



Taishin Financial Holding Co., Ltd.

Sustainable Development Best Practice Principles

Article 1

Taishin Financial Holding Co., Ltd. (hereinafter referred to as the Company) is committed to fulfilling its corporate social responsibility and promoting economic, environmental, and social advancements to attain sustainable development. The Company therefore established the "Taishin Financial Holding Co., Ltd. Sustainable Development Best Practice Principles" based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" to manage the economic, environmental, and social risks and impact in its operations.

Article 2

These Principles applies to all operations of the Company and its subsidiaries.

Article 3

The Company upholds its core value of integrity, commitment, innovation, and collaboration for sustainable development. As the Company pursues sustainable operations and profits, it also focuses on environmental, social, and corporate governance factors, pays close attention to the rights and interests of stakeholders, and includes them into the Company's management approach and business activities.

The Company performs assessments regarding environmental, social, and corporate governance issues relevant to its business activities and based on the principle of materiality.

Article 4

The Company is committed to implement sustainable development initiatives and shall follow the principles below:

- I. Implement corporate governance.
- II. Foster a sustainable environment.
- III. Preserve social welfare.
- IV. Enhance disclosure of sustainable development information.

Article 5

The Company shall take into consideration the correlation between the development of domestic and international sustainable development issues and corporate core

business operations, and the effect of the operations as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the Board of Directors.

Article 6

The Company has established an effective governance framework and related ethical standards in accordance with the "Corporate Governance Best Practice Principles for Financial Holding Companies", "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEX Listed Companies" to improve corporate governance.

Article 7

The Directors of the Company shall exercise the due care of good administrators to urge the Company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies.

The Company's Corporate Sustainability Committee is administered by the Board of Directors and it reports the economic, environmental, and social issues derived from business activities to the Board of Directors.

Article 8

For the purpose of managing sustainable development initiatives, the Company has created a governance structure for promotion of sustainable development, and establish an exclusively dedicated unit to be in charge of proposing and enforcing the sustainable development policies, systems, or relevant management guidelines, and to report on the same to the Board of Directors on a periodic basis.

Article 9

The Company shall respect the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Article 10

The Company shall follow relevant environmental laws, regulations and international standards. The Company is committed to improving the efficiency of the various resources and using recycled materials which have a low impact on the environment to ensure the sustainable use of natural resources, set up an environmental management system. The dedicated environmental management unit shall be responsible for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and it shall hold environment education courses for managerial officers and other employees on a periodic basis.

Article 11

The Company shall follow and reference relevant international standards or trends, set sustainable financial standards, and evaluate the implementation of environmental protection, social responsibility, and corporate governance of its borrowers and investee companies to promote the sustainable development of the economy, environment, and society.

Article 12

The Company takes into account the impact of its operations on the ecology and promotes the ideals of sustainable consumption. It shall also engage in business activities based on the following principles to reduce the impact of the Company's operations on the natural environment and humans:

- I. Reduce resource and energy consumption in products and services.
- II. Reduce emissions of pollutants, hazardous substances, and waste and process waste in an appropriate manner.
- III. Improve recycling and reuse of materials and products.
- IV. Ensure maximum sustainable use of renewable resources.
- V. Extend the durability of products.
- VI. Improve the performance of products and services.
- VII. Use water resources in an appropriate and sustainable manner and improve the efficiency of the use of water resources.

Article 13

The Company evaluates the potential risks and opportunities in climate change with regard to the present and future of its business, takes appropriate response measures, and adopts commonly accepted standards or guidelines in Taiwan and abroad for the

greenhouse gas inventory of the Company. The scope includes: Direct greenhouse gas emissions, indirect greenhouse gas emissions, and other indirect emissions.

The Company compiles statistics on greenhouse gas emissions, water consumption, and total waste weight, and establishes energy conservation and carbon emissions reduction, greenhouse gas reduction, water consumption, and other waste management approaches to reduce the impact of the Company's business activities on climate change.

Article 14

The Company abides by related labor regulations and complies with the International Bill of Human Rights. It has established related management policies and procedures to protect human rights:

- I. Propose the Human Rights Policy or Human Rights Statement of the Company.
- II. Evaluate the impact of the Company's business activities and internal management on human rights and establish response procedures.
- III. Conduct regular reviews on the effectiveness of the Human Rights Policy or Human Rights Statement.
- IV. In the event of any infringement of human rights, the Company shall disclose the procedures taken with regard to the stakeholders of concern.
- V. The Company provides effective and suitable grievance mechanisms for matters that affect the rights and interests of workers. The grievance channels are simple, convenient, and open, and the Company shall respond to employees' complaints in an appropriate manner.

Article 15

The Company provides a safe and healthy work environment for employees, including necessary health and first-aid facilities. It is committed to reduce risks to employee safety and health and to prevent occupational accidents. The Company also organizes regular safety and health training for employees each year.

Article 16

The Company shall create an environment conducive to the development of employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective

of sustainable operations.

Article 17

The Company shall set up channels to communicate with employees on a regular basis, and inform them of operational changes that may be of a significant impact through reasonable means so that employees have the right to receive information and express their opinions on the business management activities and decisions of the Company. The Company respects employee representatives' exercise of negotiation powers for work conditions and it provides employees with necessary information and hardware facilities to facilitate negotiations and cooperation between employers, employees, and employee representatives.

Article 18

The Company upholds marketing ethics and ensures the transparency and safety of products and services. It shall establish and disclose its policies for consumer rights and interests and enforce them in the course of business operations to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 19

The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries. The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy and marketing and labeling, and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company shall provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 20

The Company shall establish supplier management policies to assess the impact of procurement on the environment and society of the source of supply. It shall request suppliers to comply with rules governing issues such as environmental protection,

occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company shall assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those that fail to comply with the corporate social responsibility policy. When the Company works with suppliers, suppliers are required to sign the Supplier Commitment Statement which shall include compliance with corporate social responsibility, promotion of sustainable development of the environment, and implementation and protection of basic human rights. If a supplier violates its commitment, it must implement improvement immediately and the Company may also terminate or rescind the contract at any time.

Article 21

The Company shall evaluate the impact of its business operations on the community, and use commercial activities, endowments, volunteering services, or other charitable professional services etc. to dedicate resources to organizations that commercially resolve social or environmental issues, or participate in events held by citizen organizations, charities, and local government agencies relating to community prosperity and community education to promote community development.

Article 22

The Company shall disclose information according to relevant laws, regulations and the "Corporate Governance Best Practice Principles for TWSE/TPEX listed Companies" and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency. Relevant information relating to sustainable development which the Company shall disclose includes:

- I. The policy, systems, strategies, and annual implementation plans for sustainable development.
- II. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
- III. Goals and measures for promoting the sustainable development initiatives established by the companies, and performance in implementation.
- IV. Major stakeholders and their concerns.
- V. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
- VI. Other information relating to sustainable development initiatives.

Article 23

The Company shall adopt internationally widely recognized standards or guidelines when producing sustainability reports, to disclose the status of their implementation of the sustainable development policy. It shall also obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports shall include:

- I. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives.
- II. Major stakeholders and their concerns.
- III. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
- IV. Future improvements and goals.

Article 24

The Company shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the promotion of sustainable development.

Article 25

These Principles shall take effect after the approval of the Board of Directors. The same applies to all subsequent amendments.

Note:

- 2014.10.30 The 17th meeting of the 5th Board of Directors passed the enactment of the "Corporate Social Responsibility Best Practice Principles".
- 2022.11.17 The 19th meeting of the 8th Board of Directors passed the amendment of all 25 articles and changed the title "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles".