation</li> <li>Chairperson, Far Eastern Dept. Store, Ltd.</li> <li>Chairperson, Far EastOne Telecommunications Co., Ltd.</li> <li>Chairperson, U-Ming Marine</li> <li>Chairperson, Oriental Union Chemical Corp.</li> <li>Director, Everest Textile Co., Ltd.</li> <li>Director, Yuan Ze University</li> </ul>
Executive director	Representative of Far Eastern New Century Corporation: Hsiao-I Wang	12.09.1991	<ul style="list-style-type: none"> <li>Graduate school credit class in Management, National Taiwan University</li> <li>B.A. in Business Administration, National Chung Hsing University</li> <li>Director and Chief Senior Vice President, Far Eastern New Century Corporation</li> </ul>	<ul style="list-style-type: none"> <li>Director and Charity Business CEO, Far Eastern New Century Corporation</li> <li>Director, Far Eastern Asset Management Corporation</li> <li>Director, Yuan Ze University</li> </ul>



Title	Name	Date of first appointment	Primary education and experience	Concurrent positions in our bank and other companies
Executive director	Representative of Asia Cement Corporation: Tsung-Ming Chung	05.29.2003	<ul style="list-style-type: none"> <li>• MBA, National Chengchi University</li> <li>• Accountant, Deloitte Taiwan</li> </ul>	<ul style="list-style-type: none"> <li>• Chairperson, Dynapack International Technology Corporation</li> <li>• Chairperson, Vactronics Technologies Inc.</li> </ul>
Director	Representative of Far Eastern New Century Corporation: Humphrey Cheng	06.27.2006	<ul style="list-style-type: none"> <li>• M.A. in International Business, National Taiwan University</li> <li>• M.A. in Law, National Chung Hsing University</li> <li>• Vice President, Far Eastern New Century Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• President, Far Eastern New Century Corporation</li> <li>• Chairperson, Deutsche Far Eastern Asset Management Company (Limited)</li> <li>• Director, Oriental Union Chemical Corp.</li> <li>• Director, Ding Ding Integrated Marketing Service Co., Ltd.</li> <li>• Supervisor, Far Eastern Asset Management Corporation</li> <li>• Director, Yuan Ze University</li> </ul>
Director	Representative of Far Eastern New Century Corporation: James Wu	06.15.2017	<ul style="list-style-type: none"> <li>• MBA, University of Missouri</li> <li>• B.A. in Law, National Taiwan University</li> <li>• President, Taiwan Branch, Deutsche Bank</li> <li>• Deputy Chairperson in Taiwan, Citibank National Association</li> <li>• President of Fubon Bank (Hong Kong) Limited</li> <li>• President in Taiwan, Fidelity Investments</li> <li>• President in Taiwan, Citi Bank</li> <li>• President, Tokyo Branch, Bankers Trust New York Corporation</li> <li>• Vice President, New York Head Office, Bankers Trust New York Corporation</li> <li>• President, YungShin Global Holding Corporation</li> <li>• Assistant Vice President in Hong Kong and Taipei, JPMorgan Chase Bank N.A.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director, Primax Electronics Ltd.</li> </ul>
Director	Representative of Asia Cement Corporation: Shih-Chun Hsu	05.21.2000	<ul style="list-style-type: none"> <li>• Ph.D. in Business Management, University of Michigan</li> <li>• First dean of College of Management, National Taiwan University</li> <li>• Chairperson, Bank of Kaohsiung Co., Ltd</li> <li>• Professor, Yuan Ze University</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director, Eslite Spectrum Corporation</li> <li>• Independent Director, ChainSea Information Integration Co., Ltd</li> <li>• Director, Far Eastern Electronic Toll Collection Co., Ltd.</li> <li>• Director, FETC International Co., Ltd.</li> <li>• Chair Professor, Mr. Kao Yen Jen Academic Forum</li> </ul>



Title	Name	Date of first appointment	Primary education and experience	Concurrent positions in our bank and other companies
Director	Representative of U-Ming Marine: Min-Teh Yu	05.21.2000	<ul style="list-style-type: none"> <li>• Ph.D. in Economics, The Ohio State University</li> <li>• Professor, Finance, National Taiwan University</li> <li>• Emeritus Chair Professor, National Tsing Hua University</li> <li>• Principal, Providence University</li> <li>• Principal, China University of Technology</li> <li>• Dean, College of Management, National Chiao Tung University</li> <li>• Dean, College of Management, Yuan Ze University</li> <li>• Committee Member, Executive Yuan Financial Restructuring Fund</li> <li>• Committee Member, Executive Yuan National Development Fund</li> <li>• Consultant, Asian Development Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director, JMicon Technology Corp.</li> <li>• Independent Director, Mister International Enterprise Corp.</li> <li>• Independent Director, Gourmet Master Co., Ltd.</li> <li>• Director, Harbinger VIII Venture Capital Corp.</li> <li>• Chair Professor, Providence University</li> </ul>
Independent director and executive director	Hsiao-Hui Wang	06.20.2018	<ul style="list-style-type: none"> <li>• M.A. in Accounting, National Chengchi University</li> <li>• Accountant, Deloitte Taiwan</li> <li>• Supervisor, CTCI Advanced Systems Inc.</li> <li>• Independent Director, Lee enphanta Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Director, TN Soong Foundation</li> </ul>
Independent director	Susan S. Chang	06.16.2015	<ul style="list-style-type: none"> <li>• M.A. in Economics, and B.A. in Economics, National Taiwan University</li> <li>• Chairperson, Taiwan Financial Holdings Co., Ltd. and Bank of Taiwan</li> <li>• Executive Deputy Director, Financial Supervisory Commission</li> <li>• Vice Minister, Ministry of Finance</li> <li>• Director-general, National Treasury Administration</li> <li>• Deputy Director-general and Deputy Director, Banking Bureau</li> <li>• Deputy Director-general, Department of Economic Research, Council for Economic Planning And Development, Executive Yuan</li> </ul>	<ul style="list-style-type: none"> <li>• Chairperson, Jinniujiu Business Co., Ltd.</li> <li>• Director, Grace Technology Co., Ltd.</li> <li>• Supervisor, Entie Tech Engineering Co., Ltd.</li> </ul>

## A functional committee has been set up under the Board of Directors

To elaborate competency of the Board of Directors effectively and improve the quality of decision making, three functional committees have been set up under the Board of Directors. They are in charge of discussion on important bills, and important topics such as economy, environment, society and risk.

Committee	Rules of composition	Percentage of independent directors	Main authority	Operation in 2022
Corporate Sustainability Committee	The member is appointed based on the resolution of the Board of Directors. The term of office of the committee is that of the appointed Board of Directors.	67%	<ul style="list-style-type: none"> <li>Promote and strengthen the ethical management system.</li> <li>Promote and develop corporate sustainability items.</li> <li>Supervise other sustainability tasks determined by the Board of Directors.</li> </ul>	The attendance of two meetings is 100%.
Audit Committee	The committee is served by the independent director. The term of office of the committee member is as long as that of the Board of Directors.	100%	<ul style="list-style-type: none"> <li>Proper expression of the company's financial statement</li> <li>Designation, dismissal, independence and performance of CPA</li> <li>Effective implementation of the company's internal control</li> <li>Regulations and rules related to company compliance</li> <li>Existence or potential risk control of the company</li> </ul>	The attendance of six meetings is 83%.
Remuneration Committee	<ul style="list-style-type: none"> <li>The member is appointed based on the resolution of the Board of Directors. The term of office of the committee is that of the appointed Board of Directors.</li> <li>At least three committees must be appointed. Over half of them shall be independent directors. Their qualification is examined according to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." (Note 1)</li> </ul>	100%	<ul style="list-style-type: none"> <li>Draw up and regularly review the performance evaluation of directors and managers, and the policy, system, standard and structure of remuneration of directors and managers. Offer advice to the Board of Directors.</li> <li>Evaluate and set up the remuneration of director and manager regularly. Offer advice to the Board of Directors.</li> <li>Refer to the common level of payment among competitors for performance evaluation and remuneration of directors and managers. Consider how performance evaluation and remuneration are reasonably related to personal performance, our operating performance and future risk. (Note 2)</li> </ul>	The attendance of three meetings is 78%.

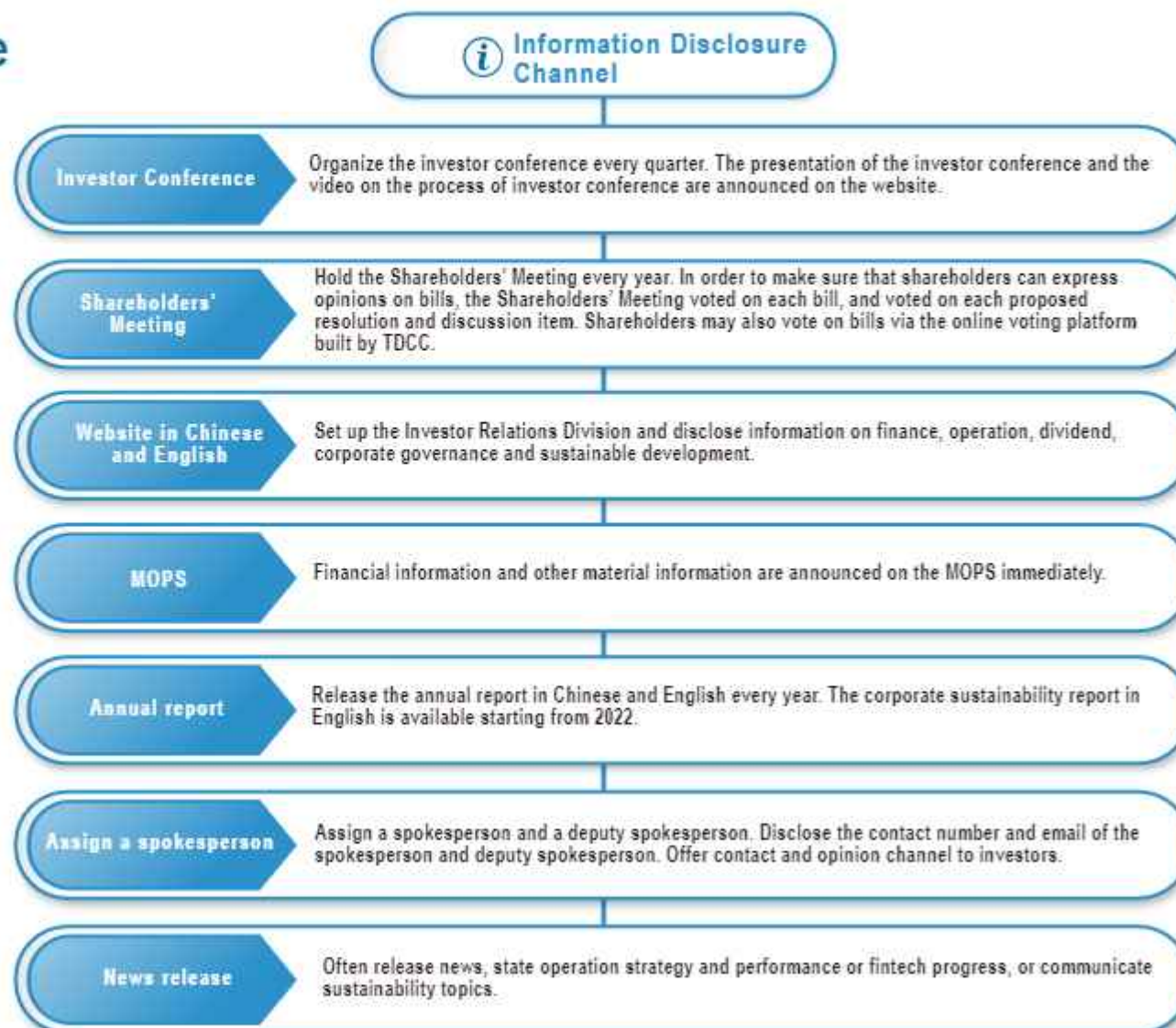
Note 1: Two of the three committee members are male and one of them is female. The convener is Hsiao-Hui Wang, Independent Director.

Note 2: 1. To attract, motivate and retain talents, we aim to make sure that the remuneration policy of all employees surpass the market level. The types of salary include fixed salary and variable salary (including various bonuses in stock or cash). Variable salary is paid based on operating condition, future risk and personal performance rationally. Performance and development potential form the remuneration structure for payment standard, creating a three-win situation for company, employee and shareholder. 2. The annual remuneration of the President and Vice President is 7.1% more than previous year, about 9.1 times of the median of annual salary of employee. The median annual salary of employee is 2.3% higher than previous year. It is calculated based on the median "salary of non-managerial full-time employees." Refer to the disclosure of corporate governance in our annual report of 2022 for the annual remuneration of the President and Vice President.



## Information Disclosure

When facing the investment market and investor, we offer accurate, real-time, open, transparent company information and maintain a smooth communication channel for investors to acquire sufficient, accurate information, and keep track of our current financial, business and operating condition, and development strategy. Therefore, they will be more confident in our investment, and we can provide complete reference information for investment decision-making.



## Compliance with Laws and Regulationstraining

We abide by all of the applicable national and international laws, set up the Legal & Compliance Group, and designate the Chief Compliance Officer. The Legal & Compliance Group is directly subordinate to the President Department to ensure independence regarding the organizational level. The Chief Compliance Officer reports on the implementation of the compliance system to the Board of Directors every half year. The duty of the Legal & Compliance Group is to coordinate compliance affairs of the entire bank, build an active, preventive compliance system, draw up an annual executive plan, integrate compliance operations of all departments systematically, and execute onsite inspection and evaluation and education training. The Legal & Compliance Group is also liable for building a compliance digital platform, which offers Q&A that raise employee awareness on compliance. It oversees improvement of all units and keeps track of compliance risk during operation of the entire bank in advance.

### Management and executive outcome of compliance in 2022

#### Calibrate regulations

- Collect information on law changes and penalties against competitors every day. Convey this information to all employees via the online system immediately. 78 relevant internal inspections were performed.
- Tracked and controlled 424 cases associated with compliance.
- All departments appointed their compliance officers to attend the quarterly compliance meeting to build a system for regulation conveying, counseling and reporting.
- Prepare a compliance journal every quarter to promote regulations and the cases regarding penalties on competitors.
- Take action at the right time or amend internal rules based on law changes. Use the compliance checklist to check compliance of regulations actively.



#### Conduct training and promotion

- Execution of compliance system, important regulations and quarterly compliance journal are included in the report items at the top management meeting. Four meetings were held.
- Organize the compliance officer education training of all departments. All of our compliance officers take relevant courses, 447 hours in total.
- Conduct compliance education training for all employees. Courses include important laws, latest internal and external regulations, review on internal defects, and cases of administrative sanction. The number of hours of education training for all employees is 16,361 hours in total.



#### Check executive achievement

- Evaluate how all units conduct compliance businesses. The result of evaluation is as follows:

Unit	Number of units	Evaluation level		
		A/Excellent	B/Good	C/Fair
Head Office	9	2	5	2
Branch and subunit	81	2	76	3

- Complete general inspection for 24 units and four project inspections during onsite compliance inspection.
- Direct all units to conduct self-evaluation of compliance, and execute preliminary review of their self-evaluation.
- Track violation of law by any unit or improvement of defect found during external check. The Chief Compliance Officer reports the information above to the Board of Directors.
- Checked if application for new product or service launch conforms to laws via the sign-off process. Conducted compliance review on advertising documents, relevant contracts and press releases.
- Execute the "Self-evaluation Regarding the Principles of Fair Treatment of Customers" for all business groups twice.
- Execute the compliance control measures of the subsidiary twice and direct execution of the measures.
- Strengthen compliance management mechanism of Hong Kong Branch. Make sure that local compliance executives are fully responsible for compliance and may act independently. Convene online quarterly compliance meeting four times. Conduct the risk assessment and assessment on human resource for compliance at Hong Kong Branch once each. Hong Kong Branch submits the "Compliance and Anti-money Laundering Meeting Minutes" every month and fills out relevant forms.



## Fines imposed by the government agency and improvement measures in 2022


Case	Explanation on defect	Improvement measures
Case 1	In February 2022, one of our employees did not submit the overtime application form as required when working overtime. We were not able to make the extended work hour payment as required. Taipei City Government determined that we violated Paragraph 1, Article 24 of the Labor Standards Act, and we were fined NT\$50 thousand.	<ul style="list-style-type: none"> <li>✓ Make the extended work hour payment immediately.</li> <li>✓ Promote overtime pay application and urge the executive to fulfill his management responsibility by making sure that employee have applied for overtime pay to avoid the situation that the overtime payment has not been made.</li> </ul>
Case 2	In this case, when a competent authority conducted financial check on numerous insurance companies, it found out that numerous banks including our bank signed the "Telemarketing Cooperation Agreement" and "Cross-Selling Cooperation Agreement" with insurance companies when handling insurance agency business. Later on, after legally obtaining the agreement of credit card holder for promotion, our insurance company partner executes insurance solicitation. However, we and other banks collected money from the insurance company but recorded the money as other expenses. The FSC determined that we collected commissions not for the purpose of insurance solicitation. We were fined NT\$600 thousand for violating the Insurance Act (on August 10, 2022).	<ul style="list-style-type: none"> <li>✓ Sign the "cooperation promotion contract" with our insurance company partner again. Collect the business service fee according to the calculation standard as agreed in the contract.</li> <li>✓ Stipulate the "Directions Governing the Product Development Department Credit Card Holder Information Sharing."</li> <li>✓ Continue to promote regulations related to our business.</li> </ul>



## Anti-money laundering and counter-terrorism financing

The AML Department of Legal & Compliance Group is a unit in charge of Anti-money laundering and counter-terrorism financing (AML/CFT). All members of the Department obtained the CAMS certificate. The Board of Directors assigned a senior executive to act as the functional head, responsible for overseeing execution of identification, evaluation and monitoring mechanism for the entire bank. The functional head helps us fulfill the responsibility for serving as the second line of defense of AML/CFT for the financial industry. The AML/CFT supervisor is appointed at the Head Office and all business units. He must be qualified, complete statutory AML/CFT OJT, and have expertise for his duty.

### Management and executive achievement of AML/CFT in 2022

Management and report	Training and promotion	Supervision and assessment																		
<ul style="list-style-type: none"><li>● Organize achievements at work every quarter, report them to the Risk Management Committee, and report them to the Audit Committee and the Board of Directors every half year.</li><li>● Hold the AML/CFT branch supervisor monthly meeting and head office supervisor quarterly meeting to promote relevant regulations, operating mechanisms, and defects found in internal and external checks.</li><li>● Convene the AML/CFT management quarterly meeting for the Head Office and Hong Kong Branch, coordinate the operating mechanism, track major topics or program progress. Hong Kong Branch shall submit the AML/CFT checklist every month. The AML Department examines the checklist and submits 12 inspection reports.</li><li>● Adjust internal AML/CFT regulations based on change to laws.</li></ul>	<ul style="list-style-type: none"><li>● Hold quarterly AML/CFT meetings.</li><li>● All employees take at least two hours of anti-money laundering education training in a year, 5,351 hours in total. All employees completed the number of hours of training required by law.</li></ul> 	<ul style="list-style-type: none"><li>● Complete inspection of 21 units and two projects in a year. Examine operation of all of our anti-money laundering mechanisms. 33 defects were found in inspection and 23 problems were suggested for improvement.</li><li>● Check AML/CFT evaluation of all units and examine performance related to AML/CFT evaluation. The result of evaluation is shown below:</li></ul> <table><tr><th rowspan="2">Unit</th><th rowspan="2">Number of units</th><th colspan="3">Evaluation level</th></tr><tr><th>A/Excellent</th><th>B/Good</th><th>C/Fair</th></tr><tr><td>Head Office</td><td>8</td><td>1</td><td>7</td><td>0</td></tr><tr><td>Branch and subunit</td><td>72</td><td>2</td><td>66</td><td>4</td></tr></table> <ul style="list-style-type: none"><li>● 10,780 currency transactions declared are at least at a certain amount and above, 34 of them are suspicious money laundering transactions.</li><li>● Continue to entrust external consultants to assist in optimization of relevant systems. Perform accountant project inspection. Verify effectiveness of internal system related to AML/CFT.</li></ul>	Unit	Number of units	Evaluation level			A/Excellent	B/Good	C/Fair	Head Office	8	1	7	0	Branch and subunit	72	2	66	4
Unit	Number of units	Evaluation level																		
		A/Excellent	B/Good	C/Fair																
Head Office	8	1	7	0																
Branch and subunit	72	2	66	4																



## Risk Management

- The Board of Directors is the top decision-making unit of risk management system. It is responsible for supervising and approving risk management policy and important risk management system.
- We set up the Risk Management Committee and a specialized, independent risk control unit, the Risk Management Group. We implemented three lines of defense for internal control to ensure unhindered management. When handling businesses included in and excluded from the balance sheet, management standards have been explicitly formulated for the credit risk, market risk, interest rate risk, fluctuation risk, operational risk, climate change risk and environmental risk the businesses included in and excluded from the balance sheet are involved in. We aim to integrate risk management into main businesses of investment and loan. The evaluation indicator has been formulated for main risks to evaluate and monitor the main risks regularly.
- The Risk Management Committee holds a meeting every quarter. The Risk Management Group reports on and fully discusses executive outcome, exposure and decision-making of credit risk, market risk and operational risk management. Fluctuation risk and interest risk are discussed at the quarterly meeting of the Assets and Liabilities Management Committee. The discussion will be used as the reference when the top management makes decisions. The resolution or conclusion of the meeting will be reported to the Board of Directors.
- In 2022, all audits were completed in time. Besides striving to prevent malpractice and corruption, we identify possible internal and external risks in advance, and assist in implementing risk management and compliance system. In addition, we endeavor to strengthen consumer protection and fulfill principles of fair treatment of customers. Therefore, we reinforce examination on the passbook/debit book/passport letter kept by the employee, account opening outside the bank, agency collection and payment, prevention of financial planner from embezzling customer's money, sales and control of financial instruments for seniors, insurance solicitation, customer complaint handling, prevention of real estate speculation, and loan control mechanism of nominee account. In 2022, we planned for 38 reinforced project inspections and carried out 49 reinforced project inspections, and made improvements based on suggestions raised according to the inspection. We have not been punished by the FSC for major mistakes. In 2023, we planned for 37 reinforced project inspections. To adapt to the international development trend and the sustainable development blueprint plan of Corporate Governance 3.0 of the FSC, we promote to include the execution of ESG development tasks into key inspection items.

### Risk Management Organization

#### Board of Directors

This is the top decision-making unit of risk management. It is responsible for determining the risk management policy of the entire bank and establishing a risk management culture. It is ultimately responsible for overall risk management.

#### Risk Management Committee Assets and Liabilities Management Committee

The President acts as the convener. Relevant heads are appointed as committees. They hold a meeting regularly and bear the responsibility for handling and reviewing risk management execution and risk exposure of the entire bank.

#### Risk Management Group

The Corporate Banking Department, Retail Banking Department, and Risk Control Department are established under the Group. Direct management is implemented on operational risks of all business groups. The Group submits the risk management report to the Risk Management Committee and the Board of Directors regularly.

#### Internal Audit Group

Help the Board of Directors and the management level check and assess whether the internal control system is in operation. Check all of the risk management operations, including implementation of risk management structure, risk management operating procedure. Offer suggestion when necessary.

## Climate risk management

The Board of Directors passed the "Climate Change and Environmental Risk Management Guidelines" in November 2022. The Guidelines explicitly specified that the Board of Directors is the top decision-making unit, and the Risk Management Group is the responsible unit. Internal Audit Group conducts a check on relevant businesses at least once a year. Key points are as follows:

Title	Content
Risk definition	Include risks of relevant topics, such as GHG emissions, pollution emissions, and energy and resource consumption involved with climate change, natural disaster and environmental protection. Also include the risks of air, sewage, waste, toxic chemical substance and noise regarding emission management or EIA requirements specified in the international and local environmental laws that we must comply with.
Risk management objective	Develop robust climate change and environmental risk management mechanism sequentially by business scale and complexity. The goal is to identify, evaluate, monitor and manage climate risk and environmental risk effectively, and help us become more resilient to climate change risk.
Risk management process	Establish the process of risk identification, evaluation, monitoring and management. Rationally evaluate risks and set up relevant control regulations.
Risk management countermeasures	Take adequate management countermeasures according to the evaluation result of climate change and environmental risk, e.g. risk transfer, evasion or control.
Organizational structure, and responsibility and authority, of risk management	Explicitly draw up the organizational structure and the regulations of responsibility and authority of the Board of Directors, Risk Management Committee, Risk Management Group, all directorate generals/business groups, and Internal Audit Group. The Board of Directors is the top decision-making unit. The Risk Management Group is the responsible unit. The Internal Audit Group checks relevant businesses at least once a year.
Risk management report	Risk Management Group regularly submits the risk management report to the senior management, Risk Management Committee and the Board of Directors for decision-making, and regularly discloses it to the public.





## Risk management of major infectious disease in emerging risks

Risk identification		Corresponding relevant risk management
Item	Possible impact on operation	
Employee isolation due to infectious disease	Business interruption	<ul style="list-style-type: none"> <li>• Set up an emergency response division when a risk occurs. Keep a close watch on current pandemic development and trend, and formulate protective measures.</li> <li>• Implement the backup mechanism. Employees in critical positions work in separate locations to ensure uninterrupted operation.</li> <li>• When the Taiwanese government announced that Taiwan is in an alert period, we fully coordinated with the Central Epidemic Command Center and FSC. Various preceding deployments are executed or initiated via the roll planning method to respond to the alert. To ensure uninterrupted operation, we handled employees of Taipei Nanking East Road Branch infected with COVID-19 at the beginning of the alert period properly, showing our resilience to the pandemic.</li> </ul>
Industry stagnation due to infectious disease	Business risk and opportunity	<p>Keep track of business risk</p> <ul style="list-style-type: none"> <li>• Closely pay attention to business condition of industries more sensitive to the pandemic.</li> <li>• Check impact on corporate customers and continue to track operation of the corporate customers.</li> </ul> <p>Roll out a financial service plan for the pandemic.</p> <ul style="list-style-type: none"> <li>• Grant policy-based relief loans/bounce back loans according to the government's policy or postpone loan payments. Customers under pandemic impact may apply for the loan or loan postponement.</li> <li>• Optimize a contactless digital financial service platform to help customers maintain social distancing.</li> </ul>



## Information Security and Personal Information Protection

To face threats and challenges of financial cybersecurity, we built a complete information security governance, monitoring and risk management structure. We also set up a specialized unit, Information Security Department, to bear the responsibility for planning of information security affairs, and policy coordination and promotion. We build a management system that conforms to international information security standard by working on control framework, establishment integrity, corporate culture, employee mindset, incident handling ability, and threat management and repair. We put ourselves into education promotion and emergency drill, and make sure that we are embattled when facing the gradually rising cybersecurity threat. We report the overall information security implementation in previous year to the Board of Directors in Q1. In 2022, 11% of the total IT expenditure is cybersecurity expenditure. It is expected to increase to 20% in 2023.

In addition, we built a complete personal data protection management system to ensure legal collection and use of customer's personal data, and maintain security of relevant personal data. Besides the existing IT Steering Committee, the cross-departmental "Personal Data Protection Management Division" has been formed. The Vice President of the Operations Group acts as the convener of the Division, supervising relevant affairs of the entire bank. Seeded employees have been trained to root the idea and regulations of personal information protection in internal operation. Furthermore, collection, handling and use of customer data, and relevant customer rights, are disclosed to public, explicitly stated in the trading contract, announced on the website, and notified to new customers actively. If personal information has been breached, we must report the breach to the executive instantly and complete risk evaluation and incident rating in a specified period. We form an emergency response division depending on the impact of incident, coordinate and contact related parties, draw up a handling plan and respond to stakeholders.

Information security incident	2021	2022
Number of information security incidents	0	0
Customer data loss due to information security incidents	0	0
Number of customers affected by information security incidents	0	0
Property lost due to information security incidents	0	0





Concrete measures and actions of information security management in 2022			Management goal of 2023
1. Implement more international standards	2. Strengthen testing and check	3. Strengthen monitoring and response resilience	
<p>1.1 Passed the secondary review of ISO 27001 Information Security Management System Structure. The certification expires in July 2024.</p> <p>1.2 Complete preliminary evaluation of maturity of financial and information security governance.</p> <p>1.3 Set up the Information Security Promotion Division and Personal Information Management Division. Hold the management review meeting every half year. Review the information security policy and all of the documents of management system at least once a year. 18 documents on regulation were amended in 2022.</p> <p>1.4 Implement ISO 22301 Business Continuity Management System.</p> <p>1.5 Enhancement of expertise of information security employee: 37 certificates of international information security have been obtained, 95% more than in 2021, which is 19 certificates.</p> <p>1.6 Besides that we are a member of "Financial Information Sharing and Analysis Center (F-ISAC)," we become a member of "Taiwan Computer Emergency Response Team/Coordination Center" in 2022. We strive for acquiring cybersecurity information for analysis immediately. This is a part of joint defense of information security.</p>	<p>2.1 Entrust a third-party consultant firm to conduct security risk assessment of information system. No defect was found. Evaluation items include information structure review, network activity review, compliance review, vulnerability scanning operation, penetration test operation, App security test, and SWIFT Customer Security Program (CSP) check.</p> <p>2.2 Organize the education training of information security and personal information protection for all employees.</p> <p>2.3 Hold the email social engineering for all employees.</p>	<p>3.1 Increase surveillance coverage of information security monitoring center, and make sure that all information systems can perform 24/7 real-time information security monitoring and incident analysis.</p> <p>3.2 Implement the information security management platform, keep track of our information security vulnerabilities on the Internet, and repair and strengthen vulnerabilities as soon as possible.</p> <p>3.3 Implement the service of white hat simulation test, detect if the existing network defense structure in the bank still requires reinforcement, and strengthen the existing network defense structure based on the test result.</p> <p>3.4 Implement the protection service that automatically detects the website and app that pretend to be our website and app. 10 faking incidents are detected. The fake website has been blocked and removed. No customer has been scammed.</p> <p>3.5 Conduct three scenario response drills on information security incident, personal information incident and ATM incident.</p> <p>3.6 Conduct the attack and defense response drill of distributed denial-of-service (DDoS) attack.</p> <p>3.7 Organize 42 information system backup drills.</p>	<ul style="list-style-type: none"> <li>• Complete verification regarding ISO 22301 Business Continuity Management System in September.</li> <li>• Complete review of assessment of financial information security governance maturity in September. We aim for the Advanced Level.</li> <li>• Maintain validity of international standard verification.</li> <li>• Organize information system backup drills.</li> <li>• Hold the information security course of director.</li> <li>• Appoint directors, counselors or counseling divisions in information security field.</li> <li>• Build the automatic defense mechanism of information security monitoring center. Contact the competent authority "F-SOC" and join the meeting that contacts the CISO of financial institution.</li> <li>• Introduce the EDR information security defense tool.</li> <li>• Enhance expertise of information security staff. Acquire seven information security certificates.</li> </ul>

## Personal information protection measures and achievements in 2022

- 🔒 No personal information leakage incident occurred.
- 🔒 Passed the review of verification of BS 10012:2017 PIMS Personal Information Management System. The certification expires in September 2023.
- 🔒 Entrusted an accountant to check the personal data protection program in previous year to check implementation of relevant internal control system. The inspection result conforms to relevant regulations.
- 🔒 All of the activities conform to the Personal Data Protection Act and relevant laws. There was no violation of law or rules specified by competent authorities.
- 🔒 Held the personal information management review meeting twice to examine operation of personal information management, and discussed relevant topics.
- 🔒 Examined the personal data file list again in the first and second half year. The completion rate is 100%. Executed evaluation of personal information risk.
- 🔒 All of our employees signed the personal information NDA and joined at least two hours of education training on personal information protection.
- 🔒 Conducted the personal information leakage drill. The topic of the drill of the year is "Suspicious Leak of the Facebook Raffle Winner List."



