Bank SinoPac

2025

Climate and Nature-Related Financial Disclosures Report

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Message from the Chairman

Harnessing Financial Innovation to Amplify Sustainable Value

Over the past year, the dual risks of climate change and environmental degradation have continued to escalate, presenting structural challenges from extreme heat, droughts, and torrential rainfall. These recurring patterns underscore not only the growing vulnerabilities faced globally but also a transformative juncture where technology, data, and green finance are converging at an unprecedented pace. As a long-standing pioneer in Taiwan's green finance, Bank SinoPac recognizes the profound influence and responsibility inherent to financial institutions. Since 2013, the Bank has dedicated over a decade to green energy financing—supporting Taiwan's energy transition and leading the market with innovative project financing for solar power plants. By the end of 2025, the Bank's solar PV financing market share reached approximately 30%, solidifying its position as the market leader in Taiwan. The Bank was also recognized for two consecutive years on the Taiwan Stock Exchange's List of Institutional Investors with Better Stewardship Disclosure and ranked among the top 25% in the Financial Supervisory Commission's Third Sustainable Finance Evaluation, reaffirming its strong commitment to responsible investment and sustainable finance.

Guided by the vision of "Together, a better life," the Bank strengthened its sustainability efforts in 2025 across operations, product development, and ecosystem partnerships. These initiatives were aimed at mitigating carbon risks both within operations and across society, enhancing the impact of sustainable financial products and services, and accelerating low carbon transitions through cross sector collaboration.

For Bank SinoPac, sustainability through Transformation is not merely a pledge but a principle deeply embedded in everyday decision-making processes. Through co-creation, the Bank collaborates with partners to extend shared impact. By integrating resources and forging strategic alliances, the Bank continues to generate long term value for the broader community.

Building a Green Financial Ecosystem, Leading Energy, Industry, and Lifestyle Transformation

Bank SinoPac is dedicated to leading by example in green finance, focusing on measures guided by our core principles of "Impactful" and "Sustainable." As a trailblazer in this field, the Bank actively supports the Green Finance Action Plan and national green energy initiatives, employing a three-pronged approach: starting with ourselves, utilizing financial tools, and leveraging market forces to guide our clients towards green solutions:

The first step focuses on internal operations and on further embedding low-carbon practices into daily routines. Building on these efforts, the Bank continues to enhance the iBranch digital service platform, offering more than 200 digitalized services across branches nationwide. Through our LINE Official Account, customers receive personalized reminders and carbon-reduction insights, encouraging them to cultivate long-term environmental benefits through everyday digital behaviors. In 2025, the Bank introduced the iWish app with its first GAI feature, streamlining processes and reducing paper consumption.

All domestic and overseas locations have completed comprehensive GHG inventories with third party verification. By the end of 2025, we had secured 7.22 million kWh of renewable energy contracts, and also installed a 22.5 kW rooftop solar PV system at self-owned facilities, generating approximately 25,000 kWh annually. Together, renewable energy procurement and self generation are estimated to reduce carbon emissions by approximately 3,434 metric tons in 2025, reinforcing SinoPac Holdings' commitment to achieving net zero operational emissions by 2030. To help raise awareness of nature and biodiversity conservation, the Bank has incorporated whale and dolphin conservation themes into branches in eastern Taiwan, using these spaces to advocate for marine ecosystem protection and shared stewardship of ocean health.

The second step focuses on channeling capital into areas that meaningfully reduce emissions and strengthen resilience, while enhancing project quality and market efficiency through diversified financial solutions. In 2025, Bank SinoPac launched rooftop solar power projects in Singapore, expanding regional green energy financing capabilities and demonstrating cross border integration, credit review, and project management expertise.

To support the government's target of achieving a 20% renewable energy share by 2026, the Bank acted as the lead arranger for its first syndicated loan for an Offshore Subsea Construction Vessel (OSCV), advancing offshore wind development while meeting growing global demand for multifunctional service vessels. By the end of 2025, the Bank's partnered solar projects continued to hold a leading 30% market share, and its financing footprint expanded further into onshore wind, geothermal, small hydropower, and energy storage. Through close collaboration with cross industry partners—including energy service companies (ESCOs)— the Bank also worked directly with SMEs at their production sites, assisting them in energy and equipment transition planning and bringing expertise from large scale energy projects into broader industrial transformation efforts. Meanwhile, the Bank incorporates biodiversity and ecosystem considerations, the green transition, and circular economy considerations into its lending and investment practices. The Bank applies sustainable investment strategies in its treasury operations, monitoring portfolio level carbon emissions and encouraging investee companies to enhance their climate and natural capital management. Through active stewardship and engagement, Bank SinoPac aims to generate long term value for industry and society. To further support customer participation in sustainable finance, the Bank also offers green deposits, green and sustainability bonds, and ESG funds that catalyze the transition.

The third step involves building a scalable green electricity ecosystem through its green energy trust platform, bridge loan solutions, and the Green Energy Plant Information Management System. Trust based designated use mechanisms secure financial flows, while integrated data systems support enterprises in site selection, procurement, power transactions, and certificate management. Recognizing the transition challenges faced by SMEs, the Bank has extended its green energy expertise into broader sustainability services through the launch of the "Sustainability Finance Framework." Working together with government, industry, and academic partners, this framework offers one stop support covering carbon accounting, energy management, emissions reduction, and sustainability planning, helping lower the barriers for SMEs on their path toward net zero transformation.

Bank SinoPac continues to work closely with industry associations and local partners to organize Green Action Forums and Energy Week events. These efforts help strengthening engagement and make the transition to renewable energy a truly collective undertaking across both daily life and industrial development.

Bank SinoPac has evolved from supporting national solar initiatives to taking early action in energy storage and other emerging renewable sectors. With more than a decade of dedicated advancement in green energy, the Bank was honored with the "Best Sustainable Action Award" in 2025 and received the Ministry of Economic Affairs' Top Solar Award for the tenth consecutive year—an accomplishment unmatched by any other financial institution.

Strengthening Collective Efforts Toward a Sustainable and Net Zero Future

This Report, certified by the British Standards Institution (BSI) for climate-related financial disclosure maturity at the highest level, marks Bank SinoPac's fourth year of Climate-Related Financial Disclosures and the third year highlighting our achievements in Nature-Related initiatives. We aim to demonstrate our responsibilities, commitment, and vision regarding climate and sustainable developments. We take pride in our pioneering green financial products and services as they have inspired industry peers and partners to follow our path by offering similar products and services to our community. Bank SinoPac will persist in innovating and leading efforts to propel our nation and the world towards a greener future with impactful sustainability, ultimately realizing our vision: ''Together, a Better Life''.

Bank Sinopac Co., Ltd Chairman **Wei-Thyr Tsao**

Company Overview

Bank SinoPac (hereinafter the Bank, we, us, our) is a wholly owned subsidiary of SinoPac Holdings restructured from Taipei Mutual Loans and Savings Co., which was inaugurated in 1948. The Bank has focused on serving SMEs over decades of restructuring and development, and completed a share swap merger to become a wholly owned subsidiary of SinoPac Holdings in 2005. SinoPac Holdings changed its Chinese name to "Yongfeng Holdings" in 2006. To integrate banking resources and optimize economies of scale, the Bank merged with International Bank of Taipei on November 13, 2006 and became Bank SinoPac; following strategic adjustments and strengthening of structural organizations, we are working to make progress toward our vision of "Together, a better life," through promotions of flat organizations, cost reductions, enhancements in operational efficiency, and improvements to cost-expense structures, aiming to become a leading brand in Chinese finance.

In response to the government's Sustainable Finance policies and SinoPac Holdings' sustainable development strategies, we issued eight Green, Social and Sustainability Bonds from 2017 to 2025, with a cumulative issuance amount of approximately NT$12.4 billion. As of year-end 2025, Bank SinoPac and its subsidiaries have 12,370 employees, paid-in capital of NT$110.7 billion, and assets amounting to NT$2,972.7 billion. Bank SinoPac has also invested in subsidiaries such as SinoPac Insurance Brokers Limited and Bank SinoPac (China), offering customers a full range of financial services through professional division of labor and diversified channels.

About This Report

Since 2022, Bank SinoPac has adhered to the frameworks of the Task Force on Climate-Related Financial Disclosures released by the Financial Stability Board and the "Guidelines for Financial Disclosures Related to Climate Risks by Domestic Banks" issued by the Financial Supervisory Commission to identify the climate risks and opportunities which are disclosed in our TCFD Report. Additionally, we began identifying nature-related dependencies, impacts, risks, and opportunities using the framework released by the Taskforce on Nature-related Financial Disclosures (TNFD) starting in 2023, and this information is disclosed alongside climate-related content in our Climate and Nature-Related Financial Disclosures Report (hereafter "this Report").

This Report discloses all Bank SinoPac achievements in climate and nature issues regarding the four aspects of governance, strategy, risk management, metrics and targets, as well as scenario analyses for physical and transition risks, enabling our stakeholders to better understand our progress in the climate and nature domain, including our various response actions, low-carbon transformation strategies, climate resilience, and green impacts.

1. The first section on Governance details the supervisory, management, and monitoring governance processes, controls, and procedures carried out by our governance units and executives for climate and nature-related risks and opportunities.
2. The second section on Strategy describes our responses to climate and nature risks and opportunities; financial impacts; short, medium and long-term assessments and plans; and results achieved, as well as the value chain's impacts on biodiversity, its dependencies on nature, and the related impact assessment.
3. The third section on Climate Scenario Analyses details our business, strategic, and financial planning risks and opportunities under different climate scenarios, and reviews the resilience of our formulated strategies.
4. The fourth section on Risk Management lays out our management processes for identified risks and corresponding plans for business continuity, and explains how climate and nature-related issues are incorporated into investment and financing.
5. The fifth section on Metrics and Targets not only discloses fundamental environmental information, but also provides further details of low-carbon investments and financing as well as asset exposures.

Period Covered

This Report mainly discloses Bank SinoPac's climate and nature actions in 2025 (January 1 to December 31, 2025).

Reporting Boundary

The information and data contained in this Report were primarily sourced from Bank SinoPac, including all overseas branches, and its subsidiaries, namely SinoPac Insurance Brokers Ltd., Bank SinoPac (China) Ltd., and Amret Plc. (Cambodia). Any deviations from these reporting boundaries are specifically stated in the Report.

Information on Verification

This Report was verified by a third-party organization, which has issued an assurance statement. All disclosed environmental data have passed ISO14064-1, 14001, and 50001 verifications, and are simultaneously disclosed in our 2025 Annual Report and the SinoPac Holdings Sustainability Report. This Report will be updated and issued on an annual basis. Both the Chinese and English versions of this report can be downloaded from the Bank SinoPac website.

Bank SinoPac Climate and Nature Progress

2023

- Purchased first batch of carbon credits (4,000 tons) from Taiwan Carbon Solution Exchange in 2023 to prepare for carbon neutrality. In future, we will continue to launch renewable energy and low-carbon transition plans in accordance with SinoPac Holdings net zero emissions goals, and make strides toward our vision of sustainable finance.
- Completed implementation of ISO 50001 Energy Management System targets and ISO 14001 Environmental Management System targets
- Greenhouse gas inventories: Completed greenhouse gas inventories for 100% of domestic and overseas sites.
- Net zero commitment: Implemented financed emissions measurement in accordance with plans formulated by parent company SinoPac Holdings, assisted SinoPac Holdings in joining SBTi(Science Based Targets initiative) in August 2022, completed submission of before the end of the year, and passed review in January 2024.
- Enhanced carbon management efficiencies in line with plans formulated by parent company SinoPac Holdings, assisting SinoPac Holdings in obtaining an "A- leadership level rating" from the Carbon Disclosure Project (CDP) for four consecutive years.
- GSS(Green, Social and Sustainability Bond) Bonds: Cumulatively issued NT$10.4 billion in GSS Bonds.
- Established decarbonization policies for specific industries, added new regulations stipulating "will not provide investments in thermal coal-related projects as well as restrictions on thermal coal/unconventional oil and gas businesses," and expanded our decarbonization scope to financing for thermal coal mining and power generation starting on July 1, 2023 Note 1.
- Our loan handling and plans for loan products adhered to the "Reference Guidelines for the Recognition of Sustainable Economic Activities" and we encouraged clients to fill out JCIC's Corporate Self-Assessment Questionnaire of ESG Information and Taiwan Sustainable Taxonomy to drive sustainable corporate development and carbon reduction transformations.
- Optimized application processes for renewable energy wheeling by solar photovoltaic borrowers to promote liberalization of the renewable energy trading market.

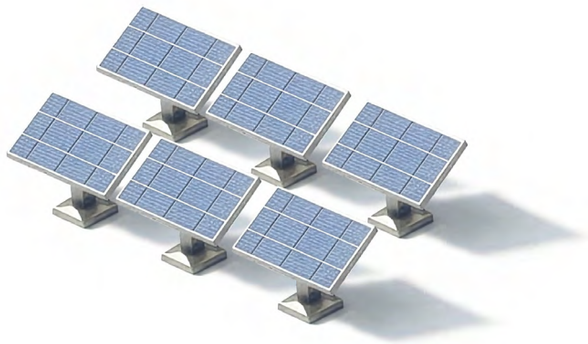
2024

- Completed implementation of ISO 50001 Energy Management System and ISO 14001 Environmental Management System in all self-owned buildings in 2024.
- Greenhouse gas inventories: Completed greenhouse gas inventories for 100% of domestic and overseas sites.
- Enhanced carbon management efficiency in accordance with Group plans, assisting SinoPac Holdings in obtaining the highest "A leadership level rating" from the Carbon Disclosure Project (CDP) in 2024, making this our fifth consecutive year with a leadership rating.
- GSS Bonds: Cumulatively issued NT$ 11.4 billion in GSS Bonds.
- Decarbonization commitment: Expanded decarbonization business restrictions and continued to develop more proactive decarbonization commitments[Note 1].
- Added Taiwan Sustainable Taxonomy to "Directives for Responsible Lending." At the same time, eligibility criteria for green loans and social loans, along with additional provisions on promoting sustainable loan projects and services, were added to the Guidelines to help prevent greenwashing.

Note1: In order to achieve and continue to make progress on our net-zero commitment, our parent company SinoPac Holdings expanded our decarbonization scope to include investment and financing for thermal coal mining and power generation starting on July 1, 2023, and we stopped underwriting fixed income products for thermal coal mining or power generation company, as well as overseas unconventional oil and gas related corporate starting on July 1, 2024. Starting July 1, 2025, the decarbonization scope is defined to cover investment, financing, and fixed-income underwriting activities involving stranded assets (i.e., thermal coal and unconventional oil and gas) where no transition actions are in place. The scope of thermal coal–related activities is expanded to include infrastructure, and a uniform divestment timeline of 2030 is applied. Please refer to the official website of SinoPac Holdings for the latest decarbonization statement.

2025

- Achieved a top-25% ranking in the 3rd Sustainable Finance Evaluation conducted by the Financial Supervisory Commission, with strong performance in the climate risk strategy and net-zero transition support aspects.
- GSS Bonds: The cumulative issuance amount of GSS bonds reached NT$ 12.4 billion.
- Decarbonization commitment: Established clear definitions for stranded assets, decarbonization plans, and transition actions, thereby continuously enhancing decarbonization commitments.[Note 1].
- Promoted orderly industrial transition by aligning with the latest Reference Guidelines for the Recognition of Sustainable Economic Activities, assisting clients in formulating carbon reduction transition plans and recommending transition-related lending.
- Optimized internal ESG information utilization by introducing a domestic climate change physical risk database to support credit business operations, and integrated the assessment results and risk categorization into the investment limit application process.
- Solar photovoltaic financing: The Bank’s outstanding balance of corporate solar PV loans totaled NT$ 146.138 billion, with total installed capacity of 4,811.38 MW and a market share of 30%.
- Energy storage financing: For the first time, expanded into behind-the-meter energy storage business, assisting large electricity users in installing energy storage equipment and supporting the development of the energy storage industry.
- Green power trading services: Through the Bank’s green power trading platform, cumulative transaction installed capacity reached 747 MW, with 37 partner power retailers.



Climate and Nature-Related Performance Highlights

FinanceAsia: FinanceAsia Awards 2025 – Winner (Best Sustainable Bank in Taiwan)

Asian Banking & Finance: ABF Corporate & Investment Banking Awards 2025 – Initiative Award for Green Finance – Taiwan

Asian Banking & Finance: ABF Wholesale Banking Awards 2025 – Taiwan Domestic Green Finance Initiative of the Year

Taiwan Stock Exchange: List of Companies with Better Institutional Investor Stewardship Disclosure 2025

Wealth Magazine: 2025 Wealth Management Awards – Best Promotion for Sustainable Development Bank

Business Today: The 19th Wealth Management Banks and Securities Firms Evaluation - No. 1 in Best Sustainability Award

Taiwan Institute for Sustainable Energy: The 5th Taiwan Sustainable Investment Awards (TWSIA) – Corporate Engagement Award (Silver)

Taiwan Institute for Sustainable Energy: 2025 Taiwan Sustainability Action Awards (TSAA) – Gold Award in SDG 07: Sustainable Commitment Driving Green Business Opportunities

Taiwan Institute for Sustainable Energy: The 5th Taiwan Sustainable Investment Awards (TWSIA) – Sustainable Bonds Silver

Center for Business Sustainability, NCCU: Outstanding Bank in the Second TCFD Report Evaluation

Excellence Magazine: Best Sustainable Impact Award in 2025 Bank Ratings

Commercial Times: The 5th Digital Finance Awards (Bank Group) – Excellence in Green Net-Zero Finance Award

Commercial Times: 2025 Trust Award – Best Sustainable Trust Innovation Award – Gold Award

The Asset Triple A Sustainable Finance Awards: Best Green Loan – Agriculture, Best Sustainability-Linked Loan – NBFI, Best Sustainability - Linked Loan

Energy Administration, Ministry of Economic Affairs: Top Solar Award – Best Financial Service Award for 10 consecutive years

Governance

1.1 Governance Structure

The Board of Directors is the highest decision-making unit for climate risk management, and is responsible for approving climate policies and strategies; supervising implementations of climate-related metrics and targets; incorporating climate risk factors into Bank SinoPac's risk appetite, strategies, and business plans; and identifying and assessing climate-related risks and opportunities as well as their impacts on Bank SinoPac's strategies and plans.

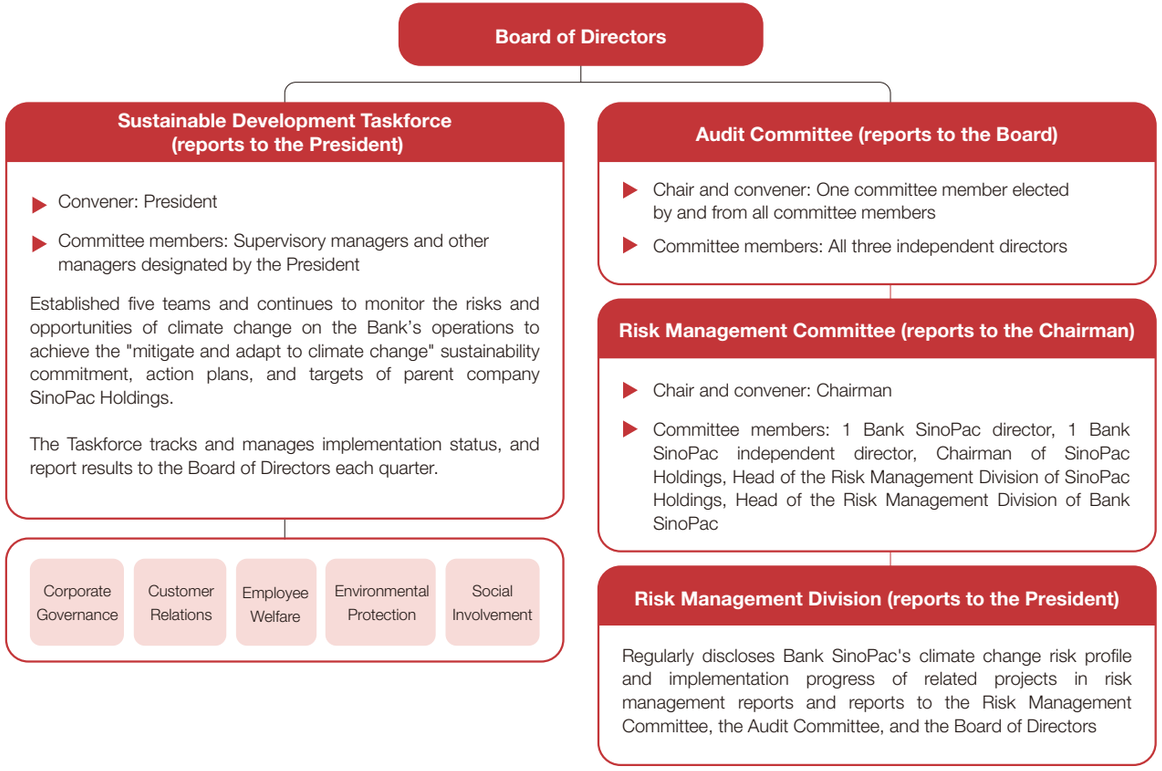
The Audit Committee has been established under the Board to supervise and manage existing or potential risks. The Audit Committee is composed of all independent directors, with at least one having expertise in accounting or finance. The Risk Management Committee has been established under the Chairman to implement major Board decisions and other matters related to climate risk management, formulate corresponding supervision and reporting mechanisms, and monitor climate risk management operations.

The President is responsible for supervising implementations of climate risk management mechanisms, including assessing and balancing climate risks and opportunities; formulating climate risk management strategies, management systems, and monitoring indicators; regularly reviewing effectiveness and implementations; continuing to monitor exposures to climate risks; and reviewing resilience of response strategies for different climate scenarios.

Responsible units or teams designated by the President implement climate risk management tasks, including establishing management mechanisms, adopting response measures for different scenarios, and periodically or non-periodically reporting information on climate risks to the Risk Management Committee, the Audit Committee and the Board.

In order to manage economic, environmental, and social risks and impacts from our operational activities, as well as promote the sustainable development policies and plans of our parent company SinoPac Holdings, we established the "Sustainable Development Taskforce" in December 2022. The Taskforce is convened by our President and composed of various supervisory managers and other managers designated by the President. The Taskforce works to implement corporate governance, build sustainable environments, maintain public welfare, and strengthen corporate sustainable development information disclosures to fulfill our corporate social responsibilities and achieve sustainable operations. The Sustainable Development Taskforce is responsible for formulating and promoting work targets and plans associated with sustainable development, and has established five teams (Corporate Governance, Customer Relations, Employee Welfare, Environmental Protection, and Social Involvement) to execute Taskforce plans. The Sustainable Development Taskforce convenes every quarter and provides quarterly reports on sustainability performance and plans to the Board. The Sustainable Development Taskforce continues to be attentive of operational risks and opportunities caused by climate change and works to achieve the "mitigate and adapt to climate change" sustainability commitment, action plans, and targets of our parent company.

The Risk Management Division regularly discusses progress on projects related to climate issues and climate risk management, conducts stress tests, monitors proportions of industries with high climate risks, and reports regularly to the Risk Management Committee, the Audit Committee, and the Board. The Risk Management Division is also responsible for quantifying the financial impacts of physical and transition risks, and presenting said financial impacts to senior management so that relevant units can shape response strategies, mitigation and adaptation measures, and metrics and targets. Our Risk Management Division works with the SinoPac Holdings' Risk Management Division to identify climate-related risks and opportunities on an annual basis; assists SinoPac Holdings in identifying important climate-related risks and opportunities as well as mitigation and adaptation measures; identifying, measuring, monitoring, and reporting climate risks, and making regular reports and disclosures.



Our parent company SinoPac Holdings became a TCFD supporter in 2021, joined the Partnership for Carbon Accounting Financials (PCAF) in 2023 to align with global GHG accounting & reporting standards, and officially became a Taskforce on Nature-Related Financial Disclosures (TNFD) Forum member and Adopter as well as a Partnership for Biodiversity Accounting Financials (PBAF) Supporter in 2025, demonstrating our active response and commitment to climate and nature-related issues.

In alignment with the three major goals approved by the Board of Directors of our parent company, SinoPac Holdings, in 2022—achieving net-zero emissions from our own operations by 2030, and net-zero emissions across our entire asset portfolio by 2050—our bank adheres to the guiding principles of being Impactful and Sustainable. We actively support green finance initiatives and the development of national green energy. In response to the risks and opportunities brought by climate change, we adopt a three-step approach: starting with our own operations, leveraging financial instruments, and utilizing market forces to lead the transformation of energy, industry, and lifestyle. For a summary of our ambitions, actions, and accountability across various dimensions, please refer to the appendix of this report: TPT Transition Plan Comparison Table.

Bank SinoPac is a rock member of the Business Council for Sustainable Development Taiwan (BCSD Taiwan) and supports BCSD's efforts in promoting various international sustainability initiatives. We were also an initiating member of both the "Taiwan Sustainable Finance Initiatives Network" and the "Taiwan Nature Positive Initiative," which were respectively launched in 2021 and 2022. In recent years, natural capital and biodiversity have become highly relevant sustainability issues that are closely intertwined with climate change, and are crucial elements in achieving our 2050 net zero target. Bank SinoPac collaborates with SinoPac Holdings in using practical actions to demonstrate emphasis and commitment toward these issues, proactively supporting prospective concepts and discussions that benefit sustainability promotions and sustainable industrial transformations. We also work with BCSD in expanding our sustainability influence, for example by releasing "Industrial Net Zero Transformation Strategy Recommendations: Corporate Perspective" in 2022 and by supporting the Chinese version of "Connecting Finance and Natural Capital" in 2023. In 2024, we selected energy, building, and textile materials industries with key climate and nature impacts, and invited academic and industry experts to jointly discuss and explore possible action pathways and corresponding tasks and measures for these three industries in the face of climate, net zero, and nature challenges; these discussions were compiled to create the "Positive Industry Climate and Nature Actions Guidelines" to identify positive climate and nature solutions. In 2025, the Company participated in the development of the Global Circular Protocol (GCP), jointly launched by the World Business Council for Sustainable Development (WBCSD) and One Planet Network (OPN). Focusing on the electronics, textile, and chemical industries, the initiative involved stakeholder engagement and practical stocktaking. The Company consolidated excerpts from the GCP and the results of industry engagement into the perspective report "Towards a Global Circular Vision: The GCP Framework and Taiwan's Pathway for Industrial Circular Practices." Through a globally consistent and measurable circularity framework, the report aims to help enterprises accelerate their transformation toward a more resilient future with sustainable value.

Unit	Chair	Composition	Meeting Frequency	Related Responsibilities
Board of Directors	Chairman	6 directors and 3 independent directors	Convenes once a month, with sustainability and climate issues discussed at least once every quarter	The highest governance unit for climate change issues
Audit Committee	Committee members elect a convener and meeting chair amongst themselves	3 independent directors	Convenes at least once every quarter and may convene at any time as needed	Supervises and manages existing and potential risks
Risk Management Committee	Chairman	Bank SinoPac's Chairman serves as the Committee convener and chair; Committee members include 2 directors (one of whom is the SinoPac Holdings chairman), 1 independent director, the SinoPac Holdings Risk Management Division director, and the Bank SinoPac Risk Management Division director	Convenes at least once every quarter	Implements major Board decisions and other matters related to climate risk management, establishes corresponding supervision and reporting mechanisms, and monitors climate risk management operations
Sustainable Development Taskforce	President	Supervisory managers and managers designated by the President	Convenes at least once every quarter	Established five teams (Corporate Governance, Customer Relations, Employee Welfare, Environmental Protection, and Social Involvement), continues to be attentive of operational impacts from climate change risks and opportunities, and works to achieve the "mitigate and adapt to climate change" sustainability commitment, action plans, and targets of parent company SinoPac Holdings

1.2 Board of Directors Responsibilities

1.2.1 Board Governance Structure

Bank SinoPac adheres to the governance structures and management processes for "climate change risks and opportunities" adopted by SinoPac Holdings, and conducts annual identification procedures for climate change risks and opportunities in accordance with the sustainable development plans formulated by SinoPac Holdings to identify the climate-related risks and opportunities that impact operations and business. The Board considers overall operational strategies and business environments; approves risk management policies, major decisions, and risk appetite related to climate issues; and is responsible for the ultimate supervision and management of climate-related issues. To fully understand the impacts of climate risks on our operations, Bank SinoPac aligned with the SinoPac Holdings Board in hiring external consultants to aid establishment of climate governance frameworks, promoted sustainable developments, and studied climate issues to facilitate management and implementation of corporate sustainability matters and climate issues.

The 12th Board of Directors at Bank SinoPac is composed of 9 directors, including 3 independent directors, 1 director concurrently serving as a manager (Director Eric Chuang serves as the President of Bank SinoPac), 2 directors concurrently serving as SinoPac Holdings managers (Director Stanley Chu serves as the President of SinoPac Holdings and Director; Kerry Hsu serves as the Chief Financial Officer, spokesperson, and Financial Management Division director of SinoPac Holdings), and 3 directors who do not concurrently serve as managers, one of whom is Director Shi-Kuan Chen, the chairman of SinoPac Holdings, who also serves as an executive supervisor of the Taiwan Business Council for Sustainable Development, and leads Bank SinoPac in continuing to focus on climate change and environmental sustainability issues.

1.2.2 External Consultants

Since 2022, Bank SinoPac has coordinated with SinoPac Holdings to engage external consultants in providing TCFD consulting services, assessing the financial impacts of physical and transition risks, developing climate risk heatmaps, enhancing climate risk management systems, and delivering TCFD training. Bank SinoPac also worked with external consultants hired by SinoPac Holdings to conduct GHG measurement of investment and financing portfolios, set SBTs, and support SBTi verifications. The SBTs established by SinoPac Holdings were verified in January 2024. Please refer to the SinoPac Holdings corporate website for more information.

In addition, in response to the FSC's publication of the "Roadmap for Taiwan's Alignment with the IFRS Sustainability Disclosure Standards," Bank SinoPac has engaged external consultants since 2026 to provide advisory services on IFRS Sustainability Disclosure Standard S2, Climate-related Disclosures, thereby ensuring compliance with the requirements of the competent authority.

1.2.3 Board of Directors Education and Training

To strengthen supervision of implementations related to corporate sustainability and management of climate issues at Bank SinoPac, our directors attended classes themed around climate- and nature-related issues. In total, our directors completed 184.5 hours of training in 2025, including 56 hours of training related to climate or sustainability issues. The training covered topics including sustainable transition, circular industries, carbon pricing, green finance, TCFD, TNFD and nature-related financial and biodiversity issues, green power trading, net-zero strategies and low-carbon governance, and leveraging financial power to strengthen natural capital. For details on director training in 2025, please refer to Bank SinoPac's 2025 Annual Report and official website.

Climate-Related Education and Training for Directors

Participating Directors	Course Title	Course Syllabus	Hours
Wei-Thyr TSAO, Shi-Kuan CHEN, Stanley CHU, Wen-ling MA, Eric CHUANG, Kerry HSU	The Road to Sustainable Transformation: Redefining Global ESG and Market Trends	1. From the Global Risks Report: Imminent Environmental and Social Crises 2. Confronting the Financial Impacts of an Unequal World 3. The ESG Transition Funding Gap and Emerging Opportunities 4. The "Trump Effect" on ESG: Decoding the Anti ESG Backlash in the United States 5. From Green Finance to Transition Finance: Evolving Demands and Expectations	3
Shi-Kuan CHEN, Stanley CHU, Kerry HSU, Dan-Ton HO, Wen-ling MA	Toward a Global Circular Vision: The GCP Framework and Taiwan's Path to Industrial Circular Practices	1. The Global Circularity Protocol: Business Impact Analysis 2. Sustainability Vision and the Realization of Circular Value 3. Proactive Actions Toward Circular Practices	3
Wei-Thyr TSAO	Domestic and International Trends in the Development of Carbon Pricing Mechanisms	1. The Context and Key Issues of Net-Zero Emissions 2. Core Concepts and Practical Applications of Carbon Pricing 3. International and Domestic Progress of Four Carbon Pricing Instruments: Emissions Trading Systems (ETS), Carbon Credit Mechanisms, Carbon Taxes and Environmental Fees, Internal Carbon Pricing	3
	Offshore Wind Power and Green Finance: Practical Insights and Experience Sharing	1. Implications of Not Signing the Phase 3-2 Zonal Development Administrative Contract 2. Capacity Allocation under Phase 3-3 Offshore Wind Zonal Development 3. Power Sales Between Electricity Retailers 4. Reserve Power Supply Capacity 5. Offshore Wind Zonal Development: Pause, Observe, and Listen—Policy Review and Outlook 6. CIP as a Green Energy Practitioner: Rising to the Challenge—Fengmiao Offshore Wind Farm Leading Phase 3-1 Zonal Development Projects 7. Taiwan's 2050 Net-Zero Emissions Goal (Key Strategy 2 – Hydrogen Energy): The Most Promising "Leapfrog" Decarbonization Opportunity 8. CIP's Insurance Strategy: Enabling Sustainable Development of Renewable Energy	3

Participating Directors	Course Title	Course Syllabus	Hours
Yi-Chia HO	The New Role of Corporations in Environmental Economics: TCFD/TNFD and Biodiversity Related Nature Related Financial Disclosures	1. Current Landscape: Status and Trends in Natural Capital Management 2. Frameworks: Introduction to and Comparison of TCFD and TNFD—What to Disclose and How to Disclose 3. Case Studies: Corporate Disclosure Practices and Applications 4. Future: The New Role in Environmental Economics—Enabling Decision-Making, Risk Pricing, and Sustainable Governance	3
Chih-Cheng SU	Sustainability Policies for Enterprises: Taiwan's Green Power Trading Mechanisms and Procurement Practices	1. Recent Developments in Global and Taiwan's Electricity Markets 2. Development of Taiwan's Renewable Energy Market 3. Current Status of Taiwan's Green Power Trading Market 4. Overview of Energy Storage Applications in the Global Power Sector 5. Overview of Energy Storage Development in Taiwan's Power Sector 6. Carbon Fees and Renewable Energy	3
	Net Zero Strategies and Low Carbon Governance Under the Climate Emergency	1. Global Climate Risks and Challenges 2. The Imperative of Achieving Global Net-Zero by 2050 3. Corporate Low-Carbon Governance Mindset 4. Corporate Net-Zero Strategies and Action Recommendations	3
Wen-ling MA	Forum on Strengthening Natural Capital through Financial Power	1. International Trends in Nature-Related Initiatives and Actions in the Financial Industry 2. Nature Strategies and Practical Actions in the Financial Sector 3. Financial Power Driving Positive Growth of Natural Capital	2
	The 21st (2025) International Corporate Governance Summit: The Role of the Board of Directors in Shaping Corporate Strategy amid Global Environmental Transformation	1. The Corporate Governance Landscape amid Disruptive Change and Future Challenges 2. Unlocking the Strategic Value of the Board of Directors amid Major Geopolitical and Economic Shifts 3. Artificial Intelligence and Corporate Governance 4. Generative AI: A Judge's Perspective 5. Strengthening the Board's Role in AI Governance and Risk Management	6

1.3 Senior Management Responsibilities

1.3.1 Senior Management Governance Structure

The Chairman and the President follow the SinoPac Holdings "Sustainable Development Committee" in executing climate strategies as well as in planning and establishing institutions. Bank SinoPac has adjusted internal documents and regulations to integrate climate risk factors into Bank business and operations. The President approved the "Guidelines for the Management of Climate-Related Risks and Opportunities," which references the four core TCFD aspects and other external regulations such as the "Guidelines for Financial Disclosures Related to Climate Risks by Domestic Banks," the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," and the SinoPac Holdings "Directives for the Management of Climate and Nature-related Risks and Opportunities," enabling Bank SinoPac to properly assess current and future potential impacts from climate-related risks and opportunities through establishment of regulations related to corporate governance, development of sustainable environments, and maintenance of social benefits.

1.3.2 Senior Management Performance Linked to Sustainability-Related Indicators

Bank SinoPac adheres to the senior executive performance management system approved by the SinoPac Holdings Board of Directors, which includes short-term (current year) performance targets and medium- and long-term (next three years) performance targets. Performance results are linked to individual rewards and remuneration. SinoPac Holdings has established the “Long-Term Incentive and Remuneration Program” for the Presidents and Vice Presidents (senior executives) of SinoPac Holdings and associated subsidiaries. The sustainability indicator holds a weight of 15% and has been included in the assessment targets for 2025–2027 to encourage the promotion of medium- and long-term sustainability actions.

Each year, Bank SinoPac conducts performance management procedures for all employees, and performance results are linked to individual remuneration through the following mechanisms: sustainability indicators account for at least 5–10% of the annual performance targets for the President of Bank SinoPac and departmental KPI scores in 2025. All departments formulate plans for related indicators, which are incorporated into annual performance targets for first-level managers in each department and linked to variable bonuses for the year. Relevant performance targets are continually optimized in response to stakeholder expectations and to exert our financial influence. (Please refer to Section 5.3 Performance and Remuneration Systems for information on climate performance indicators.)

1.3.3 Senior Management Education and Training

Our executive managers completed 3,625 hours of training, of which 488 hours were related to climate issues, including a series of courses on sustainable finance trends, net zero transformations in practice, and corporate social responsibilities.

Sustainable finance trends	Net zero transformations in practice	Corporate social responsibilities
The Path to Sustainable Transformation: Reshaping the Global ESG Landscape and Market Dynamics	Circular Transition and Business Impacts	Sustainability I DO Commitment
Toward a Global Circular Vision: The GCP Framework and Taiwan’s Path to Industrial Circular Practices	Offshore Wind Power and Green Finance: Practical Insights and Experience Sharing	SinoPac Talks Sustainability
		Sustainability EASY TALK: A Conversation with the President
		Sustainability EASY TALK: A Conversation with the Chairperson

Strategy

Our identification processes for climate risks and opportunities carefully examine corporate impacts from climate-related transition risks and physical risks, as well as existing risks in the financial sector. Additionally, climate scenario analysis results enable us to examine the impacts of climate risks and propose corresponding mitigation and adaptation measures. The table below illustrates the transmission pathways of climate-related risks.

Climate risks	Transmission pathways of impact factors	Value chain analysis	Existing risks in financial sector
Physical risks • Acute risks • Chronic risks	• Increased frequency and severity of typhoons, heavy rainfall, and other extreme weather events • Increased frequency and severity of droughts, water shortages, and other extreme weather events • Bank liquidity issues caused by extreme climate events • Rising global sea levels may flood some low-lying areas and damage properties • Higher average temperatures drive up AC-related energy and water use, increasing operating costs.	Upstream： • Supplier locations Downstream： • Loan collateral • Factory locations of investees and borrowers Locations of own operations Real estate for self use	Credit risks Market risks Operational risks Other risks (such as liquidity risks, reputation risks, legal risks)
Transition risks • Policy and regulatory risks • Technology risks • Market risks • Reputation risks	• Economic changes caused by climate change regulations and policies • Tightening policies or regulations on carbon pricing, carbon taxes/emissions, carbon reduction targets, and reporting obligations • Impacts on future corporate developments from technological advances or emerging technologies • Changes in customer behaviors • Reduced stability in power supplies due to changes in energy structures • Increases in raw material prices • Increased stakeholder concern toward climate change issues	Upstream： • Costs transferred from suppliers Downstream： • investees and borrowers Operational net zero	

2.1 Climate and Nature-Related Risks and Opportunities

Climate change and losses in natural capital have significant impacts on corporate and social environments. In order to monitor the specific impacts of climate change and natural risks as well as strengthen responses to climate and nature-related issues, the Bank follows SinoPac Holdings in conducting climate and nature-related risk and opportunity identification. Based on the annual assessment templates provided by the Risk Management Division of SinoPac Holdings, , and references climate and nature-related regulations and reports released by domestic and foreign institutes. The risk management units of all subsidiaries are responsible for identifying climate-related risks and opportunities.

2.1.1 Process for Identifying Risks and Opportunities

Climate and Nature-related Risks and Opportunities Identification of SinoPac Holdings

STEP 1	STEP 2	STEP 3	STEP 4
Identification of risks /opportunities	Risk /opportunity assessment and measurement	Responses to risks /opportunities (mitigation or adaptation measures/response strategies)	Reporting
SinoPac Holdings activates climate and nature-related risk/opportunity identification procedures	Bank SinoPac and its subsidiaries assess climate and nature-related risks/opportunities	Identify group-level climate and nature-related risks/opportunities and mitigation or adaptation measures	Report climate and nature-related risks/opportunities
• Use TCFD recommendations, TNFD guidelines, International Financial Reporting Standard S2 Climate-related Disclosures (hereinafter referred to as “IFRS S2”), and sustainability reports of benchmark companies for identification, assessment, and management of climate and nature-related risks and opportunities. • The Risk Management Division of SinoPac Holdings reminds Bank SinoPac and other subsidiaries to assess climate and nature-related risks and opportunities each year.	• Bank SinoPac units use qualitative or quantitative methods to rank and define material climate and nature-related risks based on the likelihoods of occurrence and extents of impacts from risks and opportunities. • Assess possible impacts on operations, strategies, and business developments to formulate mitigation and adaptation measures for risks and opportunities. • The Risk Management Division of Bank SinoPac submits identified climate and nature-related risks and opportunities to the Risk Management Division of SinoPac Holdings.	• The Risk Management Division of SinoPac Holdings compiles assessment results for climate and nature-related risks/opportunities of Bank SinoPac and other subsidiaries, and considers the extents of impacts to identify group-level climate and nature-related risks/opportunities. • Bank SinoPac reviews feedback from the Risk Management Division of SinoPac Holdings to verify group-level climate and nature-related risks/opportunities. • The Risk Management Division of SinoPac Holdings prepares mitigation or adaptation measures/response strategies for group-level climate and nature-related risks/opportunities.	• The Risk Management Division of Bank SinoPac compiles identified results, mitigation measures, and adaptation measures for submission to the Risk Management Division of SinoPac Holdings, the Risk Management Committee of Bank SinoPac, and Bank SinoPac's Board of Directors. • The Risk Management Division of SinoPac Holdings discloses the identified climate and nature-related risks/opportunities and mitigation or adaptation measures/response strategies in annual sustainability reports or climate and nature-related financial disclosures reports following approval.

Bank SinoPac assesses emerging risks each year, and generates risk factor lists and assessment tables for emerging risks by adhering to the SinoPac Holdings "Emerging Risk Management Directives," referencing the Global Risks Report released by the World Economic Forum, and considering overall environmental changes.

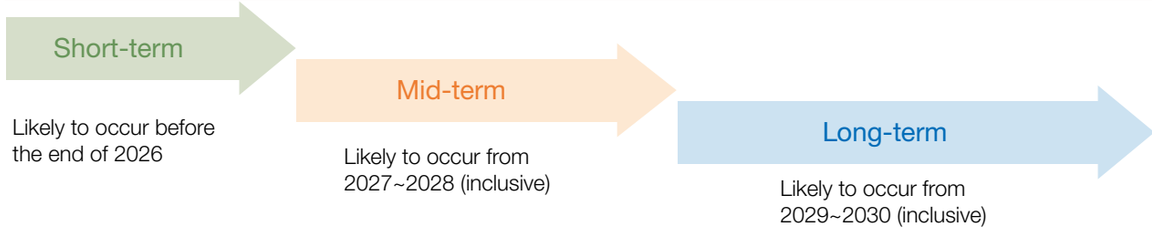
To establish an integrated risk management framework, we included "emerging risks" and "climate risks" in our "Risk Management Measures" and formulated "Guidelines for the Management of Climate-Related Risks and Opportunities" to evaluate current and future impacts from climate risks and opportunities, and to set mitigation and adaptation actions in response to climate change. Additionally, we formulated the "Directives for Response to Emergency Event" and established emergency notification procedures and response handling guidelines to strengthen emergency response capabilities to natural disasters and other major emergencies.

Aligned with the risk and opportunity identification process of SinoPac Holdings, Bank SinoPac maintained its existing approach to identifying climate- and nature-related risks and opportunities this year. We comprehensively consider “timelines of occurrence,” “likelihoods of occurrence,” and “extents of impact” for compiled climate and nature-related risks and opportunities, and use “likelihood of occurrence” and “extent of impact” scores as the basis for ranking the materiality of risks and opportunities. From this assessment, we select risk and opportunity issues located in the first quadrant—those with both high likelihoods of occurrence and high extents of impact—and identify their potential operational and financial impacts on different sections of our value chain (suppliers, own operations, and investment and financing businesses), possible timelines of occurrence, and links with existing risks in the financial industry (such as credit risks, market risks, and operational risks), to serve as a reference for formulating mitigation and adaptation strategies as well as for risk management.

In assessing the risks and opportunities for this year, and following a review of the assessment topics from the previous year, we have consolidated the climate transition risks related to carbon pricing and carbon reduction strategies; additionally, we have grouped climate-related physical risks into categories based on their acuteness and chronic natures, including various types of natural disasters. Regarding climate opportunities, considering that climate engagement activities can support the promotion of business related to green financial products and services, these have been consolidated into the “Products and Services” category for an integrated assessment.

Note "likelihood of occurrence" and "extent of impact" were assessed using 5 levels, with 1 being the lowest and 5 being the highest. For "extent of impact," we referenced Article 2 of Bank SinoPac's "Directives for Response to Emergency Event" and set the maximum extent of impact for major unexpected incidents at expected losses of US$10 million (approximately NT$300 million).

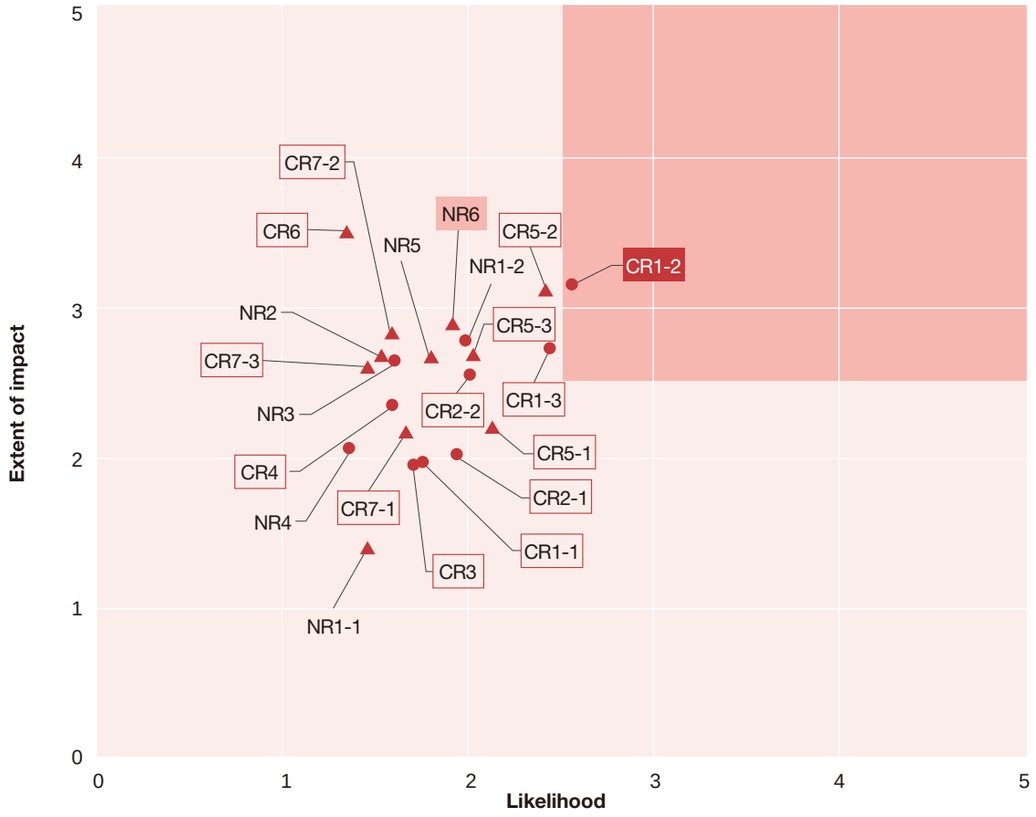
Climate and Nature Risks and Opportunities-Timelines



