

Taiwan Cooperative Financial Holding Co., Ltd. Sustainability Policy

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Article 1 Purpose

In order to support the Sustainable Development Goals (hereinafter referred to as “SDGs”) of the United Nations and fulfill its global citizenship and corporate social responsibilities, Taiwan Cooperative Financial Holding Co., Ltd. (hereinafter referred to as “the Company”) has enacted its Sustainability Policy (hereinafter referred to as “this Policy”), while taking into account its business growth, stakeholders’ rights and interests, and the sustainable development of the environment and society. This Policy shall serve as the principles and directions for implementing sustainable development.

Article 2 Applicability

This Policy shall apply to the Company and its subsidiaries.

The Company and its subsidiaries shall follow this Policy. When providing financial products and services, they shall include environmental, social, and governance (hereinafter referred to as “ESG”) factors in considerations for daily operations and decision-making, and actively establish a channel to engage and communicate with employees, customers, communities and partners, suppliers, governments, investors, and other stakeholders.

Article 3 Basis for principles

The Company and its subsidiaries shall refer to external principles based on their business characteristics, including but not limited to the Stewardship Principles for Domestic Institutional Investors, Equator Principles, Principles for Responsible Banking, Principles for Responsible Investment, Principles for Sustainable Insurance, other relevant standards or guidelines and support the transition goals that are consistent with those of the “Paris Agreement” and “Taiwan’s Pathway to Net-Zero Emissions in 2050” , to establish a suitable management mechanism.

Article 4 Management framework

The Board of Directors is the highest supervisory and decision-making unit of the Company's sustainable development, to establish and maintain effective sustainable development.

The Company has set up a Sustainable Development Committee to implement the concept of sustainable development. The Sustainability Office under the committee will comprehensively manage and promote this Policy, and shall be the unit responsible for this Policy.

The Sustainable Development Committee is the highest guidance unit of sustainability-related policies and has set up groups such as corporate governance, customer commitment, employee care, environmental sustainability, social inclusion, and sustainable finance to review and set objectives of sustainable development in various ESG areas on a rolling basis every year, while regularly tracking and reporting their execution statuses.

Article 5 Sustainable development issues and commitments

The Company and its subsidiaries shall pay attention to various sustainable development issues, and make the following commitments to all stakeholders:

1. Customers: Continue to provide diverse and innovative products and high-quality services, promote financial inclusion, improve customer satisfaction, ensure the transparency and security of product and service information, implement the principle of fair treatment of customers, and treat them in a fair and reasonable manner. The Company and its subsidiaries promise to:
 - (1) Adhering to the people-oriented concept to promote the well-being of the public, launching diverse financial products and services that meet the needs of different ethnic groups, whereby all social classes and groups can enjoy fair and reasonable financial services or resources, and carry out the financial inclusion.
 - (2) Formulate and disclose consumer rights policies, establish a consumer grievance and dispute handling mechanism, set up a channel to properly handle grievances within a time limit, and reply to customers or

consumers who file a grievance about the handling results.

- (3) Prohibit the sale or provision of controversial products and services, disclose the information on products or services in detail, abide by relevant marketing and promotion laws and self-regulations, and ensure the authenticity of the content when publishing, broadcasting advertisements, and conducting business solicitation or sales promotion activities, where there must not be falsehood, fraud, concealment, or matters that can mislead others.
 - (4) Take strict protection measures towards customer data and strictly prohibit the disclosure of such data to the public.
 - (5) Based on the principles of fairness, reasonableness, equality, reciprocity, and good faith, we enter into a contract with customers on the provision of products or services. We have a grasp of customer data to ensure that the products or services are suitable for customers, and shall fully explain to them the important content of the products, services, and contracts, as well as the risk of disclosing such content.
 - (6) Those who have been appointed or commissioned by customers to provide products and services shall comply with the laws or contracts, follow the Stewardship Principles, and fulfill the duty of care and loyalty of good administrators.
 - (7) Personnel who provide products or services shall possess professional qualifications or obtain professional certificates as stipulated in laws and regulations. The remuneration system for sales personnel shall consider the rights and interests of customers or consumers in a balanced manner, and avoid overemphasizing the attainment of performance goals, a behavior which may harm customers or consumers.
2. Employees: Provide an honest, open, and teamwork-oriented work environment; establish an incentive system for human resources recruitment, retention, salary and benefits; encourage employees to maximize their potential; and protect labor human rights so that employees can enjoy fair

and reasonable treatment. The Company and its subsidiaries promise to:

- (1) Create a diverse, inclusive, and equal employment environment.
- (2) Implement sexual harassment prevention measures.
- (3) Promote labor-management communication and encourage dialogue between employees and management.
- (4) Provide a good and fair work environment, where there is no forced labor and no discrimination, and maintain good labor relations with trade unions and workers.
- (5) Improve employees' professionalism and knowledge, attach importance to their career development and planning, and prohibit the employment of child labor.
- (6) Emphasize employee safety, as well as sanitation and health management, promote health activities, and provide free health checks.
- (7) Provide employees with a comprehensive compensation system and welfare measures, and properly reflect business performance.
- (8) Establish a human rights due diligence and risk mitigation mechanism to prevent incidents that may affect the rights and interests of employees, and provide an effective and appropriate grievance mechanism.

3. Shareholders: Strive to improve the timeliness and quality of information disclosure, establish an effective corporate governance system, and create maximum value for shareholders. The Company and its subsidiaries promise to:

- (1) Regularly review and improve operating results, and continuously improve performance in operations management.
- (2) Strengthen co-marketing among subsidiaries to maximize the overall synergy.
- (3) Disclose financial and ESG information related to operating activities and business performance in a timely and appropriate manner, and faithfully fulfill the obligation of information disclosure and transparency.

4. Community participation: Pay attention to the impact of company operations

on local communities, and use company resources to promote community development and social stability. The Company and its subsidiaries promise to:

- (1) Cooperate with government agencies, academic institutions, non-governmental organizations, or groups to provide finance, financial management, and other courses to enhance the communities' financial knowledge.
 - (2) Encourage employees to participate in community welfare activities to assist in the continuous development of the communities.
 - (3) Support local suppliers, develop local economy, and appropriately employ local workers.
 - (4) Evaluate the potential negative impact of the establishment and evacuation of operating sites on local communities' economy, society, culture, and environment.
5. Social welfare: Integrate the Group's resources, establish a connection between employees and those in the area concerned to care for disadvantaged groups, invest in social welfare activities, and build social citizenship awareness. The Company and its subsidiaries promise to:
- (1) Actively cooperate with domestic public or social welfare organizations to promote support programs or provide social assistance.
 - (2) Actively cooperate with government agencies to promote fraud prevention measures, provide relevant financial literacy advocacy courses, and help the public prevent property losses.
 - (3) Actively sponsor or promote various academic activities and art events, symposiums, and seminars.
6. Develop a sustainable environment: In order to ensure the sustainable development of the environment and society, the Company and its subsidiaries take on responsibility for promoting environmental protection, maintaining biodiversity and reducing the impact of our operations on climate change. We promise to:

- (1) Save oil, electricity, water, and other energy consumption during company operations; purchase equipment with energy-saving labels; and improve resource utilization efficiency.
- (2) Reduce greenhouse gas emissions and emission intensity, and set carbon reduction targets and strategies.
- (3) Reduce manufacturing waste, implement waste classification, and strengthen resource recycling.
- (4) Collaborate with suppliers to promote environmental sustainability and avoid transactions with manufacturers that have a significant impact on the environment.
- (5) When constructing office buildings or renovating office spaces, priority shall be given to the use of green and environmentally friendly building materials to reduce the negative impact on the environment and human health.

7. Products and services: Focus on development trends of sustainable finance at home and abroad; integrate ESG issues into the development strategies and operating procedures for core business such as investment, financing, underwriting, and insurance; promote sustainable finance-related business; and facilitate industrial upgrading and transformation. The Company and its subsidiaries promise to:

- (1) Support the development of sustainable finance; sign or follow the relevant standards or guidelines stipulated in Article 3 of this Policy; have a grasp of the risks and opportunities of climate change; implement them in the decision-making process of risk management policies, credit granting, and investment; and encourage customers or other contacts to follow the Group's environmental and social requirements to reduce the adverse impact on the environment and society.
- (2) Promote the transition to a low-carbon economy, combine core competencies to assist enterprises or suppliers in reducing pollution and waste of resources in the production or service process, and provide

funds needed to improve the environment.

(3) Provide diversified sustainable financial products and services, and reduce the impact of operating activities on the environment, so as to improve the benefits for society and the environment.

(4) Promote sustainable development of corporates through financial influence: During the credit and investment decision-making process, and after lending or investing, regularly review the ESG implementation effectiveness of clients and investee companies, and establish an engagement mechanism and communication channels with them to enhance corporates sustainable value.

8. Ethical management: Establish a corporate culture of ethical management and implement corporate governance to achieve sustainable development. The Company and its subsidiaries promise to:

(1) In line with the business philosophy of integrity, transparency, and responsibility, formulate policies based on integrity and establish a good corporate governance and risk management mechanism.

(2) Strictly prohibit any acts of corruption, bribery, extortion, embezzlement of public funds, providing political contributions, and offering or accepting improper benefits and improper charitable donations or sponsorships.

(3) Conduct business activities in a fair and transparent manner, prohibit false advertising and unfair competition, and abide by laws and regulations related to intellectual property rights.

(4) Comply with the Company Act, Financial Holding Company Act, Banking Act of the Republic of China, Securities and Exchange Act, Securities Investment Trust and Consulting Act, Insurance Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, regulations related to TWSE/GTSM listed companies, or other business conduct-related laws and regulations.

- (5) Actively implement the ethical management policy and carry it out in internal management and external business activities.
- (6) Avoid conducting transactions with suppliers and customers involved in dishonest behavior. A signed contract shall include compliance with the ethical management policy and clauses specifying the termination or rescission of the contract at any time if the counterparty is involved in dishonest behavior.
- (7) Establish a disciplinary and grievance system for violations of ethical management regulations.
- (8) Establish a whistleblower reporting and protection system.

Article 6 Information disclosure

The Company shall adopt internationally recognized standards or guidelines to prepare the Chinese and English versions of the sustainability report and publish it on its website to improve the quality and transparency of information disclosure.

Article 7 Matters not stipulated in this Policy shall be handled in accordance with laws and relevant regulations of the Company.

Article 8 This Policy shall become effective after the resolution of the Board of Directors is adopted. Any amendments to this Policy shall follow the same procedure.