## Reporting process of personal information breach incident

If an employee finds a suspicious personal data security incident, he must fulfill his responsibility by reporting to the head of the unit discovering the incident, the head of the unit in charge of the business, and executive secretary. Once the incident is judged as a personal data security incident, the executive secretary must report to the convener of the Personal Data Protection Management Division immediately. The head of the unit in charge of the business must make a preliminary judgment on incident severity.

Incident level	Level judgment	Key point of reporting and handling
Level 1 incident	Less than 50 personal data entries were leaked. No media inquired or reported the incident.	<ol style="list-style-type: none"> <li>1 The unit head discovering the incident provides the information on incident and the report handling form to the unit in charge of the business.</li> <li>2 If the incident is under control, the head in charge of the business updates the report handling form, then puts the report handling form in archive for reference and closes the case. The head must report to the executive secretary.</li> <li>3 The incident is still out of control five workdays later after it is discovered. It is handled according to Level-2 Incident Regulations after the unit in charge of the business recognized that it is a level-2 incident. If the operation is jeopardized or the right of the party is severely hurt, major incident reporting must be conducted at the same time.</li> </ol>
Level 2 incident	<p>An incident can be judged as a Level-2 incident if any of the following applies:</p> <ol style="list-style-type: none"> <li>1 More than 50 personal data entries were leaked.</li> <li>2 The incident has caught media attention.</li> <li>3 Breach of incident includes special personal information.</li> <li>4 The incident is still out of control five workdays later.</li> <li>5 The incident has caught the attention of law enforcement agency or competent authorities for business.</li> <li>6 Normal operation is jeopardized by the incident, interrupting our business.</li> </ol>	<ol style="list-style-type: none"> <li>1 The unit head discovering the incident provides the information on incident and the report handling form to the unit in charge of the business, which makes emergency response for the incident and reports the executive secretary in real time.</li> <li>2 After receiving the report, the executive secretary asks the convener of the Personal Information Protection Management Division. The convener forms an emergency response division when necessary to conduct response plans including coordination and handling, investigation and evaluation, and public relations and media.</li> <li>3 If the operation is jeopardized or the right of the party is severely hurt, the unit in charge of the business must report to the FSC in 72 hours and complete major incident reporting.</li> </ol>



## Ethical Management

Our business concept "Honesty, diligence, simplicity, prudence and innovation" is rooted in the heart of employees and embodied in our honest management culture. We set the Ethical Management Promotion Division as the responsible unit.

### Ethical Management Principles

### Illegal, Unethical and Dishonest Conduct Report Handling Guidelines

### Employee Code of Conduct

In 2022, the "Employee Code of Conduct" was amended. These key points have been added: ❶ Do not perform any conduct not related to the employee's duty arbitrarily, or perform any conduct not related to the employee's duty on behalf of the customer. ❷ Do not send any document or message containing information that is illegal or violating public order or good morals through any means of communication. ❸ Do not disturb the sequence of work, or threaten, intimidate or insult others.

Major corruption risk	Key points to Employee Code
Avoid conflicts of interest	Employees must avoid handling cases that they are at stake.
Avoid personal profits	<ul style="list-style-type: none"> <li>Do not accept any gift, treatment or embezzlement from any party related to business.</li> <li>An employee must not make side deal with our bank in other's name, or transfer customer's fund or his fund from other's account or his account. He must not make money dealings with the customer nor keep the customer's passbook, stamp or property. He must not perform any conduct not related to the employee's duty arbitrarily, nor perform any conduct not related to the employee's duty on behalf of the customer.</li> <li>Employees must not handle business not related to their duty at work. Appointment or approval is required for concurrently handling the duty not related to our business.</li> <li>Conduct bidding, price parity or bargaining for procurement, project contracting or business outsourcing and submit a report for approval.</li> </ul>
Avoid hurting other's interests	<ul style="list-style-type: none"> <li>Information on interaction with customers must be kept in custody and confidential.</li> <li>Do not plagiarize other's intellectual properties or breach other's intellectual property rights when creating any work when performing duties.</li> <li>Do not disturb the sequence of work, or threaten, intimidate or insult others.</li> </ul>
Fair trade	Treat customers, competitors and employees fairly. Do not earn illegal profits by manipulating, concealing or misusing information acquired for duties, misrepresenting important facts or making other unfair transactions.
Adequately use the company asset	Protect the company's asset. Prevent theft, negligence or waste of the asset. Documents associated with the business or under management must be kept in custody and confidential.
Compliance with Laws and Regulations	Employee's operation conforms to the Banking Act of The Republic of China, Securities and Exchange Act and other regulations. Employees abide by work ethics. Employees must not send any document or message containing information that is illegal or violating public order or good morals through any means of communication.

### Guidelines for Supplier Social Responsibility Management

- Require main suppliers to sign the "Supplier Social Responsibility Letter of Commitment," "Supplier Social Responsibility Self-Evaluation Form" and "Supplier Corruption and Bribery Risk Evaluation Form."
- Important procurement contracts are included in the terms for compliance to ethical management. The terms contain ethical management requirements, and explicitly prohibit bribery, corruption, blackmailing and profiteering in any form, including money, gratuity, commission, position, service, preferential treatment, rebate in whatever form or name.

Rules,  
regulations and  
commitments

## Evaluation mechanism and conduct

- 📄 We conduct ethical management risk assessment every year. In 2022, we analyzed all of our 105 business types and found out that the unethical risk of these business types is low.
- 📄 All of the directors of the 11th term of the Board of Directors, Vice President and the senior management mentioned above signed the "Statement of Compliance to Ethical Management Policy."
- 📄 All of our Senior Vice Presidents and their subordinates, 2,510 in total, signed the Employee Code of Conduct.
- 📄 Combine the Employee Code of Conduct, Employee Code of Ethics, and Illegal, Unethical and Dishonest Conduct Report Handling into a digital course. 12,460 employees completed the course and the training completion rate is 100%.
- 📄 Conduct the supplier evaluation.
- 📄 When checking all units, the Internal Audit Group reinforces inspection on access to all systems, control of business expenditure, and furlough. Key points to inspection also include checking whether financial planners keep document certification of customer in custody and perform external agency collection and payment services.
- 📄 Donations to political parties, stakeholders and charity groups are disclosed on our website according to the "Donation Management Regulations." We made no donation to political party or group in 2022.
- 📄 We were not involved in anticompetitive practices, anti-trust act or monopolistic behavior.

## Reporting system and whistleblower protection

We aim to build a grievance channel of malpractice and corruption that makes whistleblowers feel at ease, and encourages employees to report any conduct that is unlawful or violates ethical management. Therefore, we explicitly stipulate terms regarding grievance channel, investigation procedure, acceptance of anonymous grievance, reporting and handling measures after investigation, and measures for protecting whistleblowers from unfair treatment in the "Employee Grievance Handling Notices" and "Illegal, Unethical and Dishonest Conduct Report Handling Notices." The rules above are announced on the website or intranet to notify employees. We promote these rules every year and remind employees of them regularly. Employee reward and punishment guidelines have been stipulated and the Personnel Review Committee has been set up to punish employees violating regulations and to discipline them.

In 2022, all of the relevant reports were investigated by the Internal Audit Group or business management unit in accordance with our "Illegal, Unethical and Dishonest Conduct Report Handling Guidelines." The investigation result is inconsistent with the letter of accusation or no empirical evidence was found. Six of the reports were closed after being submitted to the President. There was no report found to be true or violating ethical management. There was no employee punished according to our employee reward and punishment guidelines due to violation of ethical management policy.

Number of reports received	Number of cases closed	Number of reports violated internal regulations	Number of reports involved with corruption
6	6	0	0



## 5 Corporate Governance

Far Eastern International Bank  
Illegal, unethical and dishonest conduct  
reporting channel



## 6 Inclusive Financing



- 56** Fair Treatment of Customers
- 62** ESG Financial Instrument and Service
- 67** Digital Finance Innovation



## 6 Inclusive Financing

By providing professional, efficient, reliable services, Far Eastern International Bank builds a trustworthy, lasting partnership with customers, enhances service quality, develops new product, and builds a mechanism with careful product check process and risk disclosure. We integrate customer-oriented services into our process, utilizes digital technology, combine inclusive financing concept, quickly respond to customer need and expectation, firmly guarantee the customer's rights, and makes simple money management videos to share financial and money management knowledge and global economic condition, and strive for teaching inclusive financing.

### Fair Treatment of Customers

#### Regular customer satisfaction survey

Perform satisfaction survey on wealth management customers by phone survey sampling every year. The survey result is associated with the performance appraisal of financial consultant to make sure that there's no mis-selling and improve service quality. In 2022, satisfaction of wealth management customer is 96.3 points. Our satisfaction has always been above 90 points for eight years in a row. In addition, we have been honored nine customer experience awards by four professional financial media.



## 6 Inclusive Financing

### Fulfill principles of fair treatment of customers

The customers of our four business groups are different. Duties of each unit also vary. However, we always strive to implement principles of fair treatment of customers in financial service industry. The "Fair Treatment of Customers Promotion Division" under the President is responsible for drawing up relevant policies, holding education training and appraisal, and discovering issues that might be neglected by all departments. It draws up concrete solutions accordingly and proposes review at the senior management meeting. The Chief Compliance Officer reports the appraisal result to the Board of Directors regularly, forms a good culture of fair treatment of customers top down, makes sure that fair treatment of customers is the code of conduct for all employees. This reduces the cost of violation, beneficial to sustainable operation.

#### Major achievement of fair treatment of customers in 2022

1. The evaluation result of principles of fair treatment of customers in the banking industry released by the FSC shows that we are in the top 25%.
2. We organized the education training for principles of fair treatment of customers. The number of training hours for all employees is 4,811 hours, 2.32 hours per person on average. An exam on fair treatment of customers is held in July to raise awareness of employees on fair treatment of customers and help employees learn more about fair treatment of customers.

Courses on fair treatment of customers in 2022			
Theme	Subject	Number of hours	Number of participants
Sharing on principles of fair treatment of customers in financial service industry	Directors	20 minutes	11
Introduction of financial consumer protection law in the principles of fair treatment of customers	All employees	91 minutes	2,727
Case study of principles of fair treatment of customers	All employees	37 minutes	2,741
Consumer conversation simulation in principles of fair treatment of customers	All employees	65 minutes	2,755



3. The "Mystery Shopper Project" was entrusted to an external agency in May to examine fair treatment of customers at our bank and propose advice from the perspective of a fair third party. This project was completed in September.
4. We rolled out various products and services, signed our application for new business, and submitted it to competent authorities. We stipulated the "Precautions for signing." In 2022, when the Legal & Compliance Group inspected the project for signing, it noticed that an inspected unit has not improved conducts that failed to comply with the Securities Investment Trust and Consulting Association of the R.O.C. Guidelines for Advertisements and Business Activities Performed by Members and Their Sales Agents according to the opinion letter issued by the Legal & Compliance Group. Therefore, a low risk problem was listed. The inspected unit improved the conducts later on, then we terminated the contract with the unit we collaborated with. The web service for this signing project has been removed from our website.




## 6 Inclusive Financing

5. For appraisal of ten principles of fair treatment of customers and actions promoted by the Board of Directors, the Legal & Compliance Group is in charge of self-evaluation. The result of self-evaluation is 89.64 points and the full score is 90 points.

Item no.	Appraisal indicator	First line of defense	Second line of defense	Third line of defense	Average score	Average score*60%
		Self-evaluation of business unit	Self-evaluation of compliance or risk management unit	Self-evaluation of internal audit unit		
1	Principle of fairness and good faith when preparing contracts	9.56	10	10	9.85	5.91
2	Principle of due care and fiduciary duty	9.34	10	10	9.78	5.87
3	Principle of truthfulness in advertising and solicitation	9.88	10	10	9.96	5.98
4	Principle of product or service suitability	9.74	10	10	9.91	5.95
5	Principle of notification and disclosure	9.94	10	10	9.98	5.99
6	Principle of balance between remuneration and performance	10	10	10	10	6
7	Principle of complaints protection	9.97	10	10	9.99	5.99
8	Principle of professionalism of sales personnel	10	10	10	10	6
9	Principle of friendly service	9.83	10	10	9.94	5.96
10	Principle of implement ethical corporate management	9.95	10	10	9.98	5.99
Subtotal						59.64 ❶
11	How much the Board of Directors pays attention to and the action it takes	30 ❷				
Our self-evaluation score ❶ + ❷		89.64 (full score: 90)				

## 6 Inclusive Financing

### 6. Friendly financial service

Dimension	Instruction
Senior care measures	<ul style="list-style-type: none"> <li>♥ Active care by the branch teller               <ul style="list-style-type: none"> <li>■ Ask the senior customer when he withdraws a certain amount of cash over the counter.</li> <li>■ The teller observes the customers and helps seniors immediately.</li> </ul> </li> <li>♥ Money management for senior customers:               <ul style="list-style-type: none"> <li>■ Strengthen product suitability and make sure that customers understand risks.</li> <li>■ Develop pension trust instruments for the public and help seniors protect their assets.</li> </ul> </li> </ul> 
Disadvantaged-friendly measures	<ul style="list-style-type: none"> <li>♥ Our official website is honored the Grade A Mark of Accessible Website Regulations by NCC.</li> <li>♥ At the end of 2022, 126 ATMs out of 153 ATMs in Taiwan (82%) are suitable for people with physical disabilities (wheelchair users) and nine of them (6%) offer voice functions to people with visual impairment.</li> <li>♥ Offer ATM fee waiver programs to people with physical and/or mental disabilities.</li> <li>♥ An accessible counter and restroom are available in the branch. There's a call button at the entrance and exit to guide people with physical and/or mental disabilities and seniors.</li> <li>♥ In 2022, we started to collaborate with Taiwanese Association of Sign Language Translation Interpreters, offering real-time video remote interpreting or reservation of onsite sign language interpreting service.</li> <li>♥ In 2022, we held friendly financial service training for helping customers with physical and/or mental disabilities, including real-time sign language interpretation. 921 tellers joined the training.</li> </ul>
Preventing customers from being defrauded	<p>We work with the government to fight crime and prevent unlawful conducts such as scam, money-laundering and tax evasion, to strive for a safer society:</p> <ul style="list-style-type: none"> <li>🔒 We improve training of frontline tellers. Our tellers pay attention to the customer, keep alert, report problems immediately, and work with police. We are obligated to keep an eye on financial crime and fulfill social responsibility as a financial worker.</li> <li>🔒 Add scam reminder on the online bank and mobile transfer page.</li> <li>🔒 Add reminder to the passbook to prevent dummy account and prevent people with physical and/or mental disabilities from scam.</li> <li>🔒 In 2022, branch tellers stopped scam 29 times and stopped over-the-counter transfer scam of NT\$8.5 million.</li> </ul>



## 6 Inclusive Financing

### 7. Financial Knowledge Advocacy and Promotion

Item	Implementation												
Kids Wealth Management Camp	<ul style="list-style-type: none"><li>❖ Four sessions of Kids Wealth Management Camp was held in summer vacation, 104 participants in total.</li><li>❖ Parents and kids explore financial insurance knowledge together. Insurance experts explain large and small risks in life in a straightforward way, and further explain topics on children's education and risk planning, such as insurance policy review.</li></ul>												
Establish the Senior Learning Academy 4.0	<ul style="list-style-type: none"><li>❖ The 5th Establish the Senior Learning Academy 4.0 was held in September. It lasts 12 weeks and 35 people participated in it.</li><li>❖ "Learn NFT" and "Senior Nursery Trust" are added to the course.</li></ul>												
Celebrity Lectures	<ul style="list-style-type: none"><li>❖ We worked with Asia Eastern University of Science and Technology and Yuan Ze University on the University for Seniors in November, and arranged promotion of senior nursery trust at the University for Seniors.</li><li>❖ Three sessions were held, 2.5 hours each, 125 participants in total.</li><li>❖ "Start Nursery Trust, Ensure Happy Future," a physical seminar on nursery trust, was held in December. Su Chia Hung, a family lawyer, was invited to share knowledge on wealth inheritance and trust.</li><li>❖ 45 people participated in the seminar.</li></ul>												
FEIB's YouTube Channel "Little Yuan Wins"	<ul style="list-style-type: none"><li>❖ We created a YouTube Channel "Little Yuan Wins" to promote knowledge on financial and money management. The investment market team shares professional market analysis. It is a free channel on YouTube. We added core factors, environment and society, to video content in 2022 to help people learn more about sustainable value.</li><li>❖ In 2022, we expect to make three episodes on money management regarding inclusive financing, 23 episodes on professional market analysis, 26 videos on financial knowledge in total. We aim to convey the concept of money management and the latest market investment information. Our channel has 590,591 views. Topics of inclusive financing videos are shown below:</li></ul> <table><tr><th>Launch</th><th>Theme</th><th>Number of views</th></tr><tr><td>January</td><td>Learn about FX margin trading</td><td>10,186</td></tr><tr><td>March</td><td>New aspect of investment for happy retirement</td><td>248,595</td></tr><tr><td>September</td><td>Start Nursery Trust, Ensure Happy Future</td><td>18,022</td></tr></table>	Launch	Theme	Number of views	January	Learn about FX margin trading	10,186	March	New aspect of investment for happy retirement	248,595	September	Start Nursery Trust, Ensure Happy Future	18,022
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Far Eastern International Bank Happy+LINE account	We offer various financial information. 126,788 people added us.												

## 6 Inclusive Financing

### Handling of financial consumption dispute

We offer a 24-hour integrated customer service center. Customers can receive an integrated one-stop service through any channel. During the COVID-19 pandemic, remote backup and WFH programs are established to integrate system and ensure information security, in order to maintain a non-stop customer service. Furthermore, we drew up regulations for customer complaint management, "System for handling of financial consumption dispute and handling process," "Precautions for financial consumption case management" and "Procedure for handling of financial consumption dispute." We hope that customer opinion or complaint can be handled as soon as possible. Responses have been organized integrally and systematically. Statistical analysis is executed and reported to the President and management level every month. It is reported to the Risk Management Committee regularly and included in self-evaluation of operational risk. In order to help the top governance agency keep track of consumer protection at our bank, we explain each major customer complaint and follow-up handling.

#### Major achievement of customer complaint handling in 2022

##### Our customer satisfaction is 99.8%.

If a customer reports his problem and need through any channel, he can receive full response from the customer service center. The indicator of customer service level shows that 80% of the calls are answered in 30 seconds. After a customer has been served, the computer system draws a customer randomly and guides the customer to grade satisfaction via the voice system. This grading system draws 10,307 customers, and satisfaction is 99.8%. 25,653 customers have been drawn for the AI customer satisfaction, and satisfaction is 88.8%.

##### Immediate handling and proper handling

Two indicators of customer complaint handling performance have been added. Sensitive and general cases are handled in three and ten workdays, respectively. The day that the customer complaint has been handled is the day that we called the customer back and reached consensus with the customer or the day that we notified the customer about how the customer complaint is handled. If we cannot reach the customer by phone, the day we reply to the customer by mail is the day that we finished handling the customer complaint. Statistics show that there are 371 customer complaints for all of our businesses in a year, less than the previous year, which is 524 customer complaints. These customer complaints include the ones handled by our customer service center, and competent authorities such as Banking Bureau and Financial Ombudsman Institution. Sensitive cases are handled in a day on average and general cases are handled in two to three days on average. 83% of the cases are handled in three days. 87% of the customer complaints handled properly have not been submitted through any channel in 30 days after being handled.

##### Analysis of cause of customer complaint and enhancement

The "Consumption Dispute Management Division" was founded in February. A meeting is held every month to review and continue to optimize customer complaint handling, and propose corrective or prevention measures to prevent similar problems from occurring in the future.

Customer service enhancements in 2022	
Item	Instruction
Modify SOP	Amended the "System for handling of financial consumption dispute including SOP" and clarify relevant duties and functions.
Implement the international standard	Introduced the ISO 10002 Customer Complaint Quality Management and passed the BSI certification.
Optimize AI customer service	User experience is enhanced by correcting the employee's behavior immediately to make sure that the score of service precision is 95% and above.
Customer complaint is associated with performance appraisal	The customer complaint an employee attributed to is explicitly specified in the annual performance evaluation form of the employee as the reference for evaluating the employee's performance in the customer dimension.



## 6 Inclusive Financing


### ESG Financial Instrument and Service

The Bank is able to collect fund from the society and manage and utilize it. To lead the critical power of the entire society that implements sustainable development, we incorporate ESG into core business, deploy ESG product line, promote sustainable finance and ensure sustainability for environment and society.




Personal finance			
Item	Instruction/Method	Customer	ESG benefits in 2022
ESG fund and purchase discount	<ul style="list-style-type: none"> <li>The launched ESG fund must meet Article 8 or 9 in Sustainable Finance Disclosure Regulation (SFDR) or the level of four to five Earths in Morningstar Rating.</li> <li>From September to December 2022, customers can get 60% off for handling fee of ESG fund purchase via a digital channel.</li> </ul>	Wealth management customer	<ul style="list-style-type: none"> <li>There were 1,925 ESG funds at the end of 2022.</li> <li>The total amount of subscription of ESG fund during the discount period is NT\$452 thousand.</li> <li>Our goal in 2023 is that the number of ESG funds must be at least 5% of the total number of funds among the selected funds each quarter.</li> </ul>
Home loan for green building	The loan was rolled out in April 2022, up to 30 years of loan period. Besides a low interest rate, the start-up cost is only NT\$888, which was originally NT\$5,000.	The borrower offering a building with Green Building Mark as a collateral	Major media such as China Times and Liberty Times reported this discount for more people to learn about the green building loan discount.
Eden Social Welfare Foundation Love Card	We issued the Eden Social Welfare Foundation Love Card in 1997. 0.3% of the credit card amount is donated to Eden Social Welfare Foundation.	General public	<ul style="list-style-type: none"> <li>In 2022, we donated NT\$1,367,754 to Eden Social Welfare Foundation, NT\$52,307,531 in total.</li> <li>1,231 credit cards were issued in 2022.</li> </ul>
Sustainable donation platform of Eden Social Welfare Foundation	<ol style="list-style-type: none"> <li>Hope Passbook: Conversion of account interest to donation to Eden Social Welfare Foundation automatically</li> <li>Conversion of credit card dividend to Eden Social Welfare Foundation</li> <li>The event for motivating credit card holders to donate to Eden Social Welfare Foundation</li> <li>Donation from the holder of Eden Social Welfare Foundation Honor Card</li> </ol>	General public	In 2022, we donated NT\$942,412, NT\$35,921,927 in total.
Happy Home+ Card	<ul style="list-style-type: none"> <li>This credit card aims to provide a better life for family. It offers benefits to take care of mental and physical needs of young parents, and endeavors to support them for parenting.</li> <li>In 2022, it extends services to pet owners and offers discounts on pet supplies.</li> </ul>	Family with underage children Grandparents	Birth population continues to drop. The credit card aims to focus on sub-replacement fertility and animal care. 70 thousand credit cards were issued in the first year, 2021. More than 150 thousand credit cards were issued in 2022.

## 6 Inclusive Financing

Personal finance			
Item	Instruction/Method	Customer	ESG benefits in 2022
Microinsurance	We work with the insurance company to offer this traditional one-year term life insurance, injury insurance and full reimbursement medical insurance.	Economically disadvantaged group	<ul style="list-style-type: none"> <li>This is the basic guarantee for economically disadvantaged groups to cope with life and injury risk. We donated NT\$100 thousand to Hualien County Government in 2022. China Life Insurance matched the donation to 508 people to pay the insurance premium for them.</li> <li>This donation has been included into the annual donation plan since 2020.</li> </ul>
Small amount aging insurance	We worked with an insurance company to roll out whole life insurance as a main contract. The whole life insurance is for death insurance or total disability insurance. The maximum amount covered is NT\$700 thousand. The addendum of one-year personal injury insurance with amount covered up to NT\$100 thousand can be attached to the main contract. The insurance policy is basic guarantee and the insurance premium is lower than the life insurance policies in the same category.	Economically disadvantaged middle-aged person and senior	To respond to the aging trend and sub-replacement fertility, offering basic insurance to as many seniors as possible is our way to implement inclusive financing. In 2017, we acted as the sales agent of the insurance in 2017. People can take out the insurance at all branches in Taiwan.
Senior Nursery Trust	<p>This is a financial trust service for care and nursery of seniors. We offer a standardized contract for seniors to understand it easily. We reduce the contract-signing fee and management fee to achieve inclusive financing.</p> 	Seniors and their family caregiver	<ul style="list-style-type: none"> <li>Solve the retirement financial management risk and reduce the social risk derived from aging society.</li> <li>In 2022, we granted 867 loans, NT\$458.62 million.</li> <li>By 2022, there are 30 beneficiaries of nursery trust per 10 thousand account holders. The balance of trust estate of principal from nursery trust is 1.6% of the balance of trust estate of principal from overall trust business.</li> <li>We are honored the Nursery Trust Award B Group 1st Place of "Trust Industry Promotion Trust 2.0 Plan" by the FSC.</li> <li>We are honored the National Brand Yushan Award by Republic of China National Enterprise Competitiveness Development Association.</li> </ul>
Happy Retirement Money Management Plan for Everyone	This is an investment target we developed that has low fluctuation and high fluctuation. It is suitable for pension and has no handling fee.	<ol style="list-style-type: none"> <li>Low earner</li> <li>Worker who is about to retire</li> </ol>	<ul style="list-style-type: none"> <li>We initiated the low earner pension increase plan to mitigate personal financial risk derived from aging problem and sub-replacement fertility.</li> <li>612 customers participated in the plan at the end of 2022.</li> <li>We compose the "Pension Calculator" of Economic Daily News for a long time.</li> </ul>
Trust for care of people with physical and/or mental disabilities and time deposit benefit	<ul style="list-style-type: none"> <li>Financial trust service planned for focusing on care and nursery of people with physical and/or mental disabilities</li> <li>Use disability identification to receive additional interest rate benefits.</li> </ul>	People with physical and mental disabilities and their family caregiver	Help people deal with the risk of taking care of people with physical and/or mental disabilities, and reduce social problems incurred from taking care of them. In 2022, we granted eight loans, NT\$6.68 million.



## 6 Inclusive Financing

Personal finance			
Item	Instruction/Method	Customer	ESG benefits in 2022
Bilingual demonstrative branch	<ul style="list-style-type: none"> <li>The bilingual slogan is installed in the branch. A real-time translation system in multiple languages is available. Staff offering financial services can speak English.</li> <li>In 2022, a bilingual version of all of the common application form for foreign customers is available.</li> <li>Discipline of bank teller in English is implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Foreigner</li> <li>New immigrant</li> </ul>	<ul style="list-style-type: none"> <li>We advocate the bilingual nation policy and strive for the vision of internationalization of local financial service. We expect to open six bilingual demonstrative branches, including Taipei Chengzhong Branch, Linkou Branch, Taipei Chengde Branch, and Taichung Gongyi Branch. Huang Tien Mu, Chairman, Financial Supervisory Commission, and Kung Ming Hsin, Chairman, National Development Council, inspected Taipei Chengde Branch and praised the bilingual service of the branch.</li> <li>A translation machine in multiple languages is available at all branches.</li> </ul> 
Dementia-friendly branch	Dementia population increases day by day because Taiwan has become an aging society. The Department of Health, New Taipei City Government, held the event "build dementia-friendly stores" with Far Eastern Memorial Hospital. Our branches in New Taipei City echo this project of human rights protection and senior care. Mega City Branch, Banqiao Nanya Branch, Banqiao Wenhua Branch, Banqiao Zhongheng Branch, Sanzhong Branch and Luzhou Branch joined the event.	Senior with dementia	<ul style="list-style-type: none"> <li>Dementia-friendly workshop: Six branches in New Taipei City took part in the workshop. Fifteen employees became seeded students of the workshop on behalf of our bank. Dementia education materials are distributed to all branches to promote a dementia-friendly environment together.</li> <li>Online certification of dementia friendly and guardian angel: 60 employees from four branches in total joined the program, Mega City Branch, Banqiao Nanya Branch, Banqiao Wenhua Branch and Banqiao Zhongheng Branch. All of them passed the online certification of "dementia friendly and guardian angel." The four branches were honored the dementia friendly mark.</li> </ul>
COVID-19 relief program	We offer deferred payment or postponement solutions to customers, applicable to home loan, car loan, consumer loan and credit card payment. Customers may apply for three to six months of deferred credit card payment, and three to six months of deferred principal and interest repayment for other personal loans with penalty and delay interest waiver during deferment.	The credit card customer and other personal loan customer under the impact of pandemic.	<ul style="list-style-type: none"> <li>We allowed deferred credit card payment for 1,549 cardholders and the deferred amount is NT\$129.7 million.</li> <li>We allowed deferred payment of personal loan for 824 borrowers, and the approved amount is NT\$2,356.6 million.</li> </ul>
Humanity-themed calendar for holiday gift	The calendar stays on the side of customers throughout the year. We bless our customers, and communicate with them on life aesthetics. The calendar of 2023 is the "Performance Hall in Taiwan."	Existing customer	The calendar of 2023 aims to invite customers to watch performances, advocate and support performing arts, and bring the culture of truth, kindness and beauty. About 20 thousand calendars were published.

## 6 Inclusive Financing

Digital finance																		
Item	Instruction/Method	Customer	ESG benefits in 2022															
Bankee	This is the first community bank in Taiwan based on sharing economy. Customers connect themselves to the community circle. It is like they open a branch by phone and they can receive benefits in return in the long run.	<div>① Young generation</div> <div>② Startup</div>	<div><div>● We use a creative feedback mechanism to support the young generation with limited income to operate their own micro-branch, in order to earn passive income. We had more than 170 thousand accounts at the end of 2022.</div><div>● Our open platform has been collaborating with seven fintech startups to assist in their development.</div><div>● We offer paperless, contactless banking services for carbon reduction.</div></div>															
Automation service platform	Promote paperless service and continue to optimize various financial digital service platforms, e.g. personal online bank, corporate online bank, mobile bank and ATM.	<div>① Existing customer</div> <div>② The customer group that would be inconvenient to make transactions at a branch</div>	<div><div>● We avoid human contact via automated service and transaction during the COVID-19 pandemic to help maintain social distancing.</div><div>● We offer contactless services. Customers do not need to visit the branch; hence, carbon footprint and paper use are reduced.</div></div> <table><tr><th>Service item</th><th>Reduce the number of pieces of paper</th><th>Carbon emissions equivalent</th></tr><tr><td>Promote large-amount foreign exchange on app/application for pre-designated account online. The off-counter rate is 94.7%.</td><td>9,833 thousand</td><td>83.4 tons</td></tr><tr><td>Develop digital application services such as STP process automation service. The digital customer acquisition is 47.7%.</td><td>876 thousand</td><td>7.4 tons</td></tr><tr><td>Combine the e-bills of the entire bank. Increase our penetration rate.</td><td>25,464 thousand</td><td>215.9 tons</td></tr><tr><td>Total</td><td>36.17 million</td><td>306.7 tons</td></tr></table>	Service item	Reduce the number of pieces of paper	Carbon emissions equivalent	Promote large-amount foreign exchange on app/application for pre-designated account online. The off-counter rate is 94.7%.	9,833 thousand	83.4 tons	Develop digital application services such as STP process automation service. The digital customer acquisition is 47.7%.	876 thousand	7.4 tons	Combine the e-bills of the entire bank. Increase our penetration rate.	25,464 thousand	215.9 tons	Total	36.17 million	306.7 tons
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Promote large-amount foreign exchange on app/application for pre-designated account online. The off-counter rate is 94.7%.	9,833 thousand	83.4 tons																
Develop digital application services such as STP process automation service. The digital customer acquisition is 47.7%.	876 thousand	7.4 tons																
Combine the e-bills of the entire bank. Increase our penetration rate.	25,464 thousand	215.9 tons																
Total	36.17 million	306.7 tons																

Corporate finance			
Item	Instruction/Method	Customer	ESG benefits in 2022
Corporate pandemic relief loan program	We help corporations impacted by COVID-19 pandemic obtain relief and revitalization fund or allow them to postpone repayment of existing loan.	Corporation or education business	<ul style="list-style-type: none"> <li>We assist corporations in overcoming the COVID-19 impact. This helps stabilizing social economy and employment rate.</li> <li>We accepted 28 loans and approved 23 loans with the amount of NT\$572.6 million.</li> </ul>



## 6 Inclusive Financing

Corporate finance																							
Item	Instruction/Method	Customer	ESG benefits in 2022																				
Green expenditure loan and the loan linked to sustainability performance	We invest resources into green industry development with the power of our financial business, and drive energy transition. We carefully select corporate borrowers, grant loans to eco-friendly corporations, formulate internal regulations, and include ESG performance appraisal of these corporations into our internal regulations.	Energy-saving products such as solar power products, green power products and electric cars, green building, and sewage or waste treatment industry	In 2022, the balance of relevant loan was NT\$18.6 billion, 8.7% of the total balance of corporate finance loan, surpassing the goal of 8.5%.																				
Financing facilitating development of small company and community	We help smart companies and facilitate loans for startup development.	Small company and startup	<ul style="list-style-type: none"><li>● We are honored the “2021 SME Lending Grade A Bank” by the FSC.</li><li>● At the end of 2022, we granted loans to 1,139 small and startup SMEs with a balance of NT\$50,356 million. We collected debts from two borrowers with a balance of NT\$26 million.</li></ul>																				
			<table><tr><th colspan="2">Corporation</th><th>Number of borrowers/balance at the end of 2021</th><th>Number of borrowers/balance at the end of 2022</th></tr><tr><td>A</td><td>No more than 20 employees</td><td>953 accounts NT\$33,540 million NTD</td><td>1,086 accounts NT\$47,371 million NTD</td></tr><tr><td>B</td><td>Capital is no more than NT\$5 million</td><td>618 accounts NT\$2,789 million NTD</td><td>701 accounts NT\$4,897 million NTD</td></tr><tr><td>C</td><td>Annual revenue is NT\$10 million and below</td><td>647 accounts NT\$8,986 million NTD</td><td>734 accounts NT\$17,020 million NTD</td></tr><tr><td>D</td><td>Founded for five years and below</td><td>264 accounts NT\$3,121 million NTD</td><td>277 accounts NT\$6,700 million NTD</td></tr></table>	Corporation		Number of borrowers/balance at the end of 2021	Number of borrowers/balance at the end of 2022	A	No more than 20 employees	953 accounts NT\$33,540 million NTD	1,086 accounts NT\$47,371 million NTD	B	Capital is no more than NT\$5 million	618 accounts NT\$2,789 million NTD	701 accounts NT\$4,897 million NTD	C	Annual revenue is NT\$10 million and below	647 accounts NT\$8,986 million NTD	734 accounts NT\$17,020 million NTD	D	Founded for five years and below	264 accounts NT\$3,121 million NTD	277 accounts NT\$6,700 million NTD
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<ul style="list-style-type: none"><li>● In 2022, we have granted loans to 388 small and startup SMEs, the net increase of balance is NT\$16,471 million and the balance grows by 48.6%.</li></ul>																							
<table><tr><th>Indicator item</th><th>2021</th><th>2022</th></tr><tr><td>Net increase of the number of corporations</td><td>370 accounts</td><td>388 accounts</td></tr><tr><td>Net increase of balance</td><td>NT\$5,888 million NTD</td><td>NT\$16,471 million NTD</td></tr><tr><td>Balance growth</td><td>21%</td><td>48.6%</td></tr></table>	Indicator item	2021	2022	Net increase of the number of corporations	370 accounts	388 accounts	Net increase of balance	NT\$5,888 million NTD	NT\$16,471 million NTD	Balance growth	21%	48.6%											
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## Digital Finance Innovation

"Digital re-evolution" is our key to financial service creativity. We develop fintech based on technology trend, ban lift on finance and business needs, realize practical digital innovation, and offer a stable, safe, fast digital financial service to customers. Furthermore, the Digital Development Committee tracks the digital transition indicator, explores all kinds of digital topics from the perspective of long-term operation of the company, helps the management leadership team understand the latest market technique and trend, refers to the latest market technique and trend for operation strategy of sustainable development.

### Bankee, a creative business model

We founded a digital brand Bankee and developed new financial instruments based on financial open platform, extremely different from general business models of corporation. We develop a B2B2C alliance through the digital platform transformed by the bank, and use digital fintech to collaborate with Third-Party Service Providers (TSP) on a new business model. Through Open API, we connect convenient financial services of all online platforms to build a diverse financial ecosystem. We aim to create a multi-win situation for banks, tech startups and customers, offer accessible financial service for remote areas and disadvantaged groups, fulfill the idea of inclusive financing, and realize the social value of co-creation, sharing and co-prosperity.



<p><b>Innovation 1</b></p> <p><b>Co-creation, sharing and co-prosperity</b></p>	<p>We changed the traditional one-way relationship between the bank and customer. A new business model based on co-creation, sharing and co-prosperity and sharing economy has been built. Bankee and customers work as a team in a two-way relationship. The customer is an employee who works hard with us. We have more than 23,000 online branches in 2022.</p>
<p><b>Innovation 2</b></p> <p><b>New momentum of digital customer acquisition</b></p>	<p>We rolled out the 24-hour online one-stop two-way securities and settlement account opening with Oriental Securities Corporation, bringing the second curve of customer acquisition besides conventional customer acquisition.</p> 



## 6 Inclusive Financing



Innovation

Innovation 3

Fintech patent application

We study and analyze the pain point of financial service for the Millennials, and re-design digital products and services to offer a more convenient lifestyle and a better experience to digital natives. Our core concept is to be the first one developing these products and services and obtain 23 patents. It will be hard to surpass or copy us.

Innovation 4

Create Bankee ecosystem

We are the first one creating four diverse financial ecosystems, social financial ecosystem, Far Eastern Group ecosystem, human resource financial ecosystem and P2P ecosystem, creating four-win synergy for customers, SMEs, startup partners and banks.

Innovation 5

Implement the service  
Open Banking

- We echo the open bank policy and work with Far EastOne Telecommunications to connect customer data based on the Open Banking Guidelines of Financial Information Service Co., Ltd. A one-stop service has been created and BaaS (Bank as a Service) has been achieved. We are the first bank honored the second stage business qualification of "Open Bank" by the FSC. We extend our financial service non-financial industry, offer more financial information channels, and strive for "smart financial industry."
- We comply with the government policy, hence we plan to share data with partners of Far Eastern Group, such as Far EastOne, FETC, Oriental Securities and Far Eastern International Securities Company Limited, to offer a more comprehensive service to customers.



Glory in 2022

The Global Economics,  
a British media  
The Global Economics Award

Bankee works with people via B2C2C and works with start-up tech companies via B2B2C. It actively expands diverse financial ecosystems in all domains. Its sharing economy system, a new business model, breaks the boundary between virtual and reality, hence it is honored the Global Economics Award.

Commercial Times  
Digital Innovation Gold Award

Bankee builds a decentralized sharing economy business model based on web 3.0. Our three innovation outcomes have been recognized; hence we are honored the Digital Innovation Golden Quality Award.

## 6 Inclusive Financing

### Optimize automated transaction platform

We master core technology, strengthen innovative fintech application, integrate channel, service and product, and help the bank evolve into a complex of "AI service + lifestyle." In addition to promoting digital service, we optimize existing automated transaction platform, offer the best fintech experience to customers, and build a diverse digital financial service, covering digital deposit in New Taiwan Dollars and foreign currency, cross-border remittance, and securities investment. For financial needs of individuals, micro companies and SMEs, we introduce innovative digital products, one-stop digital application process, create the most convenient, secured inclusive financing, build a diverse partnership, and facilitate a prospect of sustainability. In 2022, our off-counter rate is 94.7% and digital customer acquisition is 47.7%.

Digital transaction platform	Innovative functions in 2022	Instruction
Application	Consumer loan application for strategic alliance installments	The existing mail application and shop scanning service are inconvenient. They are replaced by the new service. MyData, online data authorization, has been implemented to obtain customer financial statement quickly. This saves labor and changes the business promotion model.
	Designated account transfer of the account holder	Customers may designate account transfer from our bank or other banks online via online application and authentication by phone.
	Apply for designated account transfer	Offer online application for designated account transfer, and upgrade services via natural person certificate (convenience store verification) and video conference verification.
	Convenience store verification upgrade to digital deposit account	To develop branch channels and extend digital service, we launched identity verification service at 7-Eleven. The first service is "convenient upgrade for digital deposit customer" and later on online application for various accreditations will be available. Customers can apply for these accreditations online and at convenience store without visiting the branch.
	eACH real-time agency collection and payment and eDDA authorization business	Customers apply for automatic withholding of water and electricity bill and credit card payment, and authorize withholding from their own bank account. Back then, they must fill out application form and hand over original specimen seal in person. It takes seven to ten days to forward the form and seal to the account-holding bank. With this service, the application can be completed by phone or computer easily.
Mobile bank app	Increase of limit of non-designated account transfer	The mobile bank app has become the biggest account transfer, foreign exchange service of the entire bank and continues to grow. If the non-designated account transfer limit is low, 2FA (MID + biometrics) can be used to increase the limit to cope with account transfer.
	The purchased or sold foreign currency trade of individual account with NT\$500 thousand and above	During foreign exchange trade of mobile bank app, foreign exchange trade equivalent to NT\$500 thousand is allowed (New Taiwan dollar to foreign currency/foreign currency to New Taiwan dollar). However, the foreign exchange trade must be less than the foreign exchange settlement with large amount from Central Bank (equivalent to US\$490 thousand). Customers can complete large amount foreign exchange online without visiting the branch.



## 7 Talent Recruitment

When the Great Way Prevails  
2022 Sustainability Report



**72** Non-discriminatory Employment

**77** Compensation and Benefits

**82** Training Programs

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## 7 Talent Recruitment



From manpower recruitment, on-the-job training, to organizational change, FEIB has always considered the future direction of the Bank from the perspective of goals and actions, which leads to the establishment of a complete and continuous talent utilization and development program to enhance the effectiveness of human capital. The Bank has been selected as a constituent of the "Taiwan High Compensation 100 Index" and "Taiwan Employment Creation 99 Index" for its competitive salary structure due to its emphasis on the value of talent. We have received government subsidies for 20 consecutive years for our long-term investment in employee education and training, and have accumulated more than ten million dollars in awards, and again received gold-certification of TTQS (Talent Quality-management System) by the Ministry of Labor in 2022. Moreover, in 2022, FEIB launched Reading event for FEIB 30 anniversary. We delivering sustainable knowledge through senior executives, by offering APP task package, which achieved the result of donating 300 sustainable books to rural schools, and also awarded "Learning Superstar" and "Benchmark of Learning" by CWLC (the Commonwealth Leader Campus). In recent years, FEIB has been awarded the "Taipei City Healthy Workplace" and the "Sports Enterprise Certification" by the Department of Sports, Ministry of Education for our success in creating a healthy workplace, and was further awarded the third place in the National Sports Calendar Points Competition by the Department of Sports, Ministry of Education. We were also awarded the "Best Companies To Work For" award by HR Asia, an authoritative human resources publication in Asia, for the effectiveness of its overall HR strategy implementation.



## Non-discriminatory Employment

- FEIB hires qualified employees through an open recruitment and employee referral process, and after interview or test procedures, the selection and compensation standards are handled in accordance with the rules and regulations, without discrimination based on race, color, religion, nationality, gender, sexual orientation, age, and disability, etc. Once employed, all employees sign labor contracts to protect their labor rights and interests; since its inception, there have been no cases of differential treatment for the various factors stipulated in Article 5, Paragraph 1 of the Employment Service Act.
- There were a total of 2,573 employees at the end of 2022, of which 28 served in Hong Kong, 1 in Vietnam and 1 in Singapore. Currently, there are one male and one female indigenous employees, with a 0.08% hiring rate. There are 17 physically and mentally challenged employees, including 9 males and 8 females, which are considered as 21 employees converted based on the weighting of the level of disability and the number of hours worked, with a hiring rate of 0.82%.
- The total number of new employees in 2022 was 333, which accounted for 12.94% of the total number of employees in the bank at the end of the year. The number of new employees who left the company during the year was 55, accounting for 16.52% of the total number of new employees.
- In 2022, the employee turnover rate is 12.7%. The Human Resources Group and its affiliated units have conducted sincere discussions to understand the reasons for the resignations in order to review and improve.
- The Bank notifies the Employment Service Division of any termination of employment due to redundancy. Employees may apply for vocational training and unemployment assistance from the employment service unit as needed to facilitate their continued employability or as a transition assistance program for career planning.
- In 2022, FEIB had a total of 141 management employees (all of whom are local residents in Taiwan, and no residents outside Taiwan), including 2 serving in Hong Kong, 1 serving in Vietnam, 1 serving in Singapore, and 137 serving in Taiwan. The number of non-managerial employees was 2,432, of which 26 were serving in Hong Kong and 2,406 serving in Taiwan.

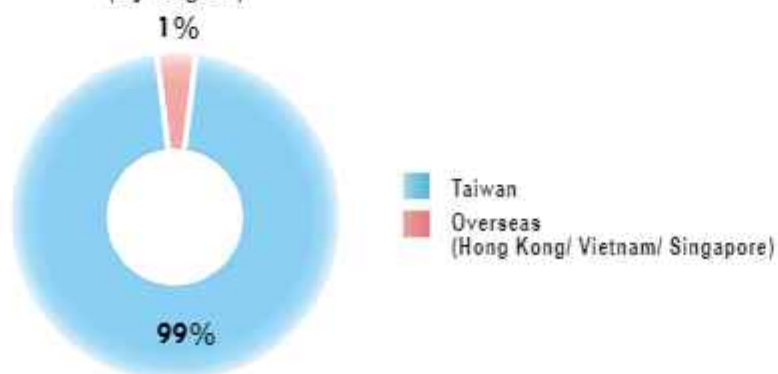
Employee Diversity Statistics									
Region	2020			2021			2022		
Gender	Male ♂	Female ♀	Total	Male ♂	Female ♀	Total	Male ♂	Female ♀	Total
Indigenous	1	1	2	1	1	2	1	1	2
People with physical and mental disabilities	9	7	16	10	6	16	9	8	17

# 7 Talent Recruitment

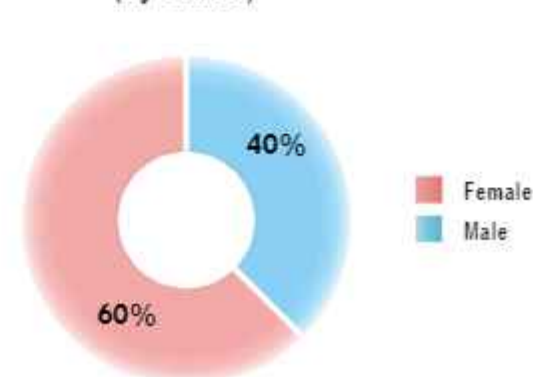
Employment Status in 2022							
Region/ Gender			Taiwan		Overseas (Hong Kong)		Total
			Male ♂	Female ♀	Male ♂	Female ♀	
Full-time Employees	Non-Periodic Contracts	Full-time	991	1,513	14	16	2,534
		Partial working hours	0	0	0	0	0
	Periodic Contracts	Full-time	0	1	0	0	1
		Partial working hours	21	17	0	0	38
		Temporary worker	0	0	0	0	0
	Sub-total		1,012	1,531	14	16	2,573
Part-time Employees	Dispatched Workers		8	8	0	0	16
Total			1,020	1,539	14	16	2,589

Note: Temporary workers are those whose periodic contract is less than six months.

Employment Status in 2022  
(By Region)



Employment Status in 2022  
(By Gender)





# 7 Talent Recruitment

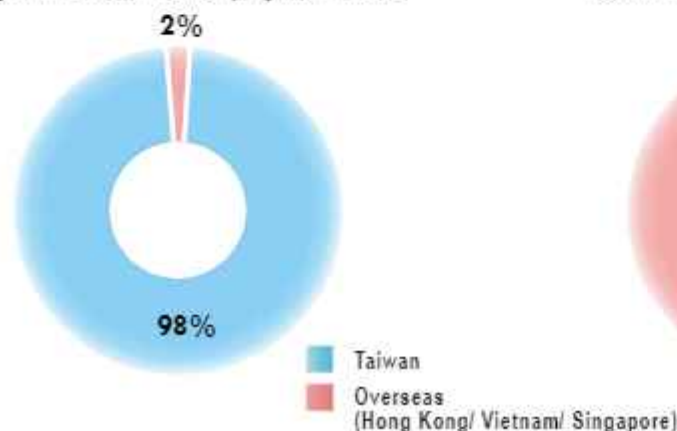
The ratio of new employees to all employees of the same classification

Region	Age Group	Under 30		30~50		Above 50		Total number of people		
	Gender	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Total
Taiwan	New Recruits	37	68	102	99	12	10	151	177	328
	Total number of employees of the same nature	64	140	666	1,111	282	280	1,012	1,531	2,543
	Percentage of employees of the same nature (%)	57.81	48.57	15.32	8.91	4.26	3.57	14.92	11.56	12.90
Overseas (Hong Kong/ Vietnam/ Singapore)	New Recruits	1	1	1	1	1	0	3	2	5
	Total number of employees of the same nature	1	2	6	10	7	4	14	16	30
	Percentage of employees of the same nature (%)	100	50	16.67	10.00	14.29	-	21.43	12.50	16.67
Total	New Recruits	38	69	103	100	13	10	154	179	333
	Total number of employees of the same nature	65	134	672	1,121	289	284	1,026	1,547	2,573
	Percentage of employees of the same nature (%)	58.46	48.59	15.33	8.92	4.50	3.52	15.01	11.57	12.94

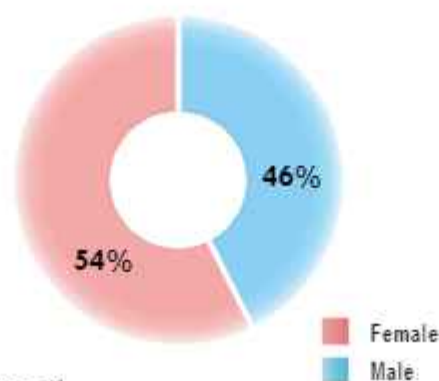
Note: ① The number of new male employees under the age of 30 in Taiwan accounted for the ratio of employees of the same nature (%) = the number of new male employees under the age of 30 in Taiwan ÷ the number of male employees under the age of 30 in Taiwan at the end of December 2022, and the others are calculated by analogy.

② The number of people includes employees with Non-Periodic Contracts and Periodic Contracts, excluding Dispatched Workers.

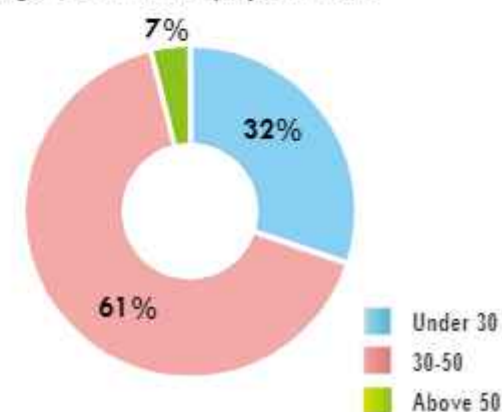
Regional ratio of new employees in 2022



Gender ratio of new employees in 2022



Age ratio of new employees in 2022



# 7 Talent Recruitment

The ratio of former employees to employees of the same classification

Region	Taiwan						Overseas (Hong Kong/ Vietnam/ Singapore)						Total	Average Head-count in 2022	Turnover Rate in 2022 (%)
Age	Under 30		30~50		Above 50		Under 30		30~50		Above 50				
Gender	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀			
Number of Resignations	28	34	106	119	13	16	0	1	3	2	0	0	322		
Total number of employees of the same classification	63	140	661	1,099	267	274	1	2	6	10	7	4	2,534	2,536	12.7
Percentage of employees of the same classification (%)	44.44	24.04	16.04	10.83	4.87	5.84	—	50	50	20	—	—	12.71		

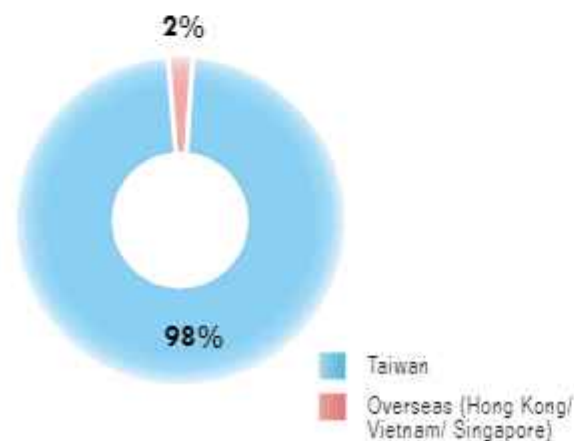
Note: ① Turnover Rate in 2022 = Number of Resignations in 2022 / Average Headcount in 2022.

② Average Headcount in 2022 = (number of persons at the end of December 2021 at the beginning of the period + number of persons at the end of December 2022 at the end of the period) / 2.

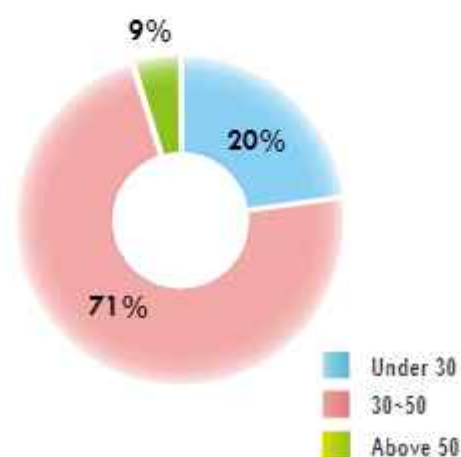
③ The number of male employees that resigned under the age of 30 in Taiwan accounted for the ratio of employees of the same nature (%) = the number of resigned male employees under the age of 30 in Taiwan / the number of male employees under the age of 30 in Taiwan at the end of December 2022, and the others are calculated by analogy.

④ The above table excludes dispatch, term contract, retirement, severance, death and dismissal.

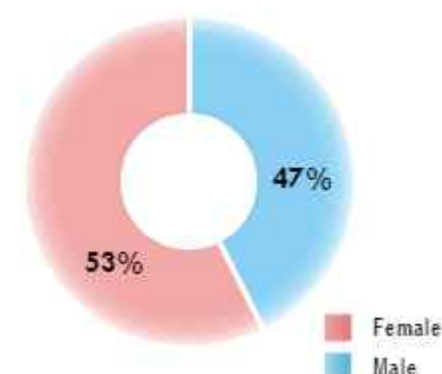
Regional ratio of resigned employees in 2022



Age ratio of resigned employees in 2022



Gender ratio of new employees in 2022





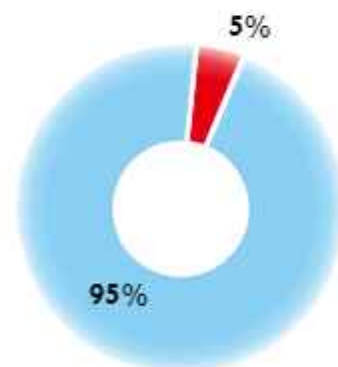
# 7 Talent Recruitment

Age/Title Statistics for Management and Non-Management Positions

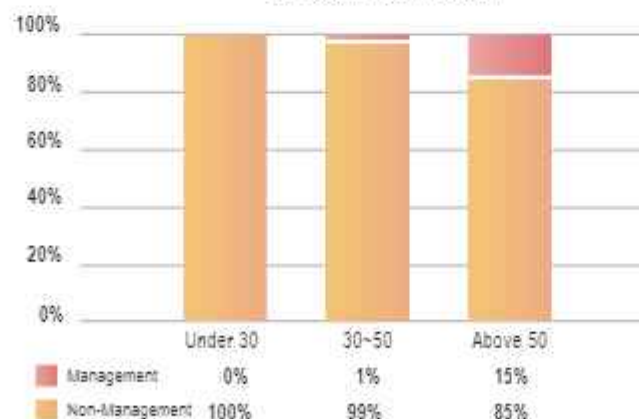
Region	Taiwan							Overseas (Hong Kong)							Subtotal
Age	Under 30		30~50		Above 50		Subtotal	Under 30		30~50		Above 50		Subtotal	
Gender	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀		Male♂	Female♀	Male♂	Female♀	Male♂	Female♀		
Managerial Positions	0	0	21	13	61	42		137	0	0	1	0	2		
Non-Managerial Positions	64	140	645	1,098	221	238	2,406	1	2	5	10	5	3	26	2,432

Note: Non-supervisory positions: refer to those who do not hold managerial positions.

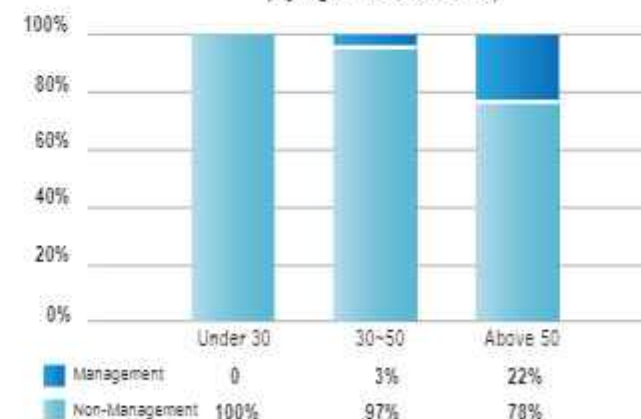
Employment Status in 2022  
(By Position)



Female Employment Status in 2022  
(By Age/Title Statistics)



Male Employment Status in 2022  
(By Age/Title Statistics)



## Compensation and Benefits

The Bank's basic salary and overall compensation are not differentiated by gender, age, or ethnicity, but are approved based on the individual's academic experience, work ability, duties and responsibilities, performance and expertise, etc. There are no differences in treatment based on gender. Salaries at all levels are higher than the statutory minimum wage requirement, with the average annual salary for entry-level employees being 2.4 times the base salary (\$25,250 \* 12 months) for 2022, including 2.4 times for men and 2.3 times for women. In order to uphold the concept that talent is the most important asset of the company and to share profits, we have continued to give salary increases and bonuses to our employees every year in recent years.

Average Compensation Ratio				
Region	2021		2022	
Gender	Male♂	Female♀	Male♂	Female♀
Managerial Positions	103%	100%	108%	100%
Non-Managerial Positions	116%	100%	117%	100%

Note: Managerial positions are managers; non-managerial positions are non-managers

The average annual salary standard for entry-level employees is higher than the national basic wage multiples				
Region	2021		2022	
Gender	Male♂	Female♀	Male♂	Female♀
Entry-Level Employees	2.6 times	2.5 times	2.4 times	2.3 times

Note: Calculation formula: Average salary ÷ National minimum wage (according to the announcement from the Ministry of Labor).

## Selected as the constituent stock for the High Compensation 100 Index

The Bank regularly commissions external consultants to conduct salary surveys with hopes to developing a salary policy that is competitive in the employment market. Since 2014, FEIB has been selected as a constituent stock of the Taiwan Stock Exchange's "High Compensation 100 Index" for nine consecutive years, with excellent performance in terms of average employee compensation, net income, net worth per share, and total employee compensation.

Compensation information for full-time employees who are not in supervisory positions			
Item	2021	2022	Percentage of Increase (Decrease) (%)
Number of Non-Supervisory Positions	2,213	2,210	-0.1%
Average	NT\$1,167,000	NT\$1,199,000	+2.7%
Median	NT\$1,037,000	NT\$1,061,000	+2.3%

Note: ① Non-supervisory positions: refer to those who do not hold executive managerial positions.

② The statistical principles are in accordance with the relevant reporting regulations for the salary information of full-time employees who are not in supervisory positions in companies listed on the Taiwan Stock Exchange.



## Parental Leaves without Pay

Measures for parental leaves without pay are in accordance with the labor laws and regulations. In addition to specifying the application rules in the employee handbook, we have also set up a dedicated application system for employees to apply online.

Item	2020		2021		2022	
	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀
Number of eligible applicants	78	96	64	79	57	85
Actual Number of Applicants	2	31	5	36	5	43
Application Rate (%)	2.56	32.29	7.81	45.57	8.77	50.59
Number of reinstatement in the current year	2	19	4	15	1	17
Actual number of reinstatement	0	11	2	8	1	12
Reinstatement Rate (%)	0	57.89	50.00	53.33	100.00	70.59
The number of people reinstated in the previous year	1	13	0	11	2	8
The number of employees who have been reinstated for one year in the previous year	1	13	0	11	1	6
Retention Rate (%)	100.00	100.00	0	100.00	50.00	75.00

Note: ① Application Rate = Actual number of applicants / Number of eligible applicants

② Reinstatement Rate = Actual number of reinstatement / Number of reinstatement in the current year

③ Retention rate = The number of employees who have been reinstated for one year in the previous year / The number of people reinstated in the previous year

## Performance appraisal and Promotion System

- The Bank implements performance appraisal and career development assessment for its employees. The annual performance appraisal is linked to the annual objectives, which are formulated according to the four major components of the balanced scorecard. Not only do we focus on financial performance and customer satisfaction, but we also do not neglect the improvement of internal processes, and we set and measure goals for individual and organizational learning and growth. Regardless of the goals that were set at the beginning of the year, the performance evaluation at the end of the year, or the career development evaluations, supervisors should maintain two-way communication, discussions, and feedback with the employees.
- Promotion is an important step in an employee's career development and is one of the major cornerstones of his or her sense of achievement in life. Each year, based on the performance and development potential of our employees, the supervisor will submit a promotion list and review one by one. Candidates above a certain level are required to present their achievements through a presentation, so that each employee can be evaluated in an open and fair mechanism and strive for a higher level of performance. In 2022, a total of 2,490 full-time employees implemented performance appraisal and career development assessment, with an implementation rate of 100%. The promotion list has been released in the third quarter of 2022, promotion rate in 2022 were 16.1%, of which 55.8% were women and 44.2% were men.

Performance appraisal and career development assessment for full-time employees in 2022									
Number of Employees/ Ratios	Implementation of performance appraisal and career development assessment				Failure to implement performance appraisal and career development assessment				Total
	Managerial Positions		Non- Managerial Positions		Managerial Positions		Non- Managerial Positions		
	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	Male♂	Female♀	
Number of Employees	56	83	1,449	902	0	2	42	39	2,573
Ratios (%)	2.2	3.2	56.3	35.1	0	0.1	1.6	1.5	100

Note: Those who have not performed annual performance appraisal and career development reviews mainly include:

- For new junior management associates and those with less than three months of service in the current year, the annual performance appraisal will be replaced by the implementation of the probationary period appraisal.
- Part-time employees and those who have been reinstated for less than three months in the current year are not given annual performance appraisal and career development evaluations, but their respective units still review their performance and provide guidance.
- Non-supervisory positions: refer to those who do not hold managerial positions.



## Full Range of Benefits

The Bank provides multi-faceted benefits that are superior to those stipulated by the law to help employees take better care of themselves and their families.

### Open Banking/Open API

- In order to help young employees to have a happy family and raise children, in 2022, 41 people (21 women and 20 men) got married, 55 people (37 women and 18 men) had children, and 1,188 people with children under the age of 20 were provided with child-rearing subsidies, for a total of 1,893 children.
- Employees' spouses and children under the age of 23 are also entitled to free "hospitalization medical insurance" coverage. A total of 3,481 employees' dependents were covered in 2022.
- The period of use for wedding leaves is better than the regulation by the labor law, so that employees have more flexibility while preparing their wedding arrangements.

### Friendly for Parents

- Within the normal daily working hours, employees are allowed to adjust their starting and finishing time flexibly within 2 hours to meet their temporary family care needs.
- Through cooperation with 2 chain childcare institutions, there are about 107 designated childcare institutions in Taiwan that helps parents and employees to solve childcare problems.

### Safeguarding with Care

- We provide life insurance, critical illness insurance, hospital medical insurance, cancer insurance, and accident insurance for our employees, and the premiums are fully covered by the company during their employment.
- In response to the escalation of the COVID-19 pandemic, we extended the "Statutory Infectious Disease Medical Health Insurance" for our employees in April 2022 to further upgrade our medical protection and provided employees with epidemic prevention materials in Taiwan and overseas.

### Benefit Optimization

The meal allowance was increased +25% since July, 2022. The amount is superior to law's regulations.

### Incentive Savings

We provide preferential interest rates on deposits to encourage employees to actively save for retirement with an average interest rate of 6.12% in 2022.

### Employee Shareholding Trust

In order to share the benefits between employers and employees and to strengthen long-term compensation, we have set up an employee stock ownership trust in which employees voluntarily contribute a portion of their salaries and the Bank provides a partial subsidy for the purchase of Bank shares through the trust, encouraging employees to share the fruits of management and to achieve the goal of long-term savings. A total of 1,922 employees participated in 2022, with an overall participation rate of 82%.

# 7 Talent Recruitment

## Pension Benefits

- The Labor Retirement Reserve Fund Supervisory Committee was established and meets every three months to ensure that employees' pension rights are not compromised. The current ninth term members were elected in 2022 and approved by the Department of Labor of the Taipei City Government.
- The standard of pension benefits for all employees is the same, and new employees who are subject to the Labor Pension Act are required to make monthly contributions of 6% of their wages to the individual pension account of the Bureau of Labor Insurance. For employees who choose to continue to be covered by the Labor Standards Act and for employees who choose to be covered by the new system but retain their years of service under the old system, their old system pension benefits are governed by the Bank's "Employee Retirement Guidelines". For those employees who choose to continue the old system or choose the new system but retain their years of service under the old system, 2% of their monthly salary will be transferred to a special account at the Bank of Taiwan for deposit. The defined benefit plan for the provisions of employee benefit liabilities for 2022 was NT\$532 million.
- The retirement benefits of employees of overseas subsidiaries are subjected to the regulations of the local government.





## Training Programs

- FEIB is the gold-certified company by the Ministry of Labor's Talent Development Quality Management System (TTQS). In order to promote the career development of our employees, we plan courses based on various core functions to help our employees perform their jobs and advance to the next level. FEIB has been audited by the Corporate Human Resources Improvement Program every year since the government launched the Incentive Training for High Performing Companies. In 2022, we received the highest award of NT\$1.32 million, the only one in the industry to receive awards for 20 consecutive years, and the accumulated award amount reached NT\$12.57 million. And in recent years, we were also awarded the "National Talent Development Award for Large Enterprises" by the Ministry of Labor.
- The training system is structured in two major directions of professional and core capabilities according to the duties of our employees, and courses at different levels are planned in a sequential manner. Professional training focuses on enhancing knowledge and skills to achieve work objectives; core training focuses on stimulating the employees' potential at all levels, such as strengthening the strategic planning, innovative leadership and management skills of supervisors, and deepening customer service execution as well as teamwork skills, taking into account the dual developmental needs of corporate operations employees.
- To provide employees with diversified development opportunities and supporting systems. First, we regularly conduct basic and intermediate courses for the whole bank every year to cultivate professional manpower. Secondly, we conduct "initial supervisor development training" every year and continue to carry out training and development plans for high-level, middle-level potential talents and management Associates, combined with the goals of business and personal Goals.
- In order to provide multiple learning channels, in addition to the original eHRD training platform, external digital learning platforms such as "Studio Classroom" and "CommonWealth Leader Campus" have been introduced. The Studio Classroom provides English listening and reading content on current affairs; the CommonWealth Leader Campus covers courses on digital technology trends, innovation and transformation, and management leadership, etc. In addition, the online learning courses of ESG were conducted, and a total of 2,525 employees completed the training. FEIB also awarded the "Learning Star Award" and "Benchmark of Learning" in 2022 by the CommonWealth Leader Campus for encouraging employees to take action in learning and for their success in micro-learning.
- The total number of training hours in 2022 was 410,129 with an average of about 159 hours per person, which is about 20 working day.



## 7 Talent Recruitment

### Divisions receives first place at the Toastmasters Club

- Toastmasters International is a nonprofit educational organization founded in 1958 in the United States. To help employees improve their English speaking and leadership skills, the Bank joined the Toastmasters International Taiwan in 2010 and has been operating for more than 10 years, with three divisions which are the FEIB, Young-Banker and Ferina. The number of divisions ranked first among domestic enterprises.
- To encourage employees to participate, the Bank fully subsidizes the participants every year, and through designing certification awards and competition prizes, employees are encouraged to enroll in regional and local competitions so that they can achieve excellent performance and network during the activities. By the end of 2022, there were 60 members and 383 participants.
- In 2022, Young-Banker, FEIB and Ferina club all there club were selected as "President's Distinguished Divisions".
- In response to the policy of "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" and "Constructing a Financial Bilingual Service Environment in 2030", FEIB actively encourages employees to improve their English skills by offering free online English courses and collaborating with external professional learning institutions to provide employees with a variety of learning channels, and both course fees and English test fees are eligible for reimbursement. According to statistics, 91.3% of employees hold English language certifications in 2022, and the average English learning hours per person was 54.8 hours.





## 7 Talent Recruitment

### Substantially Encourage On-the-Job Training

In order to cultivate talents needed for business development and assist employees in continuous learning and self-growth, the Bank offers generous subsidies and incentives for employees to pursue a master's degree or obtain professional certificates. The Professional Licensing Incentive Program has been in effect since 2009, with 128 applications through the end of 2022.

### Promote the Employee Rotation System

In order to encourage employees to expand their career, the Bank has established the "Employee Transfer Notices", and they are eligible to apply for transfer after six months of employment in their original positions. Employees can check the latest job vacancy information released by each department on the internal website, and submit applications according to their personal interests and expertise or career planning, and the transfer will be effective within 3 months after receiving the confirmation from transferring unit. A total of 260 interdepartmental transfers were made in 2022, of which 114 were male employees and 146 were female employees.

### Cultivating the Next Generation of Talents

- In order to build up the human capital required for sustainable development, FEIB has implemented the MA (Management Associate) training program. Every year, in order to reserve future managers, elites are recruited from outside, and outstanding talents are recommended from inside. Through solid and intensive courses, rotational training, and project execution, we systematically cultivate a new generation of an elite management team and demonstrate our intention to actively utilize the power of the new generation.
- FEIB continuously promotes the talent HPT development programs: the HPT (High Potential Talent) program aims to cultivate senior managers in key positions, candidates are recommended by the business/supporting unit. And the Mid-level HPT (Mid-level High Potential Talent) program aims to select candidates with strong learning motivation, willingness to venture into digital projects and continuously serving in the bank, candidates can be self-recommended. Through those talent pool program, in 2022, FEIB had accumulated about 187 talent in our talent pool, including High, mid-level potential talents and management associates.

#### MA (Management Associate) training program

Phase	Content
Centralized Training	The one-month program offers professional courses on financial products, operating procedures, general laws and regulations, and management skills, and organizes outdoor team building camps, executive seminars, and visits to affiliated companies to achieve benchmark learning.
In-depth Training	We implement in-depth training in our business groups and rotate to different units for internship.
On-the-job Training	We arrange presentations, management courses, business English courses (separated by levels), and membership in the Toastmasters Club to improve presentation and speaking skills.
The Mentor System	We arrange presentations, management courses, business English courses (separated by levels), and membership in the Toastmasters Club to improve presentation and speaking skills.

## Workplace Environment

From the first day of service, employees will receive a guide to the workplace, and will be given a tour of the workplace to reduce the feeling of discomfort in an unfamiliar environment. A dedicated counselor is assigned to each newcomer arranged by the unit to guide them to quickly integrate into the organizational culture, build a sense of belonging and connection, and provide guidance on any work-related issues.

### Environmental Safety As Top Priority

According to the Occupational Health and Safety Act, FEIB is a Class III business with low risk and less than 3,000 employees. Although we are not required to set up management units and establish an occupational health and safety management system, in order to actively create a healthy and safe working environment, we have established the "Safety and Health Code of Practice", "Occupational Health and Safety Management Regulations", "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment" and other related regulations as the implementation guidelines for occupational health and safety operations. In addition, in order to ensure the safety of employees while they perform their duties, we have established the "Directions For Prevention of Unlawful Infringement in the Performance of Duties" to reduce the risk of possible hazards in the workplace, which is promoted as follows:

- We formulated the "Statement on Prohibition of Violence in the Workplace", and in accordance with the provisions of the Act of Gender Equality in Employment and the Sexual Harassment Prevention Act, the "Sexual Harassment Prevention and Control Measures, Complaints and Disciplinary Procedures" have been revised and published, and education and training programs are held regularly every year so that employees and supervisors are aware and are able to follow them.
- We regularly evaluate the workplace hazard identification and risk control measures, review the workplace environment, work suitability and the appropriateness of manpower allocation, and improve the workplace environment and work flow according to the evaluation results.
- We conduct annual audits of workplace configurations and work suitability under the "Directions For Prevention of Unlawful Infringement in the Performance of Duties" to prevent workplace violence, ensure the physical and mental health of workers, and establish a friendly workplace culture.
- For communication, questions, or improvement suggestions regarding occupational safety issues, employees may respond to the supervisor of each unit or the occupational health and safety supervisors of each workplace. The Head Office has set up a dedicated channel for consultation and complaints, including a dedicated telephone number, fax number and e-mail address, and designated staff to receive complaints about workplace violence, sexual harassment or other improper treatment, and handle them in a confidential manner.

We plan the occupational safety and health task force, set up occupational safety and health business supervisors, occupational health and safety managers, on-site first aid personnel and fire prevention management personnel, and regularly commission external training institutions to conduct relevant training and grant official leave so that authorized and responsible personnel have sufficient professional knowledge to plan and execute occupational health and safety tasks. In order to improve the employees' occupational health and safety knowledge, a complete occupational health and safety education and training course is prepared, and new employees are required to receive 3 hours of training after reporting to work, while general employees are required to receive 3 hours of training every 3 years.

Statistical table of occupational safety and health related training in the past years



Courses	2020		2021		2022	
	Number of Employees	Hours	Number of Employees	Hours	Number of Employees	Hours
Supervisor Training for Occupational Health and Safety Operations	3	77	118	1074	8	244
EMT Training	20	285	6	38	141	618
Fire Prevention Personnel Training	138	805	7	112	11	132
Regular Employees (Including part-time employees)	3 hours of on-the-job training for occupational health and safety every 3 years					




# 7 Talent Recruitment

## Promoting Employee Wellness

FEIB employs occupational medicine specialists and dedicated nursing staff to implement various employee health service initiatives. Through the following efforts, the Bank has no employees or workers in high-risk or high incidence of specific diseases, and 1 occupational injuries and no occupational diseases in 2022.

-  Regular employee health check-ups are conducted once a year for employees aged 65 or older, and once every three years for other employees, and various health check-up programs are planned for employees to choose from. The results of the examination are classified by the nurses for health risks, and health education and physician consultation are arranged for cases with medium and high risk.
-  Develop and implement various employee health protection plans:

Programs	Description
Prevention Program for Abnormal Workload-Promoted Diseases	A workload survey is conducted on employees and quarterly statistics are conducted on the number of overtime hours. We also analyze employee health examination data to screen out cases with medium to high risk of cerebral and cardiovascular diseases, and arrange for consultation and health guidance from on-site occupational medicine doctors.
Maternal Health Protection Program for the Workplace	Female employees during pregnancy and less than one year after delivery will fill out a "Maternal Worker Health Self-Assessment Form" and their immediate supervisors will work with the occupational health and safety supervisor to fill out a "Work Environment and Occupational Hazards Assessment Form", which will be submitted to the medical staff to assess the health risks of the employees and carry out classification management, arrange consultation with a physician, and arrange work adaptation or implement health protection measures as necessary.
Human Factors Hazard Prevention Program	Every three years, we conduct a survey of musculoskeletal disorders among all employees, provide health guidance for suspected hazardous cases, and conduct workplace surveys for improvement when necessary.
Physical and Mental Health Protection Program for Middle Aged and Senior Workers	For middle-aged and elderly workers, we review the risks of workplace and personal health, and carry out health protection, work environment improvement, or job redesign when necessary to strengthen the physical and mental health of middle-aged and senior workers and prevent the occurrence of occupational disasters.

-  We organized the "2022 Year of Joyful Cycling" health promotion activities to encourage employees to ride bicycles for exercise and fitness, and promote saving energy and reducing carbon for environmental protection. During the four-month activity period, as long as the employees rode outdoor bicycles, indoor fitness pedals or flywheels, and accumulated 17 or 30 kilometers in a single month, they were rewarded. As a result of the event, 478 people reached the goal of "17 Joyful Ride", and 1,981 people reached the goal of "FEIB Winning 30".

## 7 Talent Recruitment

- ♥ We provide regular on-site health consultation services by occupational medicine specialists, and arrange online consultation with professional doctors during the COVID-19 pandemic. In addition to providing employee health consultation services, we also assist in the implementation of employee abnormal workload-promoted disease prevention programs, human-caused hazard prevention programs, and workplace maternal health protection programs. 74 people receiving consultation services from doctors and 289 people receiving consultation services from nurses in 2022.
- ♥ The head office in the Far Eastern Enterprise Building in Taipei has an employee cafeteria that provides a clean dining environment and healthy meals. We design monthly menus and mark the calories of meals for employees to choose from, and offer a variety of meal combinations and specialty meal, each including one main meals, three side meals, fruits and soups.
- ♥ The "Health easy go" section of the e-Learning forum on the digital learning platform provides employees with practical information on health services. A total of 12 topics were published and 4,133 views were recorded in 2022.
- ♥ We participated in the "Corporate Health Responsibility (CHR)" pledge campaign organized by the Common Health Magazine and received the CHR Health Corporate Citizen Pledge Seal.

### Certified as a healthy workplace by the Health Promotion Administration, Ministry of Health and Welfare

Year	Badge of Accredited Healthy Workplace (starting up)	Badge of Accredited Healthy Workplace (Advance)
2017	Head Office	
2018	Consumer Banking Department, Consumer Banking Group	Head Office
2019	Operations & Technology Group; Insurance Agency Group; Taoyuan Branch; Taichung Jih Yu Branch; Kaohsiung Chungcheng Branch	Consumer Banking Department, Consumer Banking Group
2020	Taipei Chungching Branch; Taipei Chung Hsiao Branch; Chupei Branch; Hsinchu Jinguo Branch; Hsinchu Big City Branch; Taichung Kungyi Branch; Tainan Branch	Operations & Technology Group
2021	Taipei Yihshien Branch; Taipei Nanmen Branch; Taipei Sungshan Branch; Taipei Nanjing East Road Branch; Shi Pai Branch; Taipei Shinchuang Branch; Yungho Branch; Shindian Branch; Luzhou Branch; Panchiao Nanya Branch; Taoyuan Tashing Branch; Hsinchu Scientific Park Branch; Taichung Chaofu Branch; Yungkuang Branch; Kaohsiung Culture Center Branch	Head Office(Extensions)
2022	<ul style="list-style-type: none"> <li>● Taipei Guting Branch; Taipei Cheng Chung Branch; Taipei Tungmen Branch; Taipei Dadaocheng Branch; Taipei Shinyi Branch; Panchiao Mega City Branch; Sanchung Branch; Shuangho Branch; Shinchuang Fu Guo Branch; Chungli Branch; Taichung Wenshing Branch; Nantou Branch; Kaohsiung Boai Branch; Kaohsiung Wufu Branch;</li> <li>● Taoyuan Branch(Extensions); Taichung Jihyu Branch(Extensions); Kaohsiung Chungcheng Branch(Extensions)</li> </ul>	Panchiao Jiangzicui office



## 7 Talent Recruitment

### Create a LOHAS Workplace

- Through the electronic internal platform, employees can exchange work tips, product information and other practical life information.
- Every year, in addition to the annual dinner event, various departments also hold regular outings and festivities.
- The Employee Welfare Committee has also set up rules for the management of club activities and subsidized club funds to encourage employees to organize leisure or learning clubs after work to strengthen their physical fitness, enrich their lives, and relieve stress appropriately. There were 9 clubs in operation in 2022, namely, Mountaineering Club, Aerobic Dance Club, Bicycle Club, Yoga Club, Baseball Club, Wine Club, Tai-pei Badminton Club, Taichung Badminton Club, and Taichung Golf Club.



# 7 Talent Recruitment

## iii Diverse Communication Channels

- 🌐 In order to keep employees quickly and effectively informed of the major operational directions of the Bank and to minimize the impact on employees due to operational strategy adjustments, all operational strategies and major plans are communicated to employees through the intranet system. The weekly business meeting, quarterly risk management committee, and labor-management meeting, etc. are posted in the minutes inside the intranet systems.
- 🌐 A labor-management meeting is held to communicate at least every three months to discuss important policies through bilateral communication. Labor representatives at the labor-management meeting are elected by all employees of each business group or unit, and the labor rights and interests or related matters resolved at the meeting are applicable to each employee. The representatives at the labor-management meeting account for 0.62% of the regular employees.
- 🌐 We publish a quarterly "Human Resources Newsletter" to keep employees informed of important information about the company's activities. The content includes important issues of human resources and each business group, and the distribution channels include e-mail, digital learning development system, and electronic bulletin board. In addition, we have set up an interactive discussion forum "Meeting with You" for employees to have more channels for communication and questions. In 2022, "Human Resources Newsletter" published 43 topics with 2,209 views; "Meeting with You" interactive discussion forum published 9 topics with 2,684 views.



- 🌐 We have a mechanism for employee suggestions, grievances, and complaints, and we handle employee comments immediately and provide appropriate feedback. In addition to providing opinions to supervisors at all levels, employees can also communicate, report, respond to problems or propose reform ideas on various issues through the President's mailbox and the employee suggestion and grievance mailboxes set up by the Human Resources Department. In 2022, there were 5 complaints and 6 reports reported through internal channels, and 2 complaints and 0 reports reported through external channels. The aforementioned complaints or reports involved 0 cases of discrimination, 1 cases of sexual harassment, and 0 cases of indigenous rights or human rights issues.



## Labor Human Rights Maintenance

We comply with human rights protection and fundamental principles such as Universal Declaration of Human Rights (UDHR), and International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work. We comply with regulations where each business office is located to formulate various personnel regulations, implement various human rights policies, treat employees well and value all employees. We hold digital promotion courses to help employees learn more about human rights topics and implement respect to human rights and gender equality. 2,511 employees completed the "Workplace Unlawful Infringement Prevention" training in the current year. 2,511 employees completed the "Labor Human Rights Promotion" training. 2,500 employees completed the "Forbid Workplace Sexual Harassment" training. 2,505 employees completed the "Learn About Convention on the Rights of Persons with Disabilities, Facilitate Financial Friendly Service". 491 employees completed the "Learn About Labor Regulations", held for executives.

Human rights risk evaluation and management measures						
Identification topic	Subject	Definition	Risk value	Degree of risk	Prevention and mitigation measures	Remedial measures
Freedom of association	All employees	Occurrence rate = Number of grievances regarding hindering of freedom of association submitted and accepted by the competent authority in the current year / Total number of employees	0%	Low	<ul style="list-style-type: none"> <li>Employee Welfare Committee set up the "Guidelines for Club Activity Management" to encourage employees to participate in leisure and welfare activities. There are nine clubs in 2022.</li> <li>There's no corporate union.</li> </ul>	<ul style="list-style-type: none"> <li>We grant club subsidy every year.</li> <li>There's no group bargaining agreement in 2022.</li> </ul>
Forbid child labor	New employee	Does not hire any child labor	0%	Low	<ul style="list-style-type: none"> <li>The "Work Rules" stated that it is not allowed to hire people under 16.</li> <li>The applicant states the birth date on the resume and signs the resume to confirm that the information is correct.</li> <li>The employee submits the ID for verification on the on-board date.</li> </ul>	<ul style="list-style-type: none"> <li>When the employee is on board and his ID is checked, we refuse to employ him if we find out that he hides personal information and his personal information is fake.</li> </ul>
Forbid employment discrimination	All employees	Occurrence rate = Number of employment discrimination grievances confirmed by the competent authority in the current year / Total number of employees	0%	Low	<ul style="list-style-type: none"> <li>The "Work Rules" and various personnel regulations comply with labor regulations and international standards, applicable to all employees. In the rules and operations for personnel recruitment, assignment, working condition, promotion, transfer, reward and punishment, training, welfare, dismissal, resignation, lay-off and appraisal, employees are not discriminated due to race, class, language, belief, religion, political party, native place, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, mental and physical disability, blood type, zodiac sign, union membership.</li> <li>Hold relevant courses regularly and forbid employment discrimination to ensure equal job opportunity.</li> </ul>	<ul style="list-style-type: none"> <li>Set up the grievance channel, initiate the investigation procedure immediately when there's a grievance and handle the grievance effectively.</li> </ul>

# 7 Talent Recruitment

Human rights risk evaluation and management measures

Identification topic	Subject	Definition	Risk value	Degree of risk	Prevention and mitigation measures	Remedial measures
Forbid forced labor	All employees	Occurrence rate = Number of forced labor grievances submitted and accepted by the competent authority in the current year / Total number of employees	0%	Low	<ul style="list-style-type: none"> <li>▶ Overtime must be agreed by the employee and executive in advance. If the employee cannot accept working outside normal working hours due to health or other legitimate reasons, the executive must not force the employee to work outside normal working hours, coerce the employee to work for debt repayment, or seize the ID card of the employee.</li> <li>▶ We organize the labor regulation promotion course for executives to establish the awareness that forced labor is not allowed.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Handle the grievance effectively, instantly after receiving it.</li> <li>▶ Hold promotion courses to reaffirm that forced labor is prohibited.</li> </ul>
Good labor relations	All employees	Involvement rate = Number of workers involved in labor dispute and accepted by the competent authority in the current year / Total number of employees (Directorate General of Budget, Accounting and Statistics stated that the rate of national workers involved in labor dispute in December 2022 is 2.6%.)	0.78% (2/2,573)	Low	<ul style="list-style-type: none"> <li>▶ Establish various personnel management systems based on labor regulations to ensure labor rights.</li> <li>▶ Convene labor-management meeting regularly to discuss on and promote labor rights topics.</li> <li>▶ Set up the "Interview With You" discussion forum on the digital platform as an instant, diverse exchange, inquiry channel for employees.</li> </ul>	Handle mediation application, determine whether the proposal is legitimate and rational. Formulate a solution if there's a reason regarding the application.
Forbid sexual harassment	All employees	Occurrence rate = Number of employees involved in the sexual harassment grievance accepted by the company internally in the current year / Total number of employees	0.39% (1/2,573)	Low	<ul style="list-style-type: none"> <li>▶ Set up the "Sexual Harassment Prevention Measures, and Grievance and Disciplinary Procedure", and the responsible unit of sexual harassment grievance, grievance hotline and email, to handle relevant cases according to laws.</li> <li>▶ Establish the "Sexual Harassment Grievance Handling Committee" to bear the responsibility for investigating and handling the grievance.</li> <li>▶ Hold the sexual harassment prevention promotion course regularly.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Handle the grievance effectively, instantly after receiving it.</li> <li>▶ Hold promotion courses to reaffirm that sexual harassment is prohibited.</li> <li>▶ Form an investigation committee. Impose punishment based on the Work Rules and the Regulations Governing the Reward and Punishment if it is found out that the crime has occurred.</li> </ul>
Safe workplace	All employees	Occurrence rate = Number of employees injured or died in an occupational accident occurred at the company in the current year / Total number of employees	0.39% (1/2,573)	Low	<ul style="list-style-type: none"> <li>▶ Set the occupational safety health organization and staff to perform relevant tasks.</li> <li>▶ Implement the "Workplace Unlawful Infringement Prevention Plan", and assess and control potential risk factors.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Implement improvement measures for high risk factors of workplace unlawful infringement.</li> <li>▶ Report and handle occupational accidents. Offer compensation and pension for occupational accident.</li> </ul>



# 7 Talent Recruitment

Human rights risk evaluation and management measures

Identification topic	Subject	Definition	Risk value	Degree of risk	Prevention and mitigation measures	Remedial measures
Safe workplace	All employees	Risk indicator for abnormal workload-triggered disorder = Number of employees the doctor determined that have the risk for abnormal workload-triggered disorder / Number of respondents of workload survey	0%	Low	<ul style="list-style-type: none"> <li>▶ Implement the "Plan for Preventing and Abnormal Workload-triggered Disorders", "Plan for Preventing Ergonomic Hazards" and "Maternal Protection Plan", execute hierarchical management and arrange medical counseling.</li> <li>▶ Regular health check-up for employees: Offer the health check-up better than regulations (once a year for the age of 65 and above, and once every three years for the age below 65). Execute hierarchical management and arrange medical counseling.</li> <li>▶ Hold the health promotion activity and organize the budget for incentives.</li> <li>▶ Grant subsidies to clubs for both of dynamic and static activities, and hold seminars for mental and physical health.</li> <li>▶ To respond to the COVID-19 pandemic, we execute epidemic prevention measures by allowing employees to take turns coming to the office and work from home. We distribute infection prevention supplies to employees, keep track of the pandemic and employee's health.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Track employees with high risk regularly and offer medical help.</li> <li>▶ Offer settlement of labor and health insurance claim, group insurance claim and epidemic prevention insurance claim.</li> <li>▶ Offer reporting, compensation and pension for occupational accident.</li> </ul>
		Risk indicator for ergonomic hazard = Number of employees the doctor determined that have been affected by work-triggered ergonomic hazard / Number of employees responded to the musculoskeletal symptom survey	0%	Low		
	Female employees	Maternal risk indicator at workplace = Number of maternal employees the doctor determined that suffer from health hazard triggered by work / Number of maternal employees	0%	Low		
Personal information protection	All employees	Occurrence rate = Number of personal information infringement cases occurred in the company in the current year / Total number of employees	0%	Low	<ul style="list-style-type: none"> <li>▶ The "Employee Code of Conduct" explicitly stated that employees shall adequately keep documents they handled in custody. Besides for legitimate, specific purpose, personal information must not be collected, handled or used arbitrarily. Collection, handling and use of personal information must conform to rules and restrictions in the Personal Data Protection Act.</li> <li>▶ The "Personal Information Protection Management Division" holds a promotion course every year to urge employees to comply with rules taught in the course.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Formulate the incident response strategy and plan.</li> <li>▶ Organize the survey evaluation, offer response assistance, and execute the response plan.</li> <li>▶ Hold the incident retrospective meeting and report to the Personal Information Protection Management Division.</li> </ul>

## 8 Green Operations

 When the Great Way Prevails  
2022 Sustainability Report



- 95** Climate Risk and Opportunity
- 110** Help the Industry with Low-Carbon Transition
- 115** Environmental Management
- 120** Supplier Management



## 8 Green Operations

In spite that banking industry is not a high carbon-emission industry, banking industry has a critical power for helping customers, corporations and suppliers expedite low carbon transition. We make an all-out effort to become an Earth-friendly corporation. A climate change governance structure has been built according to TCFD, a contemporary international standard. Climate risk and opportunity management system has been improved gradually. We signed the 1.5°C Climate Action Declaration advocated by the Chinese National Association of Industry and Commerce, and promise to cooperate with the Net-Zero 2050 Routemap organized by the government. We unite industrial and commercial resources to fulfill low carbon transition of the industry to limit the average temperature rise within 1.5°C, the goal specified in the Paris Agreement. Besides this, to respond to the action taken by R20 Regions of Climate Action, we held the "R20 Regional Climate Action and Yuan Ze University Sustainability Forum" with Yuan Ze University. We are committed to incorporating climate change topics and sustainability development into mid and long-term operational planning and continuing to promote them. The Forum focuses on net zero transition and net zero business opportunity. It also talks about how to help citizens become ESG literate, and how domestic corporations can achieve transition successfully on net zero topic, extending aspects such as agro-food, water and power. The Forum helps young people become aware that global citizen is obligated to practice ESG, expecting them to improve ESG literate to international level. 350 people attended the Forum.

For internal operation, we did not violate environmental regulation in 2022 and initiated GHG inventory at all domestic and overseas offices. The ISO 14001 Environmental Management System has been implemented for demonstration offices and verification has been completed. As for business, we signed the Equator Principles and introduced standard management mechanism for large project financing and lending. Furthermore, we were being creative for using recyclable clothes to make trendy uniforms and marketing gifts to push the boundary of green purchase further.

2016	<ul style="list-style-type: none"> <li>● Implemented the ISO 50001 Energy Management System and passed verification.</li> <li>● Purchased the Renewable Energy Certificates (RECs) (green power) for the first time.</li> <li>● Formulated the "Guidelines for Supplier Social Responsibility Management."</li> <li>● Began to replace conventional air conditioning and lighting with energy-saving ones in stage.</li> </ul>
2017	<ul style="list-style-type: none"> <li>● Introduced ESG review factors in supplier evaluation.</li> </ul>
2018	<ul style="list-style-type: none"> <li>● Initiated ISO 14064-1 Greenhouse Gas Inventory at primary offices and passed verification.</li> </ul>
2019	<ul style="list-style-type: none"> <li>● Set the goal of saving 8% power in three years at the demonstration offices that implemented ISO 50001.</li> <li>● Implemented digital learning platforms, e.g. TibaMe and Commonwealth Leader Campus.</li> </ul>
2020	<ul style="list-style-type: none"> <li>● Implemented ESG factors in stock investment evaluation process, and incorporated ESG concept stocks in our portfolio.</li> </ul>
2021	<ul style="list-style-type: none"> <li>● Implemented the framework of Task Force on Climate-related Financial Disclosures (TCFD), and signed and supported the TCFD.</li> </ul>

2022

- Included climate change and environmental risk in our "Risk Management Policy."
- Formed a dedicated climate division.
- Signed the Equator Principles to evaluate the environmental and social risk of financing and loan to large projects.
- Signed the 1.5°C Climate Action Declaration advocated by the Chinese National Association of Industry and Commerce to respond to the Net-Zero 2050 Routemap.
- Initiated ISO 14064-1 Greenhouse Gas Inventory for the entire bank.
- Our two offices in Banqiao, New Taipei City are our demonstration offices for implementing ISO 14001 Environmental Management System. Completed investigation.
- Organized the first office using solar panels.
- Used recycling materials to design the uniform and marketing gifts.

## Climate Risk and Opportunity

On January 1, 2023, record-breaking heat is detected in at least eight European countries. Natural disasters, e.g. heat wave, wildfire, flood and drought, have become the new normal in the past decade. This is yet another extreme climate event. Climate change was a prediction but has gradually become a reality. All enterprises, governments and academic circles in the world cannot be unprepared to meet the challenge. Climate risk management and opportunity have become our main point of governance. We continue to reinforce relevant governance and management mechanisms after implementing the TCFD framework.

### Climate Risk Governance

#### Responsibility for climate risk management

- The Board of Directors is the top decision-making unit of climate risk management. It is responsible for approving climate risk management strategy, and monitoring effectiveness of climate risk management mechanism. The Risk Management Committee keeps track of climate risk management strategy approved by directors, coordinates and communicates climate risk management matters between all units of the Head Office, and continues to monitor and implement performance.
- The Risk Management Group is our dedicated unit for climate risk management, helping business units with planning, establishing and integrating our climate risk management, and executing climate risk management surveillance of the entire bank. It also regularly organizes climate risk management information from the entire bank, reports it to the Risk Management Committee and "Corporate Sustainability Committee," and discloses climate risk information as required by competent authorities.



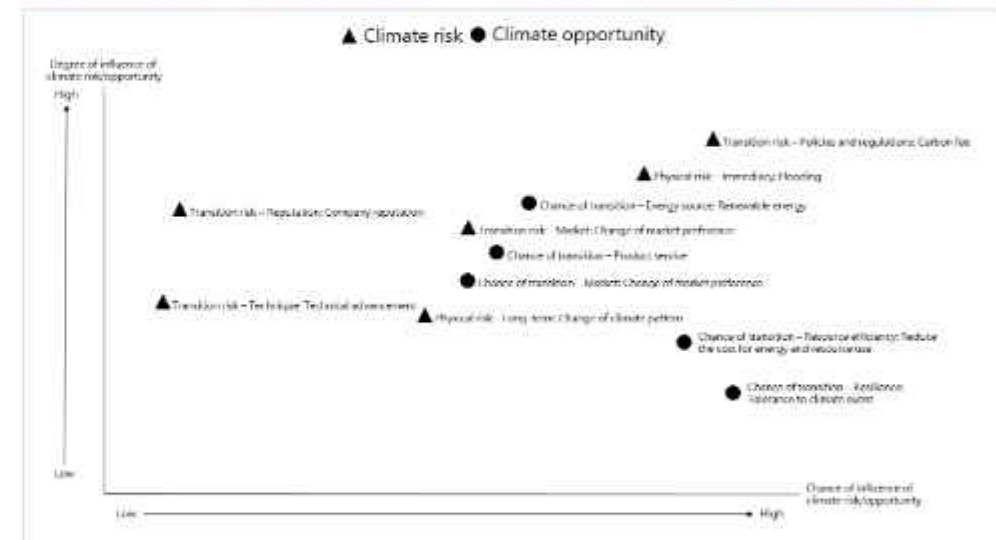


## Climate Risk Strategy

- Identification of climate risk
  - There are lots of types of climate risks. We identify climate risks by "Degree of influence on climate risk/opportunity" and "Chance of influence on climate risk/opportunity." We clarify material climate risks and opportunities. Results in detail are illustrated in the diagram.
  - The identified material climate risks are "Transition – Policies and regulations: Carbon fee" and "Physical risk – Immediacy: Flooding."

Material climate risk item		Reason
Transition risk	Policies and regulations: Carbon fee	<ul style="list-style-type: none"> <li>• It is considered a material risk, primarily because it might occur sooner than other climate risks.</li> <li>• The "Greenhouse Gas Reduction and Management Act" in Taiwan was amended to "Climate Change Response Act." It is imperative to collect carbon fee in Taiwan. For international laws, EU recently will collect carbon border tax. These policies do not influence our operation in the short run but will impact our investment and financing borrowers, and further affect revenue or repayment ability of our investment and financing borrowers. At last, financial impact is imposed on our credit and market risk, causing revenue decrease.</li> </ul>
Physical risk	Immediacy: Flooding	It primarily influences real estate such as all business locations and loan collaterals. Real estates have material climate risks because they cannot be relocated, and therefore they are not flexible to climate risk. In addition, these years numerous floods caused by torrential rain occurred, hence it is a material climate risk.

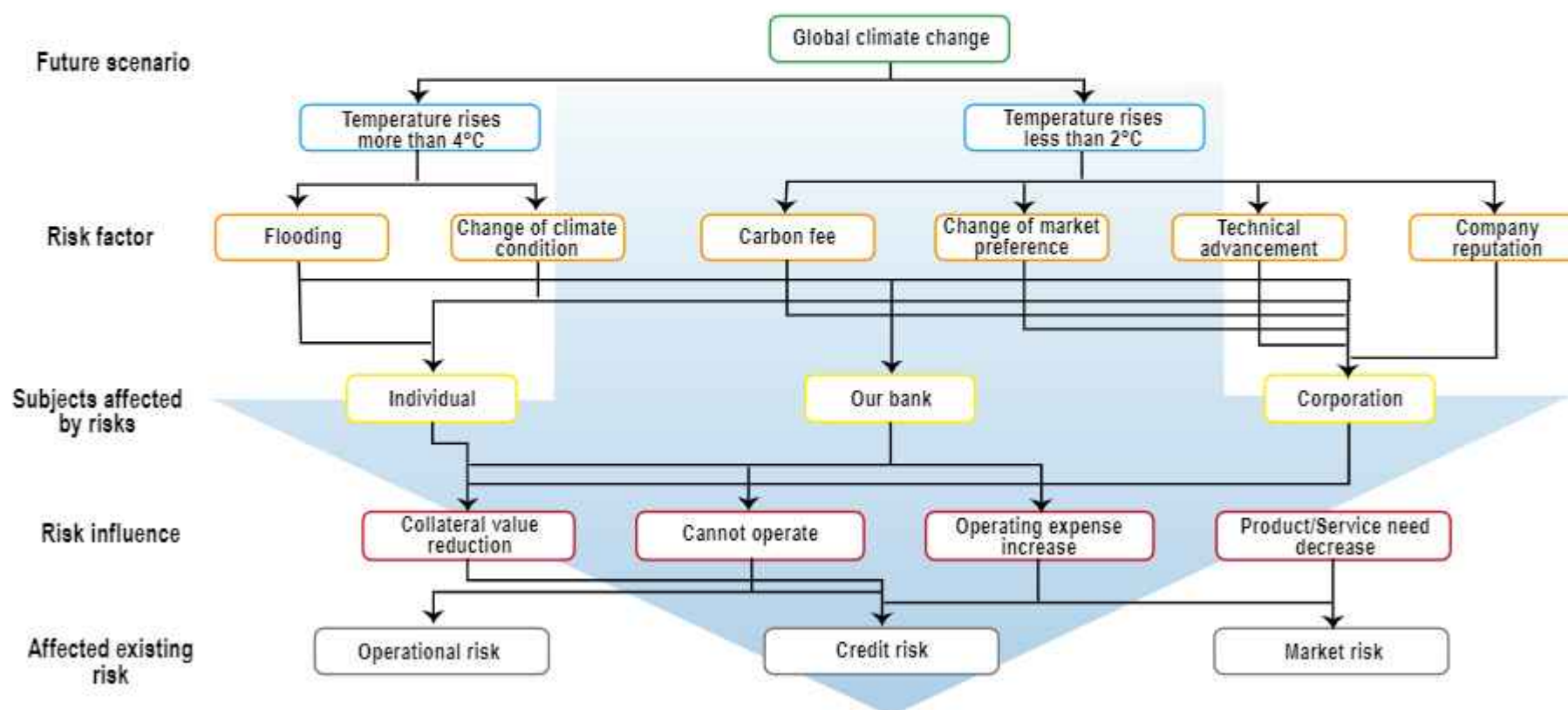
## Identification of materiality of climate risk and opportunity



## 8 Green Operations

Climate risk directly impacts bank operation and profitability, and influences existing credit risk and market of the bank. Climate impact chain is used to clarify impact of different climate risk factors on us and counterparty in different future scenarios, and find out current climate risk exposure in all parts of business process, and affected existing risk.

### Climate Risk Impact





The outcome of existing risk affected by climate risk

Type of climate risk	Climate risk factor	Existing risk affected by climate risk	Instruction
Physical risk	Immediacy	Flooding	Operational risk, credit risk
	Long-term	Change of climate condition	Operational risk, credit risk
Transition risk	Policies and regulations	Carbon fee	Operational risk, market risk, credit risk
	Market	Change of market preference	Market risk, credit risk
	Technique	Technical advancement	Market risk, credit risk
	Reputation	Company reputation	Market risk, credit risk

- All types of physical risks directly impact our operational competence and derive operational risks. In addition, the collateral value might be reduced due to flooding, hence the loan repayment ability of loan borrower is affected and the credit risk is changed.
- With regard to transition risk, carbon fee, a climate risk factor, under the type "Policies and regulations," affects customers and might drive the increase of operating expense. Therefore, the carbon fee might affect operational, credit and market risk. Other climate risks only impact customers, indirectly conveying to market and credit risk.

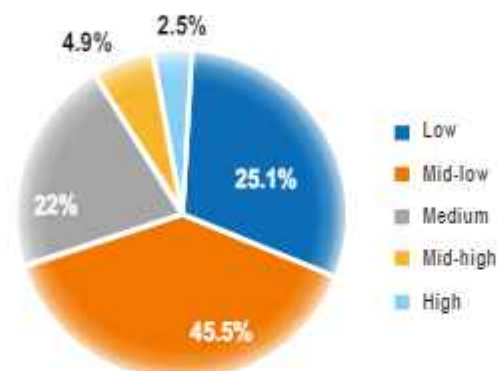
## • Analysis result of climate risk scenario

We set two climate scenarios, "the average global temperature will rise less than 2°C" and "the average global temperature will rise more than 4°C." "The average global temperature will rise less than 2°C" is a climate scenario with higher transition risk. "The average global temperature will rise more than 4°C" is a climate scenario with severe physical risk. Impact of transition and physical risk on us in the most extreme situation is assessed by setting these two climate scenarios. In the meantime, we primarily analyze climate risk scenario for 2021 considering annual data accessibility.

### (1) Physical risk

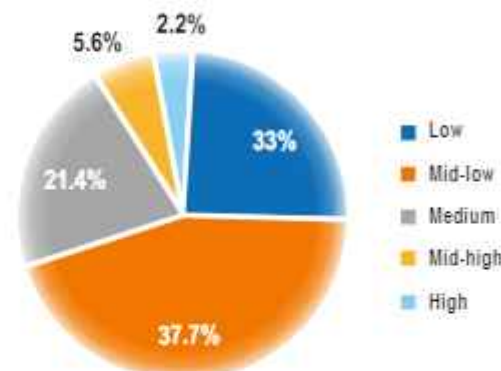
- We analyze "Immediacy: Flooding" during physical scenario analysis in accordance with the identification result of climate risk. Our basic scenario is "the average global temperature will rise more than 4°C." We refer to National Science and Technology Center for Disaster Reduction (TCCIP) and public information on ThinkHazard of World Bank to evaluate vulnerability and exposure of loan collaterals and our domestic and overseas business locations. Next, we assess influence of physical risk on operation and business considering physical risk influence factors such as house age and floor level.
- Outcome of climate scenario analysis for physical risk:
  - We have about 43,000 loan collaterals, 2.5% of them are under high physical risk, and only 2.2% of the line of credit of collateral. Influence of "Physical risk – Immediacy: Flooding" on the loan collaterals is extremely small.

Percentage of loan collateral



Unit: Number of collaterals, percentage

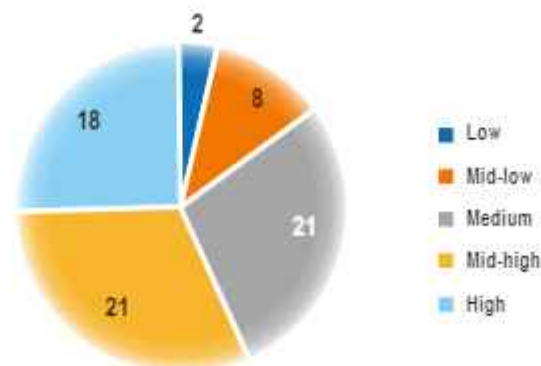
Percentage of loan balance for loan collateral



Unit: Number of collaterals, percentage

## Analysis result of “Physical risk – Immediacy: Flooding” for domestic and overseas loan collaterals

B. With regard to operation, we have 65 domestic branches, 6 domestic warehouse centers, 1 overseas branch, 2 overseas offices, 1 overseas warehouse center and 1 overseas remote backup center, 76 business locations in total. 17 domestic business locations and 1 overseas data warehouse center are under high physical risk.



Unit: Number of locations

## Analysis result of “Physical risk – Immediacy: Flooding” for domestic and overseas business locations



## (2) Transition risk

- To evaluate transition risks, we refer to NGFS and set up three climate scenarios, orderly transition, disorderly transition, and Nationally Determined Contributions (NDCs) in the basic scenario that “the average global temperature will rise less than 2°C.” Based on GHG emissions of all business locations, and GHG emissions of investment and financing business, we evaluate possible increase cost or operational expense of “Transition risk – Policies and regulations: Carbon fee.”
- In three climate scenarios of NGFS, carbon fee will be developed differently:

Climate scenario	Estimated carbon fee development
Nationally Determined Contributions	Carbon fee has not been changed because all countries are passive to climate change policy.
Orderly transition	Governments of all countries continue to pay attention to climate change topics and actively encourage or urge corporations for low carbon transition. Out of three scenarios, a high carbon fee has been collected in very early days for this scenario.
Disorderly transition	Governments of all countries did not care about climate change at beginning. They begin to expedite carbon reduction and collect carbon fee after peak carbon emissions by 2030.

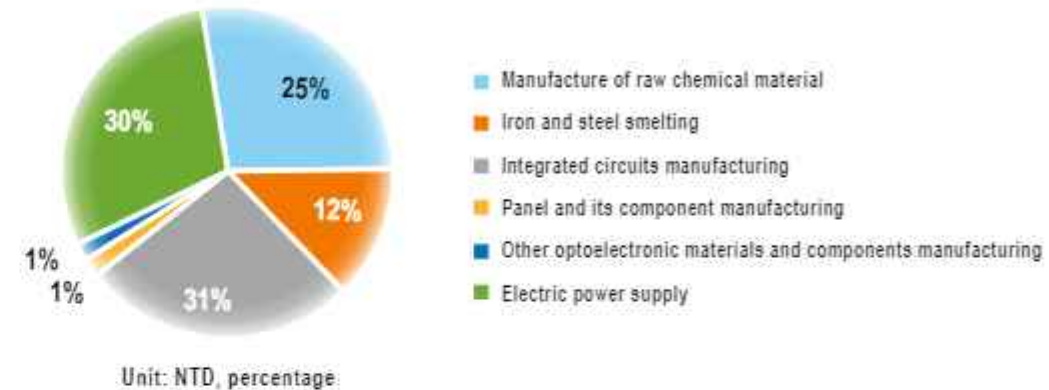
Considering that tax fee will be levied starting from high carbon emission industry, we will focus on high carbon emission industry when assessing the “Transition risk – Policies and regulations: Carbon fee.” By referring to “Enforcing Greenhouse Gases Accounting and Registration on the First Batch of Greenhouse Gases Emission Sources” of Environmental Protection Administration and the Defined High Carbon Emission Industries Applicable to Product Items in the First Batch of EU CBAM, we set 15 high carbon emission industries, e.g. iron and steel smelting and cement manufacturing, as shown in the list below.

### List of high carbon emission industry of Far Eastern International Bank

1. Extraction of crude petroleum and natural gas	2. Petroleum and coal products manufacturing	3. Manufacture of raw chemical material	4. Manufacture of fertilizers and nitrogen compounds	5. Raw plastic material manufacturing
6. Manufacture of synthetic rubber materials	7. Cement manufacturing	8. Manufacture of ready-mix concrete	9. Cement and concrete products manufacturing	10. Iron and steel smelting
11. Aluminum refining and smelting	12. Integrated circuits manufacturing	13. Panel and its component manufacturing	14. Other optoelectronic materials and components manufacturing	15. Electric power supply (excluding renewable energy company)

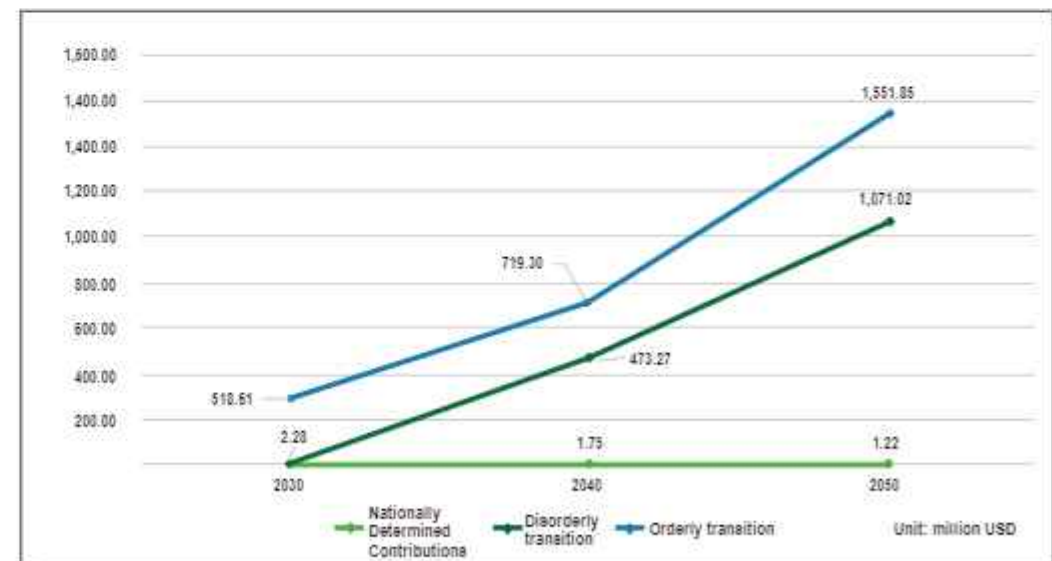
## 8 Green Operations

As for loan, we conduct transition risk scenario analysis for the listed loan balance of high carbon emission industry at the end of 2021. Our listed loan balance of the high carbon emission industry in 2021 is about NT\$8.5 billion. 31% of the listed loan balance is for integrated circuits manufacturing and 30% of the listed loan balance is for electricity supply (excluding renewable energy company). The proportion is the highest for these two industries. The distribution of loan exposure for all high carbon emission industries is illustrated on the right.



### Loan exposure distribution of high carbon emission industry in 2021

The scenario analysis result shows that our primary transition risk of loan business is from loan borrowers in three industries, "integrated circuits manufacturing," "iron and steel smelting" and "manufacture of raw chemical material." It is primarily because that the loan balance of these industries is high, and the GHG emissions of these industries are higher than that of "electricity supply (excluding renewable energy company)." The carbon fee will gradually increase anytime in "orderly transition" and "disorderly transition," hence the expenditure cost of carbon fee of our loan borrower will increase year by year. Our loan business will undergo impact of higher transition risk exposure accordingly. In "Nationally Determined Contributions," the carbon fee stays stable. The transition risk of loan business is insignificant.

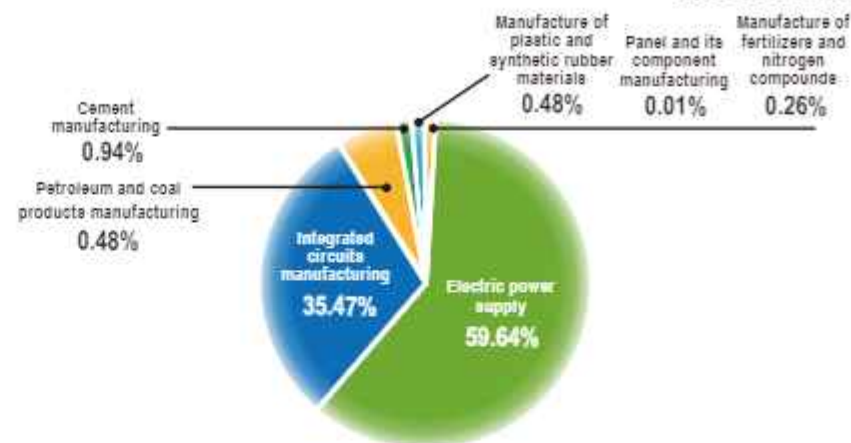


### Analysis result of scenarios in loan business in "Transition risk – Policies and regulations: Carbon fee"



## 8 Green Operations

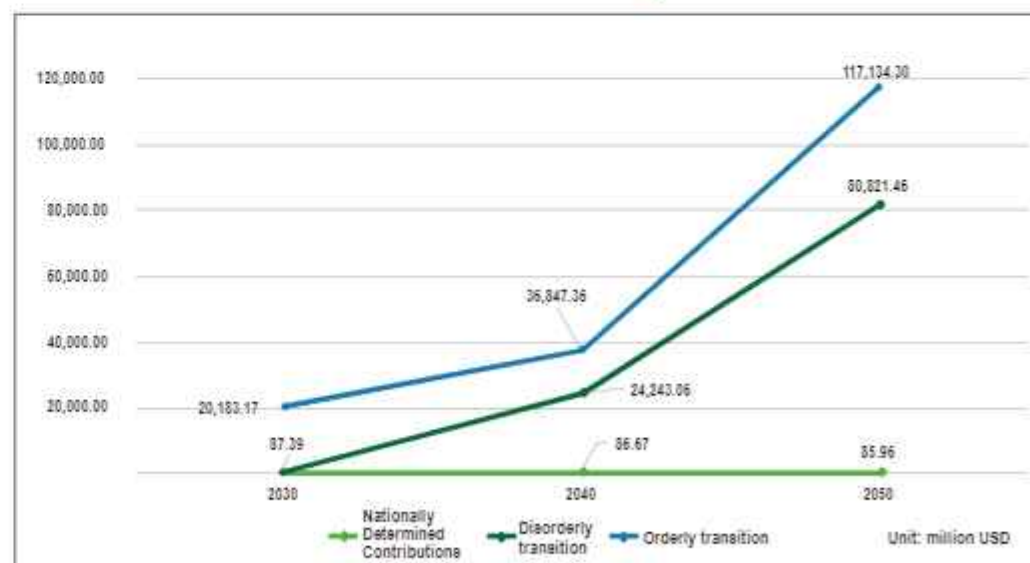
As for securities investment, we also analyze scenarios for listed investment subjects of high carbon emission industry at the end of 2021. The balance of securities investment for high carbon emission industry in 2021 is about NT\$15.7 billion. The investment is mostly for electricity supply (excluding renewable energy company) and integrated circuits manufacturing, 59.65% and 35.47% of total securities investment in high carbon emission industry in 2021, respectively.



Unit: NTD, percentage

### Distribution of securities investment position in high carbon emission industry in 2021

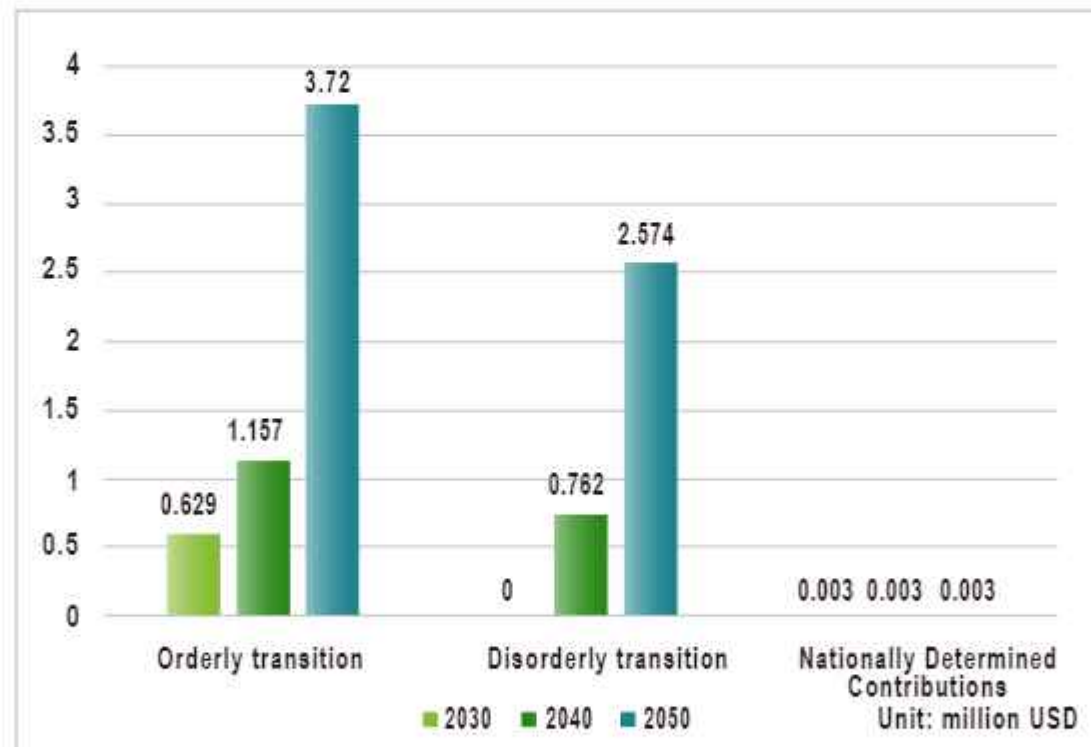
Scenario analysis result: Main transition risks of securities are from "electricity supply (excluding renewable energy company)" and "petroleum and coal products manufacturing." The reason is that electricity supply (excluding renewable energy company) is the industry with highest investment percentage of securities.



### Analysis result of scenarios in securities in "Transition risk - Policies and regulations: Carbon fee"

## 8 Green Operations

With regard to business, our GHG emissions are primarily from power use in Scope 2. Our emissions are extremely low compared to traditional manufacturing or tech industry; hence, we would not be affected by "Transition risk – Policies and regulations: Carbon fee." Even though the financial industry will be subject to carbon fee scope in 2050, but impact in "orderly transition" and "disorderly transition" would not be too high.



Analysis result of scenarios in operation aspect in "Transition risk – Policies and regulations: Carbon fee"



## 8 Green Operations

- Climate risk strategy

Type	Factor	Influenced aspect	Coping strategy
Climate risk	<u>Transition risk</u> Policies and regulations – Carbon fee	Operation	Acquired ISO 14064 certification and checked our own GHG emissions.
		Investment Corporate finance loan	Implement TCFD's advice and put climate risk into consideration for loan or investment review.
			Engage with all loan borrowers through sustainability performance link in environmental aspect to help customers mitigate and cope with influence of climate risk.
			Continue to monitor exposure of counterparty in high carbon emission industry.
		Check our current carbon emission of investment and financing by referring to the PCAF methodology. Keep track of our investment and financing exposure.	
	<u>Physical risk</u> Immediacy – Flooding disaster	Operation	Check physical risk exposure and coping ability at all business locations regularly.
			Optimize the Business Continuity Plan and reinforce resilience to physical risk.
		Corporate finance loan Personal finance loan	Implement TCFD's advice and put climate risk into consideration for loan review.
Climate opportunity	<u>Chance of transition</u> Resource efficiency	Operation	Recycling
			Increase energy efficiency – Take energy conservation measures.
			Reduce water consumption.
	<u>Chance of transition</u> Energy source	Operation	Evaluate and consider whether to gradually increase use of renewable energy.
	<u>Chance of transition</u> Product service	Operation	Promote low-carbon digital service, increase service efficiency and win recognition from customers.
	<u>Chance of transition</u> Change of market preference	Investment Corporate finance loan	Offer green financial instruments such as green bond and sustainability bond.
			Pay attention to green industry development and actively put green investment and loan into consideration.
		Personal finance	Release low carbon products.

## Climate risk management

### • Three lines of defense for internal control

Line of defense	Instruction
First line of defense	Climate risk is not an independent emerging risk. It is conveyed to all kinds of existing risks after it is driven, and then imposing financial impact on us. Therefore, we integrate climate risk management into the existing three lines of defense for internal control. We include climate risk factors in investment or loan check according to our guidelines for climate risk management, and understand the climate risk exposure and governance of customers in high carbon emission industry. We also make sure that the climate risk generated for the business we perform is within our scope of risk.
Second line of defense	A risk management unit is our second line of defense against climate change. It evaluates climate regularly, keeps track of the influence of climate risk on our entire bank, and draws up strategy and action plan of climate risk management.
Third line of defense	An independent audit unit conducts check of the third line of defense to make sure that specifications and operation of climate risk management have been implemented on the first and second line of defense.

### • Description of climate risk management process

- To effectively monitor and manage climate risk, we set up the "Standards for Climate Change and Environmental Risk Management" and "Guidelines for Climate Risk Management". We abide by risk management process from identification, evaluation, monitoring to management. We identify climate risks for various operations and business locations, clarify material climate risks, and then conduct follow-up risk evaluation.
- When evaluating material climate risk exposure, we use scenario analysis methodology and set numerous climate scenarios to assume possible extreme climate events and change of policies and regulations. In the meantime, we use the result of current data checks to evaluate the influence of climate risk on us. Later on for high climate risks, we will execute control measures through risk aversion, transfer or control.

Type	System of business aspect
Physical risk	When reviewing collateral loan of real estate, the loan department assesses whether the collateral is located in a high physical risk area. If it is true, it examines whether it is capable of coping with physical risk. If it is in a high physical risk area and it is not capable of coping with physical risk, it is determined that this will be a high climate risk loan and corresponding risk management measures will be taken.
Transition risk	Considering that transition risk primarily imposes material impact on high carbon emission industry, we currently only conduct prior transition risk review for high carbon emission industry, find out the transition risk to the counterparty and response competence of the counterparty, and judge the climate risk attribution of counterparty. Corresponding risk management measures will be taken for the counterparty with high climate risk attribution.



## Indicator and goal of climate risk

### • GHG emissions

- We execute GHG inventory for Type 1, 2 and some items in Type 3 according to ISO 14064. We perform inventory and verification for the Head Office in 2017 for the first time, and perform inventory for all domestic and overseas locations in 2022.
- Goal of GHG emission reduction: Carbon emission reduction is the action taken by all humans when facing the climate risk. Our primary GHG emission is from power consumption and our secondary GHG emission is from gasoline for the company car. Therefore, energy conservation is our primary method for carbon reduction. We set the year 2017 as the base year, and promote the goal "reducing 18% of carbon emissions by 2025; reducing 23% of carbon emissions by 2030; adapting to the net zero emissions policy of the government, and gradually forging ahead to net zero emissions by 2050". We continue to promote various energy conservation plans through management by objectives (MBO).
- ISO 14064-1 GHG inventory: We meet international environmental, carbon reduction standard, initiate the GHG inventory certification of Head Office in 2017, and expand our inventory scope in 2022 voluntarily. We conduct GHG emission inventory for domestic and overseas branches and offices in 2020, 2021 and 2022. We passed BSI verification in April 2023. Both of the inventory coverage rate and verification coverage rate are 100%.

GHG emissions (metric ton of CO <sub>2</sub> e)	2020	2021	2022
Type 1	735.12	692.26	329.55
Type 2 (market base)	6,072.40	5,825.99	5,292.76
Type 1 + Type 2	6,807.52	6,518.25	5,622.31
Carbon emission intensity (metric ton of CO <sub>2</sub> e/million NTD revenue)	0.64	0.63	0.49
Data coverage rate Note 5	97%	95	100
Type 3 to 5	2,437.23	2,109.92	1,791.46
Total	9,244.75	8,628.17	7,413.77

Note ①: We conduct inventory for Type 1 to 5 according to ISO 14064-1:2018 from 2020. We set that the inventory boundary is our domestic and overseas business locations and office building.

Note ②: This is calculated based on the emission factor methodology. Emission amount = Data of activity × Emission factor × Global Warming Potential (GWP). GWP in 2020 is based on 2013 IPCC AR5 and GWP in 2021 is based on 2021 IPCC.

AR6: The emission factor refers to Greenhouse Gas Management Table v. 6.0.4 of Environmental Protection Agency, the Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, and Greenhouse Gas Inventory Registration.

Note ③: Electricity emission factor refers to 0.509 (2021) kg CO<sub>2</sub>e/kWh and 0.509 (2022) kg CO<sub>2</sub>e/kWh.

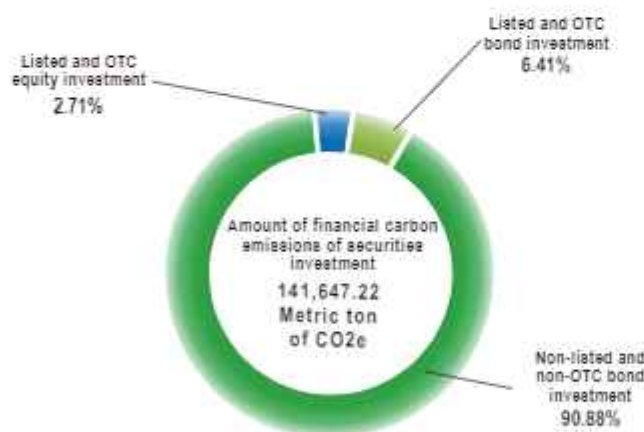
Note ④: In 2022, emissions in Type 3 to 5 include items verified by BSI, an external agency, and self-check items. The ones verified by BSI are Fuel and Energy-related activity 944.71 and Waste Generated from Operation 32.08. Self-check items are Employee Commute 9.16, Downstream Transportation and Distribution 0.06, Product and Service Procurement 456.65, Upstream Asset Lease 240.51, Sales Product Use 86.25, and Sales Product Disposal 22.04.

Note ⑤: Data coverage means the percentage of locations included in Scope 1 and 2 in the current year to all locations.

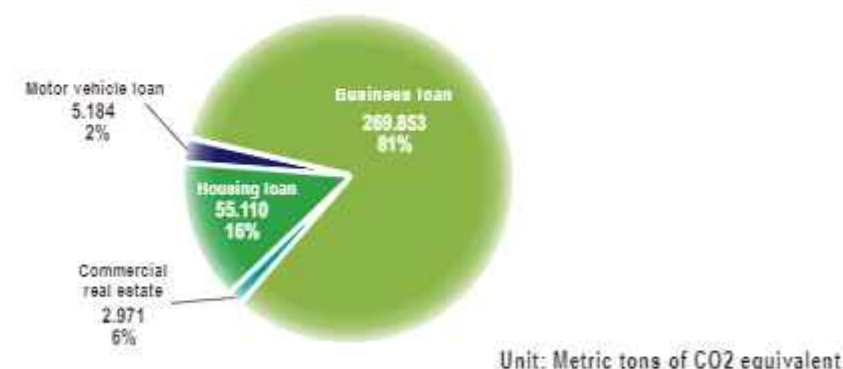
## 8 Green Operations

- Science Based Targets initiative (SBTi) explained that GHG emissions in the financial industry are primarily derived from investment and financing behavior. Therefore, we conduct GHG inventory for investment and financing businesses such as mortgage loan, bond investment and equity investment according to the PCAF methodology. Listed financial information in 2021 is used for inventory considering data integrity and emission coefficient during inventory.

Business type	GHG emissions derived from business
Investment part	141,647.22 tCO <sub>2</sub> e of GHG emissions are generated in total, 3,842.36 tCO <sub>2</sub> e from equity investment, and 137,804.86 tCO <sub>2</sub> e from bond investment, divided into 9,082.93 tCO <sub>2</sub> e from listed and OTC bond investment, and 128,721.93 tCO <sub>2</sub> e from unlisted and non-OTC bond investment.
Loan part	The loan types of this inventory include business loan (non-specific uses), housing loan, business real estate loan, motor vehicle loan, and power plant project financing. The total GHG emissions of loan are 380,333 tCO <sub>2</sub> e.



GHG emissions from stock and bond investment



GHG emission of loan type



# 8 Green Operations

## • Key indicator and goal of climate risk

Climate risk/ Opportunity	Aspect	Key indicator	Short, mid and long-term goals		
			Short-term	Mid-term	Long-term
<u>Physical risk</u> Immediacy – Flooding	Loan	The number of the real estate collaterals in high physical risk area and the percentage of appraisal amount of these real estate collaterals	Continue to check the number of the real estate collaterals in high physical risk area and the percentage of appraisal amount of these real estate collaterals	Continue to check the number of the real estate collaterals in high physical risk area and the percentage of appraisal amount of these real estate collaterals	Continue to check the number of the real estate collaterals in high physical risk area and the percentage of appraisal amount of these real estate collaterals
	Operation	Percentage of the business locations in high physical risk area	Continue to check the percentage of the business locations in high physical risk area	Continue to check the percentage of the business locations in high physical risk area	Continue to check the percentage of the business locations in high physical risk area
<u>Transition risk</u> Policies and regulations – Carbon fee	Corporate finance loan	Percentage of new loan borrowers included in climate risk evaluation	80% of new loan borrowers of CRM system are included in evaluation of climate risk factor	Examine the climate risk evaluation method of loan business. Refer to specifications of competent authorities or international research trend to adjust the evaluation method promptly	All of new loan borrowers of CRM system are included in evaluation of climate risk factor
		Number of loan borrowers with engagement outcome	The number of sustainability performance-linked loans in environmental aspect grows by 20% per year	The number of sustainability performance-linked loans in environmental aspect grows by 10% per year	The number of sustainability performance-linked loans in environmental aspect grows by 10% per year
	Investment, corporate finance loan	Quota and percentage of investment and financial borrowers in high carbon emission industry	Set the entry criteria for high carbon emission industry	Plan for gradually reducing the number of investment and financial borrowers in high carbon emission industry	Plan for gradually reducing the number of investment and financial borrowers in high carbon emission industry
		Amount of financial carbon emissions by loan asset industry	<ol style="list-style-type: none"> <li>Continue to check the amount of financial carbon emissions by investment and financing industry</li> <li>Consider using the SBTi methodology to set the carbon reduction goal for investment and financing</li> </ol>	<ol style="list-style-type: none"> <li>Continue to check the amount of financial carbon emissions by investment and financing industry.</li> <li>Conduct carbon reduction according to the SBT goal.</li> </ol>	<ol style="list-style-type: none"> <li>Continue to check the amount of financial carbon emissions by investment and financing industry.</li> <li>Conduct carbon reduction according to the SBT goal.</li> </ol>
		Percentage of financial carbon inventory for investment and loan asset portfolio	Continue to use the PCAF methodology to check amount of carbon emissions of inventory and loan asset group. Check listed loan positions fully for the released methodology.	Continue to use the PCAF methodology to check amount of carbon emissions of inventory and loan asset group. Check listed loan positions fully for the released methodology.	Continue to use the PCAF methodology to check amount of carbon emissions of inventory and loan asset group. Check listed loan positions fully for the released methodology.
	Operation	Amount of carbon emissions or emission intensity of our operation	The GHG emissions in 2025 is 3% than the base year 2022.	The GHG emissions in 2025 is 8% than the base year 2022.	Achieve carbon neutrality by 2050.

# 8 Green Operations

Climate risk/ Opportunity	Aspect	Key indicator	Short, mid and long-term goals		
			Short-term	Mid-term	Long-term
<u>Climate opportunity</u> Market – Change of market preference	Investment, corporate finance loan	Balance and percentage of investment and loan of green industry and green bond investment	Continue to pay attention to the green industry. Calculate the balance and percentage of annual investment and loan. Actively consider increasing investment and loan in the green industry	Continue to pay attention to the green industry. Calculate the balance and percentage of annual investment and loan. Actively consider increasing investment and loan in the green industry	Continue to pay attention to the green industry. Calculate the balance and percentage of annual investment and loan. Actively consider increasing investment and loan in the green industry
<u>Climate opportunity</u> Energy source – Renewable energy	Operation	Power generation of renewable energy	Expect to install a photovoltaic system in the building of Taoyuan Branch in May 2023	Increase renewable energy usage rate year by year based on carbon reduction schedule/goal	Increase renewable energy usage rate year by year based on carbon reduction schedule/goal
<u>Climate opportunity</u> <u>Product/Service</u>	Operation	① Average off-counter rate ② Average digital customer acquisition	Continue to organize for online digital service, and promote digital service usage rate	Continue to organize for online digital service, and promote digital service usage rate	Continue to organize for online digital service, and promote digital service usage rate
		Number of pieces of paper saved	Promote online digital service and achieve the growth rate of number of pieces of saved paper	Promote online digital service and achieve the growth rate of number of pieces of saved paper	Promote online digital service and achieve the growth rate of number of pieces of saved paper
	Product	Outcome of home loan for green building	Continue to promote the home loan for green building	Continue to promote the home loan for green building	Examine more and develop ESG loan products
		Execution outcome of ESG wealth management or fund product	Continue to promote launch of ESG products and the products related to environmental resource. Customers may invest in these products to pay attention to climate change	Examine more products related to climate change. Seek diverse climate change investment schemes for more investors to understand crisis and business opportunity brought by climate change	Examine more products related to climate change. Seek diverse climate change investment schemes for more investors to understand crisis and business opportunity brought by climate change



## Help the Industry with Low-Carbon Transition

The Legislative Yuan Passed Three Readings of the Climate Change Response Act to achieve the great goal of Net Zero Emissions by 2050. We adapt to the carbon reduction action taken by the world and Taiwanese government, drive energy transition through core business of finance, bring ESG into business decision-making, business model and investment strategy, and motivate investment in green economy development. We also lead funds to corporations caring about ESG issues, encourage corporations to pay attention to green, low carbon economy, spread the influence of sustainability to the supply chain. We seek to build a green ecosystem of capital and industry.

### Green loan

- Signed the Equator Principles.

Executed education training in April▶▶Completed impact interview with all departments in June▶▶Identified if the loans from 2019 to 2021 are applicable▶▶Formulated applicable forms and operating rules in Q4 ▶▶ Completed signing in Q4

- ▶ It is identified that eight loans from 2019 to 2021 are applicable to the Equator Principles. Six loans require follow-up environmental and social risk assessment. It is estimated that about one to four loans are applicable to the Equator Principles every year.
- The management indicator of ESG loan of corporate finance is the percentage of addition of green loan and balance of sustainability performance link. The percentage goal for the end of 2022 is 8.5%. The total ESG loan balance in 2022 is NT\$18.6 billion, 8.7% of out NT\$214.6 billion, the loan balance of corporate finance. The goal has been exceeded.
- We authorize counselors from Deloitte Taiwan to establish an international sustainable financial framework, and plan to integrate ESG loan scope via two aspects, green loan and sustainability performance link. We integrate four aspects in total to set up a management mechanism, plan to implement the management mechanism in 2023, and start to organize the sustainable deposit product of corporate finance. By using this new framework scope for calculation, the ESG loan balance of corporate finance is NT\$39.97 billion in 2022, 18.6% of total loan of corporate finance.



Aspect of ESG loan for corporate finance<sup>①</sup>

Aspect		Industry	Corporation	Use of funds	Loan characteristics
Item		Sustainability industry	Sustainable corporation	Use of sustainability fund	Loan linked to sustainability performance
The recognition criteria for reference		Select industries imposing positive environmental and social impact based on the code of Industrial Classification of Directorate-General of Budget, Accounting and Statistics. These industries include renewable energy, circular economy, pollution prevention and control and medical health.	Select corporations that meet domestic and overseas sustainability evaluation standards or the corporations with primary operations meeting the technical selection criteria of prospective economic activity in the "Guideline for Sustainable Economic Activity Recognition." The evaluation is explained below: ● The evaluation is the company ranked in the top 20% judged based on international ESG rating (e.g. MSCI BB and above, selected in DJSI) or domestic corporate governance evaluation. ● The revenue of prospective economic activity meeting the prospective economic activity in the "Guideline for Sustainable Economic Activity Recognition" is at least 50% of our primary revenue. The prospective economic activity must meet the criteria that no major environmental pollution or social security sanction occurred in the past year.	The loan fund is used for loans in green or social expenditure category only. Refer to the green loan registration and reporting rules of Joint Credit Information Center for the definition of green expenditure. Refer to the Sustainable Development Bond Social Benefit Investment Program of Taipei Exchange for the definition of social expenditure.	If a loan belongs to the loan linked to sustainability performance defined by Joint Credit Information Center, the contract shall require the corporation to set up the sustainability performance goal that it must meet based on the characteristics of the industry. Incentives such as interest rate cut, fee waiver or other types of incentives shall be provided to customers after the goal is achieved.
Calculation	Balance at the end of 2021	NT\$ 12,081 million NTD	NT\$15,796 million NTD	NT\$4,979 million NTD	NT\$368 million NTD
	Balance at the end of 2022	NT\$14,737 million NTD	NT\$27,470 million NTD	NT\$7,452 million NTD	NT\$5,575 million NTD
	YOY growth	21.96%	73.90%	49.66%	1413%
	Total in 2022	② NT\$39,974 million			

Note ① : This is put into practice in Q1 2023. The statistics figures above are defined based on new framework. Note ② : This is the total figure after deducting repeated counts. Note ③ : Major punishment is defined based on the standard of competent authorities for businesses. If there's no specific standard, major punishment is defined as shut down, close down, going out of business, or abolishment or revocation of pollution permit ordered by the relevant institution due to violation of relevant regulation in the past year, or a fine of NT\$1 million or above imposed for a single event.



## 8 Green Operations

- Balance of loan to sustainable industry by industry:

Aspect	Type	Composition	Loan balance in 2022
Environmental aspect	Renewable energy	Electric power supply	NT\$5,413,119,927
	Electronic components	Manufacture of Light Emitting Diodes (LED), manufacture of solar cells	NT\$171,313,089
	Water resource	Water supply, wastewater & sewage treatment	NT\$5,447,970,033
	Pollution prevention and control	Collection of non-hazardous waste, collection of hazardous waste, treatment and disposal of non-hazardous waste, treatment and disposal of hazardous waste, materials recovery, remediation activities and other waste management services	NT\$731,557,576
	Transportation	Manufacture of motorcycles, manufacture of bicycles, manufacture of bicycle parts, railway transportation, public rapid transit, motor bus transportation	NT\$188,202,936
Social aspect	Medical health	Manufacture of raw material medicines, manufacture of drugs and medicines, manufacture of medicinal biological products, manufacture of Chinese medicines, manufacture of medicinal chemical products, manufacture of other medical supplies and devices, wholesale of pharmaceutical and medical goods, retail sale of pharmaceutical and medical goods in specialized stores, hospital, clinic, medical test and examination activities, other human health activities not elsewhere classified, residential long-term care facility, community long-term care facility	NT\$1,291,901,636
	Sports service	Wholesale of sporting goods, sports service, sports venue, other sports services	NT\$192,100,000
	Education	Preschool education, primary education, secondary education, higher education, college & university, special education schools, educational support activities, language education, fine arts education, sports and recreation education, business, information and professional management education, schoolwork and employment tutorial education, other education not elsewhere classified	NT\$1,166,904,000

Note: Select industries imposing positive environmental and social impact based on the code of Industrial Classification of Directorate-General of Budget, Accounting and Statistics. These industries include renewable energy, circular economy, pollution prevention and control and medical health. They are prioritized for adequate financing assistance. We aim to motivate industries creating positive environmental or social benefits.

- The "ESG Evaluation Checklist" is used for all of the loan reporting and approval processes. The result confirms that five loans belong to high carbon emission industry and one loan belongs to high risk industry. We further keep track of GHG inventory result or GHG reduction goal or plan offered by customers. The GHG inventory result or GHG reduction goal or plan is then reviewed jointly.
- Formulated the bonus point assessment indicator of performance for employees granting the ESG loan to motivate employee to grant sustainability loans.

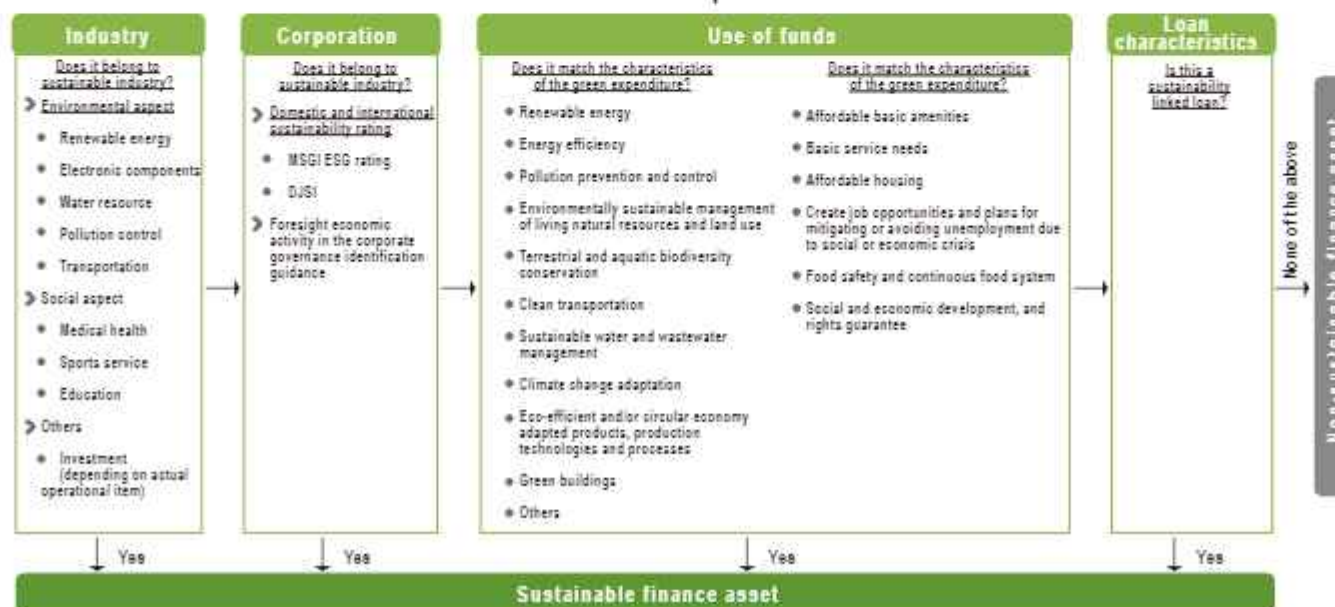
## 8 Green Operations

- Increase ESG literacy of sales representatives. Hold relevant training and seminars:

Form	Instruction	Performance outcome
Internal training	Shared cases of solar power, offshore wind power and electric car at the internal morning meeting, held as a video conference.	Each seminar takes about an hour, attended by about 200 employees per seminar. Six seminars were held in 2022.
Internal training	Invite experts in the industry to hold the seminar "Business Opportunity in Power Storage" to share news on Taipower's electricity trading platform and energy storage device.	The seminar is held in Q1 2022. It lasts three hours.
	The counselor from Deloitte Taiwan held the seminar for establishing the program "Corporate Finance Sustainability Finance Framework."	The program seminar was held in December 2022. It lasts three hours and 193 employees attended it. The education training of ESG business is held in March 2023. It lasts three hours and 173 employees attended it.

- Formulate the "Guideline for Corporate Finance Green Loan and Business of Loan Linked to Sustainability Performance" in Q4 for frontline sales representatives to identify loans and abide by.
- Formulate the bonus point assessment indicator of performance for employees granting the ESG loan to manage performance and encourage promotion of business related to ESG loan.

### ESG loan check process





## Responsible investment

- In 2022, we amended the compliance statement and policy of "Stewardship Principles for Institutional Investors." We include the ESG Client Due Diligence (CDD) in investment operation and regularly disclose due diligence governance. The key points of amendment are:
  - ① Pay attention to corporate social responsibility performance for equity and bond investment objective. Work on incorporating ESG evaluation into investment process, which means to evaluate financial and business performance of investment, and the prospect of industry invested in. Also evaluate the sustainability aspect of investment, such as checking if the investment is made to a high carbon emission industry or controversial industry.
  - ② Our director, manager, employee, subsidiary or someone with concrete control capability must not conduct dealings involving conflict of interest in the name of himself or others. Conflict of interest must be avoided when dealing with a shareholding company.
  - ③ To fulfill our responsibility as an institutional investor, a corporate representative must perform due diligence governance, and exercise shareholder voting rights or the power of director at the regular shareholders' meeting or the board meeting. The corporate representative must explain the reason of objection if he is opposed to a major bill at the shareholders' meeting. He must express his opinion, which must be recorded, at the meeting if he has any concern on corporate governance bill. He might also vote in the negative.
- In 2022, we executed the due diligence governance for Dah Chung Bills Finance Corp, our reinvestment company. We have two director seats as a corporate shareholder. After evaluation, it is confirmed that the sustainability development performance and the indicator related to sustainability development are good. The corporate governance of this company is excellent. The ethical operation of this company also meets the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies.

The motion we participated in or we raised opinions for	
Attend the shareholders' meeting of Dah Chung Bills Finance Corp as a corporate representative	Attend the board meeting of Dah Chung Bills Finance Corp as a corporate representative (100% attendance)
<ul style="list-style-type: none"> <li>✓ The amendment to acquisition and disposal of assets</li> <li>✓ The proposal for lifting restrictions on non-compete clause for a director and his representative of juristic person director</li> <li>✓ Earnings distribution in 2021</li> </ul>	<ul style="list-style-type: none"> <li>✓ Examine financial and business performance.</li> <li>✓ Performance appraisal/Performance incentive for senior managers</li> <li>✓ Appropriation of special performance bonus</li> <li>✓ Loans for all companies</li> </ul>

- Investment in green and sustainability bond:
  - ① As for credit risk evaluation of investment target, eliminate industries with high controversy, high carbon emission and high risk in general based on the ESG checklist.
  - ② Continue to include domestic and overseas green and sustainability bonds with good credibility in investment portfolios.

ESG bonds owned in 2022		
Item	Level	Amount
Green bond	7	NT\$2.04 billion
Sustainability bond	2	NT\$0.6 billion

## Environmental Management

### ■ Environmental commitment

We formulated the "Environmental and Energy Management System" according to the "ISO 14001 Environmental Management System" and "ISO 50001 Energy Management System". The following is our commitment:

- ① Abide by energy management regulations and increase usage efficiency.
- ② Enhance energy management system and continue to improve performance.
- ③ Strive for environmental pollution prevention and support circular economy development.
- ④ Purchase more energy saving products and support creative design.
- ⑤ Help employees learn more about energy conservation and reinforce source management communication.

### ■ Environmental Energy Management Committee

We set up the Environmental Energy Management Committee. The President serves as the chairman. The Committee is responsible for organizing and integrating internal environmental and energy management business of the entire bank. It examines environmental impact on corporate value chain from all aspects, and effectively executes carbon reduction, energy and water conservation, and business waste control. In addition, it fully increases environmental management performance and it is committed to environmental protection.

### ■ Implemented ISO 14001 Environmental Management System

In 2022, we introduced the environmental management system in Culture Country and Cultural Miracle in Banqiao, New Taipei City, and set up and established the environmental management strategy and structure. We also organize the environment improvement goal and continue to manage improvement plans, such as installing a containment dike for diesel tanks to prevent leakage, and replacing conventional lights with LED for energy conservation. We have been certified by BSI. The certificate is valid from December 5, 2022 to December 4, 2025. We continue to organize the environment improvement programs for 2023.

### ■ Implemented the ISO 50001 Energy Management System

In 2016, our building in Taoyuan and Banqiao Nanya Branch are demonstration offices for implementing ISO 50001 Energy Management System, and they passed international certification. 194,840 kWh has been saved in three years and the energy-saving rate is 24.43%. In 2019, Taichung Tzu Yu Building and Taipei Chongqing Branch are also included in verification of energy management system and passed external verification. 196,908 kWh has been saved in three years through numerous energy conservation and improvement programs, and the energy-saving rate is 29.59%. In 2022, we continue to promote energy conservation and improvement based on ISO 50001, replace conventional lighting and air conditioning with energy-saving ones when Taipei Chengde Branch, Taipei Jinhua Branch and Information Technology Group are relocated and renovated. It is estimated to save about 48,600 kWh per year, effectively improving energy performance.

Energy saving outcome of the entire bank

	Item	2020	2021	2022	Difference between 2021 and 2022
Electricity	Total power consumption (kWh)	12,011,933	11,687,443	10,387,093	-11.13%
	Total power consumption (megajoule)	43,242,959	42,074,795	37,393,535	





## 8 Green Operations

Start year	Optomechatronics power conservation program	Execution phase	Annual power conservation (kWh)	Annual carbon reduction (tCO <sub>2</sub> e)
2022	Install solar panels at Taoyuan Building.	Completed	41,413	21.08
	Relocate the data center to an efficient professional data center.	Completed	1,881,400	957.63
	Replace conventional lighting with LED for some branches.	Completed	48,623	24.75
2021	Replace one air conditioner in a branch.	Completed	4,483	2.28
	Replace conventional lighting with LED for some branches.	Completed	102,318	52.08
	Replace seven air conditioners in a branch.	Completed	103,682	52.05
2020	Integrate the chilled water pipeline in Tzu Yu Building.	Completed	19,641	9.86
	Replace conventional lighting with LED for some branches.	Completed	57,850	29.04
2019	Replace (seven) air conditioners for some branches.	Completed	108,231	55.09
	Replace conventional lighting with LED for some branches.	Completed	26,730	13.61



### Daily energy conservation measures

<b>Power conservation</b> 	<ul style="list-style-type: none"> <li>● Lighting office is divided into different sections. The units taking lunch break turn off the light in public area and office. Lights in the hallway and stair well are turned on in an alternative pattern because these areas require less lighting. Highly efficient LED is prioritized for the exit lights and emergency direction lights in a building. After business hours, business units turn off lighting and air conditioning not needed.</li> <li>● The average of indoor air conditioning temperature must not be lower than 26°C. Install curtains to block radiant heat.</li> <li>● Only some elevators are used at off-peak hours, so that they will carry all the loads.</li> <li>● Replace lights. Use the lights with lowest power consumption, such as replacing T8 with T5 or replacing T5 with LED.</li> <li>● Set energy saving mode for personal computer and OA equipment for public use. personal computer and OA equipment are shut down automatically if they have entered the sleep mode for a long time. Turn off power every day before getting off work.</li> </ul>
<b>Energy saving Gasoline</b> 	<ul style="list-style-type: none"> <li>● Walk or take public transit when going out on business if possible.</li> <li>● Replace face-to-face meeting with video or phone conference to reduce commute.</li> </ul>

## 8 Green Operations

### ■ Water resource management

All of our water consumption is supplied by tap water company. No underground water or other water source is used. Water at all office buildings and business locations are for employee and customer only. It is mainly used for cleaning, drinking and air conditioning. Domestic sewage generated from operation is discharged according to relevant standards. Water resource is managed based on quantitative goal. Besides examining water conservation of all units every quarter, we set the year 2022 as the base year, and achieve the goal for 2023, saving 1% of total water consumption. We promote the following water saving measures:

- ✓ Promote water conservation measures, such as installing water conservation devices for faucets in accessible restrooms in new branches, and replacing conventional toilets with dual-flush water-saving toilets.
- ✓ Attach water conservation posters in the bank. Regularly promote importance of water resource. Implement the concept "save every drop of water, let's start saving water together" in daily operation.

Water resource management performance

Item	2021	2022	Difference between 2021 and 2022
Total water consumption (m <sup>3</sup> )	64,373	66,858	3.68%
Water consumption intensity (m <sup>3</sup> /person)	24.98	26.16	



### ■ Waste management

Our waste is divided into general and recyclable waste. No hazardous waste is generated. General trash is collected by a waste management company and transported to an incineration plant. Recyclable trash is treated properly by a cleaning company to reduce second environmental impact. All of the waste management companies we authorized are selected professional qualified companies. Quantitative management is executed for waste reduction. The year 2022 is the base year. Our goal is to reduce 1% total amount of waste in 2023. Our waste reduction measures are shown below:

- ✓ General and recyclable trash are treated separately. Garbage sorting bins are placed in all business locations and office buildings.
- ✓ Promote paperless systems such as electronic official document or operational document. Promote online materials of education training.
- ✓ Recycle cartridge for suppliers to reuse them.
- ✓ Encourage employees to bring their own cup and promote reuse.
- ✓ Print on both sides. Destruct documents regularly.

Performance of waste management

Item	2021	2022
General trash	219.37 mt	82.10 mt
Recycling	20.19 mt	83.86 mt
Waste in total	239.56 mt	165.95 mt
Waste intensity	0.09 mt/person	0.06 mt/person

Note ①: In 2021, the total weight of waste for leased area (in square meters) is calculated by multiplying the total weight of waste of Head Office by the leased area (in square meters). The total amount of waste is estimated by the waste generated per person in the Head Office.

Note ②: In 2022, the total weight of waste is calculated based on the total amount of waste generated by Culture Country and Cultural Miracle in Banqiao and Xinyi Branch. The amount of waste generated per person at Culture Country and Cultural Miracle in Banqiao and Xinyi Branch is calculated separately by building and branch to estimate the total amount of waste for the entire bank.



## 8 Green Operations

### ■ Circular economy management

- ▶ The plan for installing solar panels at our bank was initiated in 2022. Taoyuan Building will be the first one installing solar panels. We signed a contract with solar panel vendors in Q4, and examined and approved by Taiwan Power Company and the city government. Solar panels start to generate electricity in March 2023. In 2023, our goal is to purchase green power to supplement the solar power at the location, where the solar power is low, to build our first green power branch. We endeavor to gradually forge ahead to environmental sustainability goal of net zero transition.
- ▶ We use recyclable cloths to make trendy uniforms, distributed in Q1 2023 and pushed the boundary of green purchase.
- ▶ The reusable bag, our marketing gift, is also made based on circular economy. We entrusted FNG Company Limited to use cloths made of recycled PET bottles. Both the bag and its material are made in Taiwan. The bag is stitched by female residents and workers to create job opportunities for local community.

### ■ Digital learning platform

We offer an internal and external diverse learning platform, e-Learning. In addition to establishing an internal digital system (eHRD), these years we introduced external digital courses, e.g. Studio Classroom and Commonwealth Leader Campus, to encourage employees to study online and engage in microlearning. This reduces carbon emissions due to transportation, and saves paper for course material and labor.

Digital learning platform		Course topic	Number of learning hours in 2022
Internal	Digital learning system (eHRD)	Internal product introduction, sales pitch, regulatory knowledge etc.	78,625 hours in total
External	Studio Classroom	Business English, diverse topics and English news	131,123 hours of reading in total
	CommonWealth Leader Campus	Fintech Intellectual capacity and technical capability	131,088 hours of reading in total
Employees took 340,836 hours of course on e-Learning, reached a historical high.			

### Green purchase

- The amount of green purchase is NT\$28.71 million, 59% more than the amount for previous year, NT\$18.06 million. The Department of Environmental Protection, Taipei City Government recognized us as the "Model Unit for Green Purchase".
- Use PETSPUN, a green material, to make marketing gifts such as bags and picnic mats.
- Conventional lights in office are gradually replaced with LED. Only energy saving light is used for new branches.
- Choose construction materials with green construction material label for office renovation, including low formaldehyde material, flame retardant material, mineral fiber board and environmental paint.
- When purchasing energy equipment, we require suppliers to prioritize green products with green labels.
- We were honored the Buying Power - Social Innovation Products and Services Procurement by the Small and Medium Enterprise Administration, MOEA.

## ■ Paperless service

Financial industry needs lots of documents during operating processes. It is always an industry with high paper consumption. To reduce paper consumption, our internal and external official document process, form, business manual, regulation management, bulletin and audit are launched online year by year. In addition, we promote paperless service, replace paper leaflet with eDM, continue to optimize all kinds of financial digital service platforms, continue to increase usage rate of digital service, reduce carbon footprint generated when a customer stops by a branch, save the time for a customer to stop by a branch, and offer a convenient, efficient, green financial service to society. Off-counter rate in 2022 reached 94.7%. More than 90% of common banking services are received through a digital platform. This has become the new normal.

Achievement in off-counter rate					
Year	Online transfer	Online withdrawal	Online fund	Online exchange	Online deposit
2020	91.6%	95.9%	67.2%	56.9%	49.2%
	Total off-counter rate is 89.9%				
2021	96.6%	96.4%	83.6%	71.5%	58.6%
	Total off-counter rate is 93.7%				
2022	97.3%	96.5%	81.9%	76.4%	61.3%
	Total off-counter rate is 94.7%				





## Supplier Management

Item	Instruction								
Scope of supply chain	<ul style="list-style-type: none"> <li>We support local purchase. Our suppliers are divided into information, construction, service and others. We always prioritize suppliers in Taiwan if our business is in Taiwan and prioritize overseas suppliers if our business is abroad. We aim to boost local economy, conserve energy for transportation, and mitigate environmental pollution during the manufacturing process.</li> <li>There's no major change to the location and structure of supplier and relationship with supplier compared to the previous year.</li> </ul>								
Health and safety	We care about the sustainable operation responsibility of listed corporations in industrial supply chain. To utilize supplier relationship, we promote environmental sustainability development and maintain basic human rights with suppliers. We formulate the "Guidelines for Supplier Social Responsibility Management" to demand main suppliers to abide by, read relevant standards carefully and signing the "Letter of Commitment of Supplier Social Responsibility," "Supplier Social Responsibility Self-evaluation Form" and "Supplier Corruption and Bribery Risk Evaluation Form" before signing a contract or before dealing with us. We build a systematic sustainability purchase process accordingly.								
Concrete action	<ul style="list-style-type: none"> <li>✓ All of the main suppliers having million-dollar dealings with us a year signed the "Letter of Commitment of Supplier Social Responsibility," covering labor and human rights, health and safety, environmental protection and code of ethics.</li> <li>✓ We established and strengthened evaluation standards for different types of procurements. We explicitly specified terms in the contract to check if suppliers have acquired ISO certification. Besides suppliers having to primarily use green construction materials for office repair, we require suppliers to fulfill terms of environmental protection in construction or purchase contract.</li> <li>✓ All construction suppliers must attend the factory safety and health coordination meeting we held, and appoint onsite staff in charge of safety and health. The staff in charge must learn and sign our "Contractor Workplace Environmental Hazard Statement" and "Letter of Commitment of Contractor Occupational Safety and Health and Environmental Management." He must be fully aware of potential risks of workplace and operation, and notify them to appointed workers. He must make sure that these workers know about labor insurance, health check-up and necessary work knowledge, and possess license or certification related to experience in safety and health. He must offer them necessary training and safety gear. All relevant training and check records must be archived for reference.</li> </ul>								
Goal	We bear sustainability responsibilities with suppliers, e.g. labor rights, environmental protection and ethical management.								
Evaluation mechanism	<p>We include green, social responsibility, labor condition and environmental protection in evaluation indicators of supplier. The evaluation result is divided into A for excellence, B for qualified, C for improvement required and D for disqualified. One-time vendors without evaluation record are included in the list of strict monitoring.</p> <table> <tr> <th>Supplier evaluation aspect</th><th>Main content</th></tr> <tr> <td>✓ General evaluation item</td><td>Professional competence, service capability, problem-solving ability, temporary assignment adaptation, reputation in the industry, evaluation, financial condition and turnover capability.</td></tr> <tr> <td>✓ Service evaluation item</td><td>Product quality, construction progress tracking, turnover rate etc.</td></tr> <tr> <td>✓ Evaluation item of corporate social responsibility</td><td>Labor rights, code of ethics, occupational safety and health management, green environmental/social responsibility, sustainable consumption/local purchase support etc.</td></tr> </table>	Supplier evaluation aspect	Main content	✓ General evaluation item	Professional competence, service capability, problem-solving ability, temporary assignment adaptation, reputation in the industry, evaluation, financial condition and turnover capability.	✓ Service evaluation item	Product quality, construction progress tracking, turnover rate etc.	✓ Evaluation item of corporate social responsibility	Labor rights, code of ethics, occupational safety and health management, green environmental/social responsibility, sustainable consumption/local purchase support etc.
Supplier evaluation aspect	Main content								
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✓ Service evaluation item	Product quality, construction progress tracking, turnover rate etc.								
✓ Evaluation item of corporate social responsibility	Labor rights, code of ethics, occupational safety and health management, green environmental/social responsibility, sustainable consumption/local purchase support etc.								

## 8 Green Operations




Guidelines of supplier commitment		Description
Labor and human rights	Forbid child labor	All employees must complete compulsory education. Their age must be older than the working age specified in local regulations.
	Compensation and benefit	The wage must not be lower than the minimum wage required by local regulations.
	Respect and non-discrimination	Employees are not discriminated by gender, sexual orientation, race, religion, disability, marital status, pregnancy, nationality, politics, social origin or other aspects for employee rights and welfare, such as recruitment, employment, remuneration, promotion, receipt of education training, punishment, agreement termination or retirement.
Health and safety	Occupational safety	Control workplace safety to avoid employee injury through adequate design, construction and administrative control, protection care, safety procedure, and continuous safety knowledge training.
	Occupational injury and illness	Formulate procedures and management systems to prevent, manage, track and report occupational injury and disease.
	Medical service and first aid	Formulate and implement the first aid procedure, including but not limited to first-aid staff training, relevant first-aid kit, and first-aid and medical record.
Environment	Environmental permit and report	Acquire all of the environmental permits, and approval and registration documents required by law. Maintain and regularly renew information, and abide by operational and report requirements.
	Prevent pollution and conserve resources	Modify production, repair and loan procedure, replace materials, conserve natural resources, recycle materials and execute other feasible methods to reduce and prevent any type of resource consumption and waste.
	GHG emissions	Reduce energy and resource consumption and GHG emissions.
Ethical standards	Ethical management	Abide by the highest integrity standard in all business relationships. Forbid any type of bribery, corruption, blackmailing, theft, abuse of power and profiteering, including any money, gratuity, gift, commission, position, service, preferential treatment, rebate in whatever form or name.
	Open, transparent information and collaboration	Publish information on engagement in labor, health and safety, business activity, organization structure, financial condition, financial condition and cost analysis according to applicable regulations and general industry practice. Allow us or our third-party verification unit to conduct audit for violation of letter of commitment.
	Avoid conflicts of interest	Our business relationships must avoid any possible conflict of interest. Report to us if any potential conflict of interest is found. Take adequate measures to prevent possible misconduct.



## 9 Public Welfare

 When the Great Way Prevails  
2022 Sustainability Report



-  Enrich life with humanity
-  Love stays forever
-  Light up the community  
for co-prosperity

## 9 Public Welfare

Far Eastern International Bank has implemented corporate performance management into charity, and developed financial instruments with the concept of social corporation. By designing traditional festival gifts, the Bank creates a continuous, systematic charity engagement mechanism, and works with customers to extend the power of "truth, kindness and beauty" in society.

### Humanity Chapter Enrich life with humanity

#### We published calendar "Enjoy Music Performance in Taiwan"

Despite being in a digital era, we still publish a large wall calendar every year to serve shops, corporations and seniors. Meanwhile, calendar is a platform for us to exchange daily life aesthetics with customers. We organize the calendar attentively, considering that it accompanies customers throughout the year. With the calendar, we can greet customers for the New Year and fulfill the corporate responsibility of spreading humanity aesthetics and environmental sustainability. Themes of the calendar include historical maps of Taiwan, drawings by Taiwan's aboriginal children, cabins in high mountains in Taiwan, highways, independent bookstore, former residence of writers and artists, art museum. Therefore, our calendar is popular and various well-known media have released a special report on our calendar. Our 2023 calendar "Enjoy Music Performance in Taiwan" shows 12 performance venues to promote the government's cultural construction and help promote our performing arts. The section "Unboxing Performance Hall" introduces 12 pieces of information about stage every month to promote enjoying aesthetics in daily life.





## 9 Public Welfare

Unboxing performance hall, the content of the 2023 calendar



Month	Theme	Content
January	Performing arts	Performing art is roughly divided into three types, music, dance and drama. Each type can be divided into symphony, wind music, folk music, ballet, modern dance and opera. There are crossover performances that are popular currently, and experimental performances using electronic audio and video technology. These performances are presented to the audience under a concrete framework of stage.
February	Stage machinery	There are lots of machineries behind the stage. The lifting table and the trolley for parallel movement may push, pull, lift, descend, spin and tilt the stage. A considerable number of hanger rods, proscenium curtain machineries, suspension points, rails and numerous lights are installed on the top. Light injection and scenery display are more flexible, bringing infinite wonders to the audience.
March	Backstage	Backstage is an area available for performers, and technicians and administration staff of performance team. People can put scenery and prop here. It is primarily used as the powder room and lounge for performers to prepare themselves before coming on stage and during intermission. In addition, dress patch room, prop storage room, rehearsal room and audio and light control room are considered as backstage in general.
April	Sound transduction	An acoustics system is sophisticatedly built in a professional performance hall. With arc design of building, or sound reflection, diffusion or absorption of the wall, ceiling, floor and backrest, the audience can enjoy clear, rich, undistorted music texture wherever the audience sits, even at the cheapest ticket zone.
May	Front stage	The public area for the audience is one of the critical areas in performance hall. Besides the ticket booth and service desk, a light food bar, cafe, stylish select shop and small themed bookstore are often installed around the performance hall. The audience enjoy more entertainment when they come to the show. These stores enhance the cultural and creative ambience of the performance hall, and generate revenue for sustainable operation of performance hall.
June	Auditorium	The stall and balcony are often installed in the performance hall with fixed seats. The seat is often designed in the way that there are front and back rows. Seats in the left and right zones are marked with odd and even number, respectively. Seats are on slopes or stairs to avoid view blocking. If the seats are unfixed, they can be shifted around creatively and arranged in various ways to meet the requirement of the performance.
July	Driver of creation	From revealing talents to creating mature works, a performer's metamorphosis doesn't occur involuntarily. Besides the performer's effort, performance hall can also be a critical driving force. A performance hall can discover performers or offer training programs to performers, and provide a stage for performers to temper themselves at experimental, entry-level arts festivals. Eventually, performers and their works can finally soar when they have the chance to enter an iconic stage provided by the performance hall, perform to their extremes and hear the call for encore.
August	Program management	Besides programs performed by performers, a performance hall also organizes programs, music festivals and drama festivals, and even invites production teams to produce original programs to promote to national and international audience. Or, a performance hall sets the goal for the percentage of new program out of the programs every year to express its professional value in performing arts, and its production capability and resources invested in performing arts.
September	Orchestra lift	In a professional theater performance hall, there's a stall between the stage and auditorium for the backup band. The stall can be lifted and descended; hence, the band will not block the view. If the stall is not needed for a performance, it can be shifted to the upper floor slab to expand the area in front of the stage by the trolley for parallel movement, or it can be used for the auditorium.
October	Arts popularization event	Public performance halls mostly bear the responsibility for spreading arts and education. In addition to organizing seminar, family activity and campus event, some performance halls compose videos, publish journals, create performing arts databases, build open book rooms, and make digital contents to convey beauty of performing arts to public via the online platform.
November	Stage form	The stage is designed for the audience to pay attention to actors. The auditorium is on one side of the stage. The rest of the sides of the stage are covered by screen for actors to prepare themselves and for technicians to execute operation. Furthermore, there are some other common types of stages, extended stage with main stage extended to the auditorium, and circular stage surrounded by the auditorium.
December	User	Users of the performance hall can be divided into audience, producer and management unit. Besides performers and team staff, organizers such as management company are also users of performance hall. The management unit is responsible for operation and management of the performance hall, commonly known as performance hall administrator. In Taiwan, the performance hall administrator is mostly the administrative institution of public sector or public sector alike.




## 9 Public Welfare


### We sponsor Taiwan Connection to cultivate musicians in remote areas

We have been sponsoring Taiwan Connection (TC) for five years, founded by Yen Chang Shou, the Chairman of The Alliance Cultural Foundation, and the violinist Hu Nai Yuan. TC supports the program for cultivating musicians in remote areas. In 2022, besides continuing to work with elementary schools in remote areas, we compose music with 1,233 students and enlighten them with music aesthetics. In addition, we invited the string quartet formed by violinists from TC, and a clarinetist, to perform a Mozart suite at the lobby of our branch. It feels like attending a recital at National Music Hall. Hu Nai Yuan interpreted each song for the audience. The recital brings relief to people at pandemic time. At our YouTube Channel "Little Yuan Wins," we uploaded the TC recital collection to express the beauty of classical music.


Schools in remote area we sponsored for promoting music		
Northern Taiwan	Central Taiwan	Southern Taiwan
<ul style="list-style-type: none"> <li>New Taipei City Daping Elementary School in Wanli District</li> <li>Taoyuan Heilai Elementary School in Dayuan District</li> </ul>	<ul style="list-style-type: none"> <li>Miaoli County Wenfeng Elementary School in Tongluo Township</li> <li>Taichung Shigang Junior High School in Shigang District</li> </ul>	<ul style="list-style-type: none"> <li>Chiayi County Zhongpu Elementary School in Zhongpu Township</li> <li>Chiayi County Songshan Elementary School in Minsong Township</li> <li>Kaohsiung Shanwei Elementary School in Linyuan District</li> <li>Kaohsiung Zhongyuan Elementary School in Linyuan District</li> <li>Pingtung County Xishi Elementary School in Zhutian Township</li> <li>Pingtung County Xibei Elementary School in Nanzhou Township</li> </ul>

### Promote concept and new information of sustainability

 In order to spread new information to stakeholders and share our policy of sustainability development promotion, an ESG story wall has been set up in our new Chengde Branch in Taipei. The story wall shows the process for manufacturing eco-friendly uniforms and gifts. A chronicle wall shows that, in social co-prosperity, sustainable finance, environmental sustainability and climate change, how we walk with customers on the sustainability journey. These walls convey the ESG trend to customers when they stop by.

 To enhance sustainability vision of employee, paleontologist Professor Li Chia Wei, was invited to hold a seminar "ESG Sustainability and Rare Species Conservation." President of O'right, Ms. Tsai I Ying was invited to hold a seminar "O'right Zero Carbon Business Management." The seminars are held in Happy+ on 13th floor of Far Eastern Plaza.

Quarter	Topic	Speaker	Number of participants	YouTube views
Q3	ESG Sustainability and Rare Species Conservation	World-renowned paleontologist Professor Li Chia Wei	31 people	384 participants
Q4	O'right Zero Carbon Business Management	President of O'right Ms. Tsai I Ying	31 people	161 participants

 We promote the sustainability reading event to employees. One picture book on sustainability is donated to elementary schools on offshore islands of Taiwan each time employees took 300 courses in total on the online learning platform. The picture book on sustainability is based on the first book list of sustainability in traditional Chinese in the world offered by CommonWealth Magazine Education Foundation. The booklist is sorted by cross-domain experts considering reading ability and comprehension of elementary school students based on 17 Sustainable Development Goals (SDGs). Employees actively join the sustainability reading activity since the activity was launched at the beginning of the year. Over 300 thousand courses have been taken by employees by July. We've reached the goal of donating 300 sustainability books, and shipped them to three elementary schools in offshore islands of Taiwan before the end of July, Neian Elementary School and Waian Elementary School in Penghu, and Green Island Elementary School in Green Island. We hope that these students can enjoy a happy reading summer vacation.





## Sustainability charity partner of Eden Social Welfare Foundation

Eden Social Welfare Foundation lights up hope for people with physical and/or mental disabilities in their dark, hopeless life. It offers holistic care throughout their life, such as support to dysfunctional family, employment of people with physical disabilities, and early intervention service for developmentally delayed children. It is one of the national social welfare organizations in stable operation and with performance that speaks for itself. We've been sponsoring Eden Social Welfare Foundation since 1997. We've been planning for sustainable collaboration with the Foundation for the start. We issued the Eden Social Welfare Foundation Love Card, which is our core platform. We develop a diverse, convenient donation mechanism. Donations from the reward point of the Love Card and from the public form a long-lasting charity fund to offer stable financial support to Eden Social Welfare Foundation and help the Foundation to develop a systematic early intervention service. When our collaboration began, there were only 14 branches of Eden Social Welfare Foundation, but now there are over 150 branches, serving 65 thousand dysfunctional families per year.



### Issue the Eden Social Welfare Foundation Love Card

- We issued the Eden Social Welfare Foundation Love Card in 1997. 0.3% of the credit card amount is donated to Eden Social Welfare Foundation, NT\$52,307,531 in total at the end of 2022.
- At our YouTube Channel "Little Yuan Wins," we uploaded the video "Grow up with developmentally delayed children" in 2022 to advocate support for early intervention of developmentally delayed children, and extend promotion of fund raising by this credit card.

#### Donation from the reward point of Eden Social Welfare Foundation Love Card in the past three years

Year	Donation amount
2020	NT\$1,564,348
2021	NT\$1,434,505
2022	NT\$1,367,754

### Sustainable donation platform

In addition to continuous donations made by the reward system of Eden Social Welfare Foundation Love Card, we create a diverse customer donation platform to use public donations for the demand from Eden Social Welfare Foundation effectively. Since the platform was launched in 2003, we have raised NT\$ 35,921,927 by the end of 2022.

Donation platform	Donations in the past three years			Donation in total
	2020	2021	2022	
♥ Hope Passbook: Conversion of account interest to donation automatically	NT\$226,936	NT\$210,343	NT\$321,812	NT\$9,620,435
♥ Conversion of credit card dividend to donation	NT\$156,200	NT\$65,800	NT\$56,800	NT\$3,101,100
♥ Credit card customer fund raising	NT\$314,000	NT\$274,200	NT\$488,800	NT\$20,650,392
♥ Donation from the holder of Eden Social Welfare Foundation Honor Card	NT\$84,000	NT\$81,000	NT\$75,000	NT\$2,550,000

## 9 Public Welfare

### Creative donation method

In November 2022, we held the press conference "Raise Your Hand For Love" at Sogo Zhongxiao Branch in Taipei. We displayed a credit card interactive donation device, the first one in the financial sector. Users can insert a contactless credit card into the device to make a small donation, NT\$100 minimum, which makes donation convenient. The fund will be donated to early intervention service for developmentally delayed children, which is provided by Eden Social Welfare Foundation. The charity ambassador Sunnie Huang, and the KOL Dr. Chen Mu Jung were invited to the press conference to share knowledge of childcare and advocate importance of early intervention.

- ♥ The device collected 600 donations by the end of 2022, about NT\$200 thousand in total.
- ♥ The device will be installed in Sogo Zhongxiao Branch, Big City, Top City, Mega City and our Business Department Branch in order before September 2023 for people in different areas to pass on love.



### Work with World Vision Taiwan



Far Eastern International Bank and Franklin Templeton held the event "Charity journey of heart, infinite dream" in November jointly. Beneficiaries of World Vision Taiwan and our family guests, 400 audiences in total, were invited to watch the stage show "Grasshopper the Party Animal" tailored for these audiences and performed by Ifkids Theatre Studio. The story combines fun insect lifestyle with money management attitude required for daily life. The drama is educational and entertaining, making children happy and helping children start to learn the correct concept of money management. Besides donating NT\$300 thousand to World Vision Taiwan, we also launch an event for credit card donation that lasts a month. Each time a cardholder uses Far East Happy Credit Card, we donate NT\$30 to World Vision Taiwan. Cardholders also have a chance to watch the stage show.





## 9 Public Welfare

### Support guide dog training



It's hard to train guide dogs. It takes two to three years for a puppy to grow up and serve as a guide dog. The chance for training a puppy to become a guide dog is low, hence only a few people with visual impairments can be accompanied by a guide dog. We hope the public learn more about and tolerate people with visual impairments and guide dogs, and the public can help them more. We made the promotion video "Follow the guide dog to work" and posted it on our YouTube channel to guide people to learn training and job of guide dog. People also learn the concept "Three No's and One Ask," no feeding, no interruption, no rejection and ask voluntarily. We rolled out the Far Eastern Happy Home + Card Reward Point Event. For each credit card payment during specific period, we appropriate 0.3% of payment to Taiwan Guide Dog Association for training, and building living and training areas. Guide dogs can learn safely and become the most stable support for people with visual impairments. Furthermore, the "2022 Far East Happy Home + Pet

Carnival" on the grass field at Huashan in 2022 Q4. Over 4,000 people attended this event. We donated NT\$300 thousand to Taiwan Guide Dog Association during the event. In the event, we held the pet supply bazaar, pet runway and interactive games such as scavenger hunt. The adoption family of guide dog and 30 guide dogs in training attended the event, too.



### Produce short ESG promotion video

At our YouTube Channel "Little Yuan Wins," we uploaded charity videos, totaling 10 in 2022. These videos, explaining profound concepts in a simple way, advocate different ESG topics, including music education in remote area, and care for developmentally delayed children.



Issue date	ESG topic
April	Be environmentally friendly, love Earth, clean up the beach together to protect the ocean
May	Grow up with developmentally delayed children Learn about guide dog, follow the guide dog to work
August	Spread classical music to every corner in Taiwan
September	Guard children's future with Eden Social Welfare Foundation, learn about the Foundation's program for developmentally delayed children
October	Charity journey of heart, infinite dream
November	Xiaoyuanbao and Baobao invite you to protect developmentally delayed children together Strong Generation dress code - Class reunion Pass on love with Xiaoyuan
December	Strong Generation dress code - Grandparents and grand children

## Community Chapter

### Light Up the Community for Co-prosperity

Corporations and society form a positive for growing and prospering together. We build a benevolent relationship with neighborhood and our service is down-to-earth. Our branch staff occasionally support events organized by districts and villages, and maintain a good local interactive relationship. The Head Office has been collaborating with affiliates of Far Eastern Group for years to adopt greenification of green belt on Dunhua South Road, and taking part in Christmas light-up party held by Taipei and New Taipei City. In 2022, COVID-19 pandemic is about to end and the future of global inflation is ambiguous, yet we continue to spread love and hope to communities for co-prosperity.



#### Christmasland in New Taipei City

We have been sponsoring the "Christmasland in New Taipei City" since the very beginning. By 2022, it is the 11th times that we've been invited by New Taipei City Government to engage in the event. The event has become an annual happy celebration anticipated by people in Northern Taiwan. This happy carnival begins on November 11 at New Taipei City Plaza and lasts 35 days. New Taipei City Government decorates the venue with characters from six brands of Disney+, Disney, Pixar, Marvel, Star Wars, National Geographic and STAR. "Family Garden Party," White Party "Christmas Eve Concert" and "German Christmas Market" were held at this venue during the event, attracting 7.7 million visitors to experience the happy festival ambience.



#### The Mall Christmas Light Up

We have lit up the business district on Dunhua South Road in Taipei for 25 years. We hold The Mall Christmas Light Up with affiliated companies of our Group every year. Our theme of the light up event in 2022 is "Bless for Peace with A Warm Heart, Light Up a New Future." A 40-meter Christmas tree is decorated with golden-orange balls and stained glass windows with fairy tale theme. The golden light decoration is extended to the green belt on Dunhua South Road. Bands play classical western pop songs and Christmas songs at the light up ceremony. A borough chief and branch manager invite community residents to enjoy the ceremony. Douglas Hsu, Chairperson of Far Eastern Group, Ko Wen Je, Taipei Mayor, Tien Chung Kuang, the Ministry of Foreign Affairs Deputy Minister, and more than 60 Taiwan's envoys lit up Christmas trees together. Our female employees dress up in Christmas clothes. We invite Eden Social Welfare Foundation and Children Are Us Foundation to hold the charity bazaar for charity sale. Visitors can share blessings to others and help each other in this wonderful Christmas season.



#### The beach cleanup group holds the beach cleanup activity again

We held beach cleanup at the estuary of Fulin River in Guanyin Township, Taoyuan. In 2022, we held beach cleanup again. Lin Chien Chung, our Executive Vice President, led a hundred of employees to clean up the marine debris of Wazi Bay in Gongliao District, New Taipei City, to take action to protect the ocean and land. A hundred frontline executives who participated in beach cleanup may take compensatory leave. We encourage employees to give back to society by working as environmental volunteers. Beach cleanup is not just about cleaning up trash. We hope that employees can reflect on their living habit each time they participate in beach cleanup, build the habit for waste reduction, and endeavor to mitigate climate change and enhance environmental sustainability together. After beach cleanup, we asked Huang Wei Chieh, the President of JK-GOODS International Co., Ltd. which has been entrusted to operate Heping Island Park, to share experience in protection of the ocean environment. We expect employees to learn about environmental protection, reduce plastic, and minimize the burden on Earth in daily life.



## GRI Sustainability Reporting Standards Disclosure Content Index

Usage Statement	Far Eastern International Bank prepared the Report based on the GRI Standards. The disclosure period of the Report is 2022 (Jan. 1 to Dec. 31, 2022).
The GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	G4 Financial Services Sector Disclosures and SASB Commercial Banking Guidelines

### GRI 2: General Disclosures 2021

GRI Standards	Disclosure item	Chapter	Page
2-1	Organizational details	3 About Far Eastern International Bank	6
2-2	Entities included in the organization's sustainability reporting	1 About the Report	2,3
2-3	Reporting period, frequency and contact point	1 About the Report	2,3
2-4	Restatements of information	1 About the Report	2,3
2-5	External assurance	1 About the Report	3
2-6	Activities, value chain and other business relationships	3.3 Core Business and Service Network 8.4 Supplier Management	9-11 120
2-7	Employees	7.1 Non-Discrimination Employment	72-76
2-8	Workers who are not employees	7.1 Non-Discrimination Employment	73
2-9	Governance structure and composition	5.1 Operation of the Board of Directors	37-41
2-10	Nomination and selection of the highest governance body	5.1 Operation of the Board of Directors	37
2-11	Chair of the highest governance body	2 Message from the Chairperson 5.1 Operation of the Board of Directors	4 38

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GRI Standards	Disclosure item	Chapter	Page
2-12	Role of the highest governance body in overseeing the management of impacts	4.1 Sustainable Development Organization and Strategy	18
		5.1 Operation of the Board of Directors	37,41
2-13	Delegation of responsibility for managing impacts	4.1 Sustainable Development Organization and Strategy	18
		4.3 Material Topics Management	24-28
		5.1 Operation of the Board of Directors	37,41
2-14	Role of the highest governance body in sustainability reporting	4.1 Sustainable Development Organization and Strategy	18
		5.1 Operation of the Board of Directors	41
2-15	Conflicts of interest	5.1 Operation of the Board of Directors	37
2-16	Communication of critical concerns	4.1 Sustainable Development Organization and Strategy	18
2-17	Collective knowledge of the highest governance body	5.1 Operation of the Board of Directors	37-40
2-18	Evaluation of the performance of the highest governance body	5.1 Operation of the Board of Directors	38
2-19	Remuneration policies	5.1 Operation of the Board of Directors	41
2-20	Process to determine remuneration	5.1 Operation of the Board of Directors	41
2-21	Annual total compensation ratio	5.1 Operation of the Board of Directors	41
2-22	Statement on sustainable development strategy	2 Message from the Chairperson	4
		4.1 Sustainable Development Organization and Strategy	18
		4.4 Material Topics Management	29-33
2-23	Policy commitments	4.4 Material Topics Management	29-33
2-24	Embedding policy commitments	4.4 Material Topics Management	29-33
2-25	Processes to remediate negative impacts	4.2 Stakeholder Communication	19-22
2-26	Mechanisms for seeking advice and raising concerns	4.2 Stakeholder Communication	19-22



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GRI Standards	Disclosure item	Chapter	Page
2-27	Compliance with laws and regulations	5.3 Compliance with Laws and Regulations	43-45
2-28	Membership associations	3.6 Club Interaction	15
2-29	Approach to stakeholder engagement	4.2 Stakeholder Communication	19-22
2-30	Collective bargaining agreements	7.4 Workplace Environment	89
		7.5 Labor Human Rights Maintenance	90
GRI 3: Material Topic Disclosure			
3-1	Process to determine material topics	4.1 Sustainable Development Organization and Strategy	18
3-2	List of material topics	4.3 Identification of Material Issues	23-33
		4.4 Material Topics Management	
3-3	Management of material topics	4.4 Material Topics Management	24-33

## GRI 200 Topic-specific Standards: Economic Series

Series	Disclosure index	Description	Corresponding chapter	Page
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed by the organization	3.4 Operational Performance	12
	201-2	Financial implications and other risks and opportunities due to climate change	8.1 Climate Risk and Opportunity	95-109
	201-3	Defined benefit plan obligations and other retirement plans	7.2 Compensation and Benefit	80,81
	201-4	Financial assistance received from government	7.3 Training Program	82
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	7.2 Compensation and Benefit	77
GRI 205 Anti-Corruption	205-1	Operations assessed for risks related to corruption	5.6 Ethical Management	52,53
	205-2	Communication and training about anti-corruption policies and procedures	5.6 Ethical Management	52,53
	205-3	Confirmed incidents of corruption and actions taken	5.6 Ethical Management	53
GRI 206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.6 Ethical Management	52,53

## GRI 300 Topic-specific Standards: Economic Series

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GRI 302 Energy	302-1	Energy consumption within the organization	8.3 Environmental Management	115
	302-4	Reduction of energy consumption	8.3 Environmental Management	115,116
	302-5	Reductions in energy requirements of products and services	8.3 Environmental Management	118,119
GRI 303 Water and Effluents	303-1	Interactions with water as a shared resource	8.3 Environmental Management	117
	303-3	Water withdrawal	8.3 Environmental Management	117
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	8.1 Climate Risk and Opportunity	106
	305-2	Direct (Scope 2) GHG emissions	8.1 Climate Risk and Opportunity	106
	305-4	GHG emissions intensity	8.1 Climate Risk and Opportunity	106
GRI 306 Effluents and Waste	306-3	Waste generation	8.3 Environmental Management	117
GRI 306 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	8 Green Operations	94
GRI 308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	8.4 Supplier Management	120,121

## GRI 400 Topic-specific Standards: Social Series

Series	Disclosure index	Description	Corresponding chapter	Page
GR401 Employment	401-1	New employee hires and employee turnover	7.1 Non-Discrimination Employment	74,75
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Compensation and Benefit	80,81
	401-3	Paternal leave	7.2 Compensation and Benefit	78,80
GRI 402 Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	7.4 Workplace environment	89



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GRI 403 Occupational Health and Safety	403-1	Occupational health and safety management system	7.4 Workplace Environment	85
	403-2	Hazard identification, risk assessment, and incident investigation	7.4 Workplace Environment	85,86
	403-3	Occupational health services	7.4 Workplace Environment	86-88
	403-5	Worker training on occupational health and safety	7.4 Workplace Environment	85
	403-6	Promotion of worker health	7.4 Workplace Environment	86-88
GRI 404 Training and Education	404-1	Average hours of training per year per employee	7.3 Training Program	82
	404-2	Programs for upgrading employee skills and transition assistance programs	7.1 Non-Discrimination Employment 7.3 Training Program	72 82-84
	404-3	Percentage of employees receiving regular performance and career development reviews	7.2 Compensation and Benefit	79
GRI 405 Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	5.1 Operation of the Board of Directors 7.1 Non-Discrimination Employment	37 72
	405-2	Ratio of basic salary and remuneration of women to men	7.2 Compensation and Benefit	77
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	7.4 Workplace Environment 7.5 Labor Human Rights Maintenance	89 90
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	7.5 Labor Human Rights Maintenance 8.4 Supplier Management	90 120,121
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	7.5 Labor Human Rights Maintenance 8.4 Supplier Management	91 120,121
GRI 411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	7.4 Workplace Environment	89
GRI 412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	7.5 Labor Human Rights Maintenance 8.4 Supplier Management	90,91 120,121
	412-2	Employee training on human rights policies or procedures	7.5 Labor Human Rights Maintenance	90

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	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	8.1 Help the Industry with Low-Carbon Transition 8.4 Supplier Management	114 120, 121
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	9.3 Light Up the Community for Co-prosperity	129
GRI 414 Supplier Social Assessment	413-1	New suppliers that were screened using social criteria	8.4 Supplier Management	120, 121
	413-2	Negative social impacts in the supply chain and actions taken	8.4 Supplier Management	120, 121
CRI 415: Public Policy	415-1	Political contributions	5.6 Ethical Management	53
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	6.1 Fair Treatment of Customers	57-59
	417-2	Incidents of non-compliance concerning product and service information and labeling	5.3 Compliance with Laws and Regulations 6.1 Fair Treatment of Customers	44 57
	417-3	Incidents of non-compliance concerning marketing communications	5.3 Compliance with Laws and Regulations 6.1 Fair Treatment of Customers	44 57
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.5 Information Security and Personal Information Protection	49, 51
GRI 419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	5.3 Compliance with Laws and Regulations	44



**GRI G4 Financial Services Sector Disclosure Index Comparison Table**

Consideration aspects	Indicator	Corresponding chapter	Page
Product Portfolio	FS1 Policies with specific environmental and social components applied to business lines	6 Customer Trust 8.2 Help the Industry with Low-Carbon Transition	56-69 110-114
	FS2 Procedures for assessing and screening environmental and social risks in business lines	8.1 Climate Risk and Opportunity 8.2 Help the Industry with Low-Carbon Transition	95-109 110-114
	FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	8.2 Help the Industry with Low-Carbon Transition	110-114
	FS5 Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	6.2 ESG Product and Service 8.1 Climate Risk and Opportunity 8.2 Help the Industry with Low-Carbon Transition 8.4 Supplier Management	62-66 95-109 110-114 120, 121
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	6.2 ESG Product and Service 8.2 Help the Industry with Low-Carbon Transition	62-66 110-114
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	6.3 Fintech Innovation 8.2 Help the Industry with Low-Carbon Transition	62-66 110-114
Product and Service Labeling	FS13 Access points in low population or economically disadvantaged areas by type	3.3 Core Business and Service Network	10, 11
	FS14 Initiatives to improve access to financial services for disadvantaged people	6.1 Fair Treatment of Customers 6.2 ESG Product and Service	59, 60 62-65
Local Communities	FS15 Policies for the fair design and sale of financial products and services	6.1 Fair Treatment of Customers	57-59
	FS16 Initiatives to enhance financial literacy by type of beneficiary	6.2 ESG Product and Service	59, 60

## Sustainability Accounting Standards Board (SASB) Business Bank Standard Comparison Table

Topic	Code	Accounting indicator	Page	Corresponding information
Local communities	FN-CB-230a.1	<b>❶</b> Number of data breaches <b>❷</b> Percentage involving personally identifiable information <b>❸</b> Number of account holders affected	49,51	5.5 Information Security
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	49,50	5.5 Information Security
Inclusive finance and empowerment	FN-CB-240a.1	<b>❶</b> Number and <b>❷</b> amount of loans outstanding qualified to programs designed to promote small business and community development	66	6.2 ESG Product and Service
	FN-CB-240a.2	<b>❶</b> Number and <b>❷</b> amount of past due and non-accrual loans qualified to programs designed to promote small business and community development	66	6.2 ESG Product and Service
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	62-65	6.2 ESG Product and Service
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	60	6.1 Fair Treatment of Customers
Include social, environmental and governance factors into social analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	112	8.2 Help the Industry with Low-Carbon Transition
	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	113,114	8.2 Help the Industry with Low-Carbon Transition
Business ethics	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	53	5.6 Ethical Management
	FN-CB-510a.2	Description of whistleblower policies and procedures	53,54	5.6 Ethical Management
Systematic risk management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	–	We are not a G-SIB (Global Systemically Important Bank).
	FN-CB-550a.2	Capital adequacy management and policy	12	3.4 Operational Performance
General information	FN-CB-000A	<b>❶</b> Number and <b>❷</b> value of checking and savings accounts by segment: (a) personal and (b) small business	9	3.3 Core Business and Service Network
	FN-CB-000B	<b>❶</b> Number and <b>❷</b> value of loans by segment: (a) personal, (b) small business, and (c) corporate	9	3.3 Core Business and Service Network



## Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Article	Content	Reference chapter	Page
Paragraph 2	At the end of the most recent fiscal year, the company that falls into the food industry, chemical industry and financial and insurance industry prescribed in the Taiwan Stock Exchange Corporation Key Points for Classifying and Adjusting Categories of Industries of Listed Companies shall prepare and file a sustainability report in Chinese according to these Rules.	1 About the Report	2,3
Article 3	The company prepares an annual sustainability report for the preceding year by referring to the Global Reporting Initiatives (GRI) Standards published by the GRI, Sector Disclosure and other applicable rules according to its sector features. In the report, the company shall disclose its identified material economic, environmental and social topics, management approach, topic-specific disclosure, and its reporting requirements, which shall, at a minimum, meet the core option of the GRI Standards. The sustainability report mentioned in the preceding paragraph shall include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified. In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party. The topic-specific disclosure referred to in Paragraph 1 shall be evaluated and disclosed by adopting the standards in compliance with the rules of the competent authorities. If the competent authorities have not promulgated the applicable standards, the company shall adopt the approach of evaluation commonly used in practice.	1 About the Report 4 Material Topics Appendix 1, 2, 6 and 7	2,3 23-28 130-136 140-143
Article 4	In addition to the content referred to in the preceding article, the sustainability report prepared by a company that falls into the financial and insurance industry shall emphasize the following matters: 1. Number of data breaches, and percentage involving personally identifiable information 2. Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities 3. Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services 4. Products and services designed by individual operating units to create benefits for the environment or society The sustainability indicator of the industry disclosed in the preceding paragraph shall obtain a CPA's letter of opinion issued according to the rules published by the Accounting Research and Development Foundation, ROC.	5.5 Information Security 6.1 Fair Treatment of Customers 6.2 ESG Product and Service 8.2 Help the Industry with Low-Carbon Transition Appendix 7	49-51 60 62-66 110-114 142,143
Article 4 Paragraph 1	Climate-related information is disclosed in a specific chapter, explicitly describing execution below: ① Supervision and governance of the Board of Directors and management in climate-related risks and opportunities. ② How the identified climate-related risks and opportunities affect business, strategy and finance of corporation (short, mid and long term) ③ Financial impact of extreme climate incident and transition action ④ How identification, evaluation and management process of climate risk are integrated in overall risk management system ⑤ Use scenario analysis to evaluate resilience to climate change risk. Describe the scenario used, parameter, assumption, analysis factor and primary financial impact. ⑥ A transition plan responding to climate-related risk management. Describe the content of the plan, and the indicator and goal used for identifying and managing risks. ⑦ If using internal carbon pricing as planning tool, the pricing basis shall be explained. ⑧ Set climate-related goals. Explain information such as the activities covered, scope of greenhouse gas emission, schedule, annual progress. If carbon offset or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon offset credit, or the number of RECs shall be explained. ⑨ Greenhouse gas inventory and assurance	8.1 Climate Risk and Opportunity ① Climate Risk Governance ② Climate Risk Strategy ③ Climate Risk Strategy ④ Climate Risk Management ⑤ Climate Risk Strategy ⑥ Climate Risk Indicator and Goal ⑦ We have not adopted internal carbon pricing for now. ⑧ Climate Risk Indicator and Goal ⑨ Climate Risk Indicator and Goal	95 96-104 96-104 105 96-104 106-109 — 106-109 106,107

# Appendix

Article	Content	Reference chapter	Page
Article 4 Paragraph 2	Assurance of Scope 1 and 2 of greenhouse gas are executed according to the schedule below for companies with paid-in capital of NT\$10 billion and above. Individual company assurance is completed as of 2024. The consolidated statement of assurance of parent and subsidiary companies as of 2027.	Appendix 6	140,141
Article 5	The accountant and his accounting firm executing assurance of sustainability indicator in Article 4, and the personnel and his agency executing assurance of greenhouse gas in Paragraph 3, Article 4-1, shall comply with rules in the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies." Since 2024, all institutions shall comply with the rules in the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies." Relevant rules have been put into practice since 2024. The company shall disclose the sustainability report and the link to the file of that report posted on the company's website on the internet information reporting system designated by TWSE by June 30. However, if the listed company does not prepare a sustainability in the most recent year or does not prepare the report by referring to the GRI Standards, or the sustainability report has obtained a CPA's letter of opinion according to the rules mentioned in the preceding paragraph, the filing may be completed by September 30. A listed company shall establish the operational procedure for preparation and validation of the sustainability report, and include this procedure in its internal control system.	1 About the Report	2,3

## United Nation Global Compact Comparison Table

Type	Content	Corresponding chapter	Page
Human rights	Principle ① : Human Rights Businesses should support and respect the protection of internationally proclaimed human rights.	7.5 Labor Human Rights Maintenance	90-92
	Principle ② : Make sure that they are not complicit in human rights abuses.	—	—
	Principle ③ : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	7.5 Labor Human Rights Maintenance	90
Labor standard	Principle ④ : The elimination of all forms of forced and compulsory labor	8.2 Help the Industry with Low-Carbon Transition	91
	Principle ⑤ : The effective abolition of child labor	7.5 Labor Human Rights Maintenance 8.4 Supplier Management	90 120,121
	Principle ⑥ : The elimination of discrimination in respect of employment and occupation	7.1 Non-Discrimination Employment 7.5 Labor Human Rights Maintenance	72-76 90
Environment	Principle ⑦ : Businesses should support a precautionary approach to environmental challenges.	8.1 Climate Risk and Opportunity	95-109
	Principle ⑧ : Undertake initiatives to promote greater environmental responsibility	8.1 Climate Risk and Opportunity 8.2 Help the Industry with Low-Carbon Transition	95-109 110-114
	Principle ⑨ : Businesses should support a precautionary approach to environmental challenges.	8.2 Help the Industry with Low-Carbon Transition	110-113
Anti-corruption	Principle ⑩ : Businesses should work against corruption in all its forms, including extortion and bribery.	5.6 Ethical Management	52-54



### ■ Greenhouse Gas Verification Statement



## Greenhouse Gas Emissions

德華國際商業銀行股份有限公司  
臺灣  
台北市  
大安區  
敦化南路二段 265、267、269 號  
1 樓、12 樓、17 樓、18 樓、20 樓、20 樓、27 樓

#### Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with Far Eastern International Bank for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 39,819.70 tonnes of CO<sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 5,299.5510 tonnes of CO<sub>2</sub> equivalent.
- No material misstatements for the period from 2022-01-01 to 2022-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2022 is not published by Taiwan government so far, the emission factor for electricity is 0.508 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emissions calculation.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1:2018.

For and on behalf of BSI:

Managing Director ISI Taiwan, Peter Pu

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Latent Date: 2023-05-11

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Telstra Communications Unit Pty Ltd, 100 Victoria Road, North Sydney, New South Wales, 1585, Australia. Tel: 02 9360 0000, Fax: 02 9360 0001.

Statement No: GHGEV 767450

The greenhouse gas emissions information reported by the organization for the period from 2022-01-01 to 2022-12-31 is as follows:

EMISSIONS		Notes	tonnes CO <sub>2</sub> e
<b>Category 1: Direct GHG emissions and removals</b>			<b>329,817</b>
1.1	Stationary combustion		0.785
1.2	Mobile combustion		85,880
1.3	Industrial processes (anthropogenic systems)		0.000
1.4	Fugitive (anthropogenic systems)		243,151
1.5	Land use, land use change and forestry	N/A	
Direct emissions in tonnes of CO <sub>2</sub> e from biomass			0.000
<b>Category 2: Indirect GHG emissions from imported energy</b>			<b>5,299,651</b>
2.1	Indirect emissions from imported electricity	location-based approach	5,299,651
2.3	Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.000
<b>Category 4: Indirect GHG emissions from products used by organization</b>			<b>977,329</b>
4.1	Emissions from Purchased goods		945,208
4.2	Emissions from Capital goods	N5	
4.3	Emissions from the disposal of solid and liquid waste		32,121
4.4	Emissions from the use of assets	N5	
4.5	Emissions from the use of services that are not described in the above subcategories	N5	

\* NS, Non significant; N/A, Not applicable

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# Appendix

## ■ Greenhouse gas verification assurance item

Scope 1	Total emissions (ton CO2e)	Intensity (ton CO2e/NTD thousand)	Assurance provider	Instruction of assurance
Parent	329.5500	0.000029	The British Standards Institution BSI Taiwan	1. Reasonable assurance: Performed verification according to ISO 14064-3:2006. Verified our direct greenhouse (GHG) emissions and indirect greenhouse (GHG) emissions from January 1 to December 31, 2022. The data quality meets the principles specified in ISO 14064-1:2018. 2. Limited assurance: The data quality of the selected indirect greenhouse gas (GHG) emissions meets the requirements in ISO 14064-1:2018.
Subsidiary	329.5500	0.000029		
Total	329.5500	0.000029		
Scope 2	Total emissions (ton CO2e)	Intensity (ton CO2e/NTD thousand)		
Parent	5,229.7586	0.000460		
Subsidiary	6.8942	0.000045		
Total	5,299.6510	0.000505		
Scope 2	Total emissions (ton CO2e)	Intensity (ton CO2e/NTD thousand)		
Parent	976.7925	0.000085		
Subsidiary	0.5366	0.000003		
Total	977.3291	0.000088		

Statement No: GH-GEV 767458

Location	Verification Information
Far Eastern International Bank 1F - 13F - 17F - 18F - 20F - 26F - 27F No. 205, 207, 209, Sec. 2, Dunhua S. Rd. Daan Dist., Taipei City 106428 Taiwan 遠東國際商業銀行股份有限公司 臺灣 台北市 大安區 敦化南路三段 205 - 207 - 209 號 1 樓 - 13 樓 - 17 樓 - 18 樓 - 20 樓 - 26 樓 - 27 樓	The Greenhouse Gas Emissions with Far Eastern International Bank for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 329.5500 tonnes of CO <sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 5,292.7586 tonnes of CO <sub>2</sub> equivalent.
Far Eastern Asset Management Corp. Room B 12F., No. 207, Sec. 2, Dunhua S. Rd. Daan Dist., Taipei City 106428, Taiwan 遠東資產管理股份有限公司 台北市大安區敦化南路二段 207 號 17 樓 B 室	The Greenhouse Gas Emissions with Far Eastern Asset Management Corp. for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 0.0002 tonnes of CO <sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 3.8481 tonnes of CO <sub>2</sub> equivalent.
FFIB Financial Leasing Co., Ltd 8F., Yuang Building No. 29 Ballantyne Road, Pudong New Area, Shanghai 遠東租賃股份有限公司 上海市浦东新区玉蘭路 29 號 8 樓 A 室	The Greenhouse Gas Emissions with FFIB Financial Leasing Co., Ltd for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 0.2658 tonnes of CO <sub>2</sub> equivalent and indirect greenhouse gas emissions from imported energy 4.0443 tonnes of CO <sub>2</sub> equivalent.

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## Limited Assurance Report Issued by the Accountant



安永聯合會計師事務所

11012 台北市基隆路一段333號3樓  
Tel: 886-2-2707-6666  
www.ey.com.tw11012 台北市基隆路一段333號3樓  
Tel: 886-2-2707-6666  
www.ey.com.tw

會計師有限確信報告

遠東國際商業銀行股份有限公司 公鑒

## 確信範圍

本會計師接受遠東國際商業銀行股份有限公司（以下簡稱遠東商銀）之委任，對2022年度永續報告書中所選定之水續發展資訊（以下稱「標的資訊」），執行財團法人中華民國會計研究發展基金會所發布之確信準則所定義之「有限確信案件」並出具報告。

## 標的資訊及其適用基準

有關遠東商銀之標的資訊及其適用基準詳列於附件一。

## 管理階層之責任

遠東商銀管理階層之責任係依據臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」之規定，以及參考適用之基準編製標的資訊，包括參考全球永續報告協會(Global Reporting Initiatives, GRI)所發布之2021年GRI 準則(GRI Standards)。遠東商銀管理階層應選擇所適用之基準，並對標的資訊在所有重大方面是否依據該適用基準報導負責。此責任包括建立及維持與標的資訊編製有關之內部控制，維持適當之記錄並作成相關之估計，以確保標的資訊未含有因於舞弊或錯誤之重大不實表達。

## 本會計師之責任

本會計師之責任係依據所取得之證據對標的資訊作成結論。

本會計師依照財團法人中華民國會計研究發展基金會所發布之確信準則3000號「非屬歷史性財務資訊審核或核閱之確信案件」之要求規劃並執行有限確信工作，以對標的資訊是否含有重大不實表達出具有限確信報告。本會計師依據專業判斷，包括對導因於舞弊或錯誤之重大不實表達風險之評估，以決定確信程序之性質、時間及範圍。

本會計師相信已取得足夠及適切之證據，以作為表示有限確信結論之基礎。

## 會計師之獨立性及品質管理

本會計師及所隸屬組織遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所遵循品質管理準則1號「會計師事務所之品質管理」，該品質管理準則規定組織設計、持續實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

## 所執行程序之說明

有限確信案件中執行程序之性質及時間與適用於合理確信案件不同。其範圍亦較小。因此，有限確信案件中取得之確信程度明顯低於合理確信案件中取得者。本會計師所設計之程序係為取得有限確信並據此作成結論，並不提供合理確信必要之所有證據。



安永聯合會計師事務所

11012 台北市基隆路一段333號3樓  
Tel: 886-2-2707-6666  
www.ey.com.tw

會計師有限確信報告

儘管本會計師於決定確信程序之性質及範圍時曾考量遠東商銀內部控制之有效性，惟本確信案件並非對遠東商銀內部控制之有效性表示意見。本會計師所執行之程序不包括測試控制或執行與檢查資訊科技(IT)系統內資料之彙總或計算相關之程序。

有限確信案件包括進行查詢，主要係對負責編製標的資訊及相關資訊之人員進行查詢，並應用分析及其他適當程序。

本會計師所執行之程序包括：

- 與遠東商銀人員進行訪談，以瞭解遠東商銀之業務與履行永續發展之整體情況，以及永續報導流程；
- 透過訪談、檢查相關文件，以瞭解遠東商銀之主要利害關係人及利害關係人之期望與需求、雙方具體之溝通管道，以及遠東商銀如何回應該等期望與需求；
- 與遠東商銀相關人員進行訪談，以瞭解用以蒐集、整理及報導標的資訊之相關流程；
- 檢查計算標準是否已依據適用基準中概述的方法正確應用；
- 針對報告中所選定之水續發展資訊進行分析性程序；蒐集並評估其他支持性證據資料及所取得之管理階層聲明；如必要時，則抽選樣本進行測試；
- 閱讀遠東商銀之水續報告書，確認其與本會計師取得關於永續發展整體履行情況之瞭解一致。

## 先天限制

因永續報告中所包含之非財務資訊受到測量不確定性之影響，選擇不同的測量方式，可能導致對該測量上之重大差異。且由於確信工作係採抽樣方式進行，任何內部控制均受有先天限制，故未必能查出所有業已存在之重大不實表達，無論是導因於舞弊或錯誤。

## 結論

依據所執行之程序及所取得之證據，本會計師未發現標的資訊有未依照適用基準編製而須作重大修正之情事。

## 其他事項

本確信報告出具後，遠東商銀對任何確信標的或適用基準之變更，本會計師將不自就該等資訊重新執行確信工作之責任。

安永聯合會計師事務所

會計師：呂倩雯 呂倩雯



民國一一二年六月三十日

# Appendix

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Building a better  
working world

附件一：

編號	章節	內文標題	標的資訊	適用基準	其他說明															
1	第五章	公司治理	<table> <tr> <th colspan="2">資訊安全事件</th><th>2022</th></tr> <tr> <td>資料安全事件件數</td><td></td><td>0</td></tr> <tr> <td>因資訊安全事件導致客戶資料遺失</td><td></td><td>0</td></tr> <tr> <td>因資訊安全事件受影響的客戶數</td><td></td><td>0</td></tr> </table>	資訊安全事件		2022	資料安全事件件數		0	因資訊安全事件導致客戶資料遺失		0	因資訊安全事件受影響的客戶數		0	資訊外洩事件數量、與資訊相關的資訊外洩事件占比、因資訊外洩事件而受影響的顧客數。	依據「上市公司編製與中報永續報告書作業辦法」第四條附表一之三之指標一應加強揭露績效指標。			
資訊安全事件		2022																		
資料安全事件件數		0																		
因資訊安全事件導致客戶資料遺失		0																		
因資訊安全事件受影響的客戶數		0																		
2	第六章	普惠金融	<p>2022 年底對小型及新興中小企業放款之戶數計 1,139 戶，餘額 50,356 百萬元；貸款數為 2 戶，餘額 26 百萬元。</p> <table> <tr> <th colspan="2">企業</th><th>2022 客戶數/餘額</th></tr> <tr> <td>A</td><td>員工 &lt; 20 人</td><td>1,086 戶 47,371 百萬元</td></tr> <tr> <td>B</td><td>資本額 &lt; 500 萬元</td><td>701 戶 4,897 百萬元</td></tr> <tr> <td>C</td><td>年營收 &lt; 1 千萬元</td><td>734 戶 17,020 百萬元</td></tr> <tr> <td>D</td><td>成立 5 年以下</td><td>277 戶 6,700 百萬元</td></tr> </table>	企業		2022 客戶數/餘額	A	員工 < 20 人	1,086 戶 47,371 百萬元	B	資本額 < 500 萬元	701 戶 4,897 百萬元	C	年營收 < 1 千萬元	734 戶 17,020 百萬元	D	成立 5 年以下	277 戶 6,700 百萬元	對促進小型企業及社區發展的貸款件數及貸款餘額。	依據「上市公司編製與中報永續報告書作業辦法」第四條附表一之三之指標二應加強揭露績效指標。
企業		2022 客戶數/餘額																		
A	員工 < 20 人	1,086 戶 47,371 百萬元																		
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3	第六章	普惠金融	<p>2022 年計推出普惠金融理財知識宣導 3 集，專業市場分析 23 集，共 26 集金融知識相關影音，傳遞理財觀念及市場最新投資訊息，觀看期間總計 590,391 人次。普惠金融相關影片主題類別如下：</p> <table> <tr> <th>主題</th><th>點閱人次</th></tr> <tr> <td>1 月 誠信外匯保險金交易</td><td>10,186</td></tr> <tr> <td>3 月 如何辦理退休之薪資投資新視角</td><td>248,595</td></tr> <tr> <td>9 月 關於安撫信託，對齊幸福未來</td><td>18,022</td></tr> </table>	主題	點閱人次	1 月 誠信外匯保險金交易	10,186	3 月 如何辦理退休之薪資投資新視角	248,595	9 月 關於安撫信託，對齊幸福未來	18,022	對缺少銀行服務之弱勢族群提供金融教育之參與人數。	依據「上市公司編製與中報永續報告書作業辦法」第四條附表一之三之指標三應加強揭露績效指標。							
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Building a better working world

編號	章節	內文標題	標的資訊	適用基準	其他說明																		
4	第六章	普惠金融	<table border="1"> <tr> <th colspan="4">個人金融</th></tr> <tr> <th>品名</th><th>說明/做法</th><th>客戶對象</th><th>2022 ESG 效益</th></tr> <tr> <td>伊甸愛心卡</td><td>於1997年發行之伊甸愛心卡，以卡友對卡金額的0.3%捐贈伊甸基金會。</td><td>一般大眾</td><td> <ul style="list-style-type: none"> <li>2022年四檔以捐贈伊甸基金會的金額為1,367,754元。</li> <li>2022年新贈1,231卡</li> </ul> </td></tr> </table>	個人金融				品名	說明/做法	客戶對象	2022 ESG 效益	伊甸愛心卡	於1997年發行之伊甸愛心卡，以卡友對卡金額的0.3%捐贈伊甸基金會。	一般大眾	<ul style="list-style-type: none"> <li>2022年四檔以捐贈伊甸基金會的金額為1,367,754元。</li> <li>2022年新贈1,231卡</li> </ul>	各經營業務為創造環境效益或社會效益所設計之產品與服務。	依據「上市公司編製與申報永續報告書作業辦法」第四條附表一之三之指標四應加強揭露績效指標。						
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