2.1.2 Identified Climate and Nature Risks

Compiled risk items were divided by risk categories (physical risks and transition risks) and we comprehensively assessed likelihood of occurrence and extents of impacts to determine the risks with relatively significant impacts on the different sections of Bank SinoPac's value chain (suppliers, operations, and investment and financing businesses), which are listed as follows:

Climate and Nature Risk Matrix



● Transition risks: Policy and Legal Risks, Technology Risks, Market Risks, Reputation Risks

▲ Physical risks: Acute Risks, Chronic Risks

Risk Category	Climate/ Nature Related Risk Category	Item Code	Climate/ Nature Related Risk Issue	Risk Description Code	Risk Description
Transition risks	Policy and Legal	CR1	Economic changes resulting from regulatory and policy developments related to carbon pricing, decarbonization strategies, or climate related disclosures	CR1-1	Tightening policies or regulations related to greenhouse gas reductions, energy conservation, power consumption, or other environmental efficiency and energy efficiency issues may cause increases in operational costs or penalties from failure to comply with related laws.
				CR1-2	Regulatory requirements, carbon fees or carbon tax policies, or decarbonization and net zero policies affecting high carbon emitting industries or enterprises may increase financial pressure or default risks for lending and investment counterparties, thereby affecting the Company's creditor positions or investment returns.
				CR1-3	To achieve decarbonization targets (such as net zero commitments, science based targets (SBTs), and decarbonization statements), or to comply with reporting obligations (such as climate related information, carbon emissions data, and IFRS sustainability disclosure standards), adjustments to operational plans or business strategies may be required, resulting in increased operating costs, higher compliance costs, or elevated risks of regulatory penalties for the Company.
Transition risks	Technology	CR2	Impacts on future corporate developments from technological advances or emerging technologies	CR2-1	Failure to successfully develop financial technologies and utilize digital financial services in leading paper-free functions and carbon-reducing green monetary flows may reduce customer willingness to interact with the Bank and affect our revenues.
				CR2-2	Risks arising from unsuccessful low carbon technology development or investment affecting counterparties' operations and financial performance may potentially impact on the Bank's credit and investment returns.

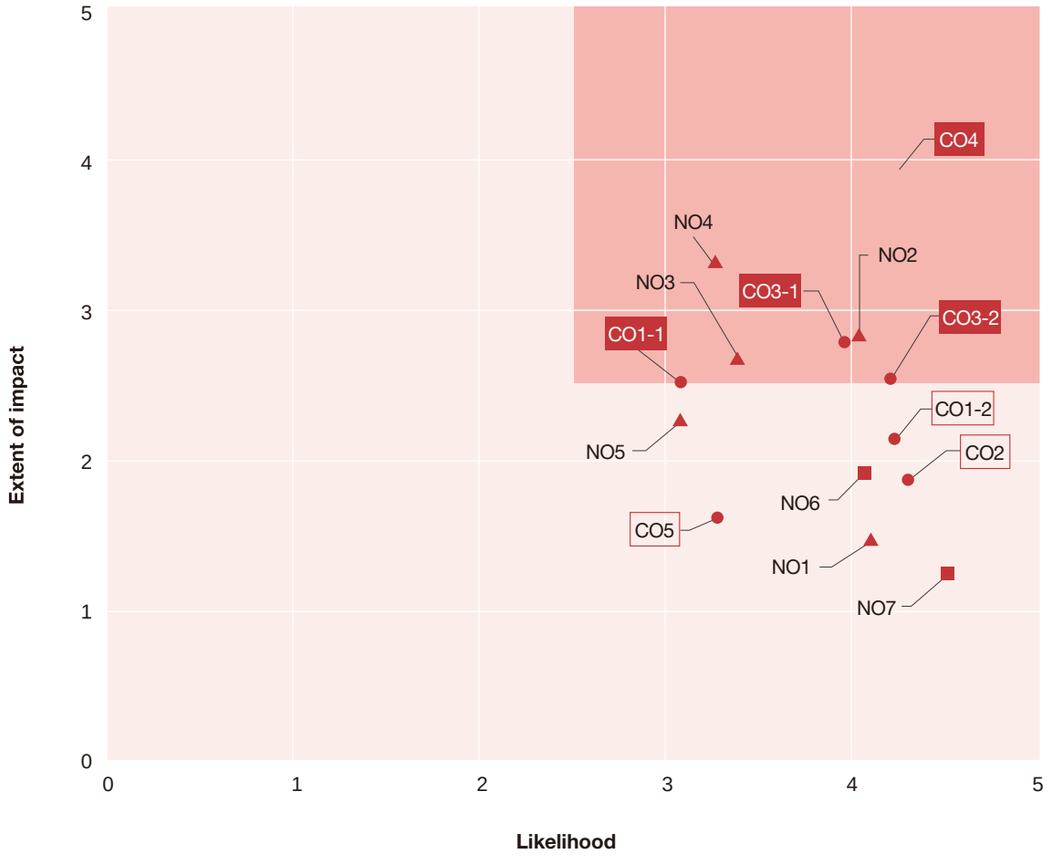
Risk Category	Climate/ Nature Related Risk Category	Item Code	Climate/ Nature Related Risk Issue	Risk Description Code	Risk Description
Transition risks	Market	CR3	Changes in customer behavior	CR3	As demand for corporate low carbon transformation and green finance increases, failure to timely introduce related products or services may result in reduced market competitiveness, leading to business and customer loss and declining revenues.
Transition risks	Reputation	CR4	Increased stakeholder concern toward climate change issues	CR4	During responses to climate issues of concern to stakeholders, failure to actively engage in such issues, provide green products, or achieve effective decarbonization outcomes may result in reputational damage, leading to business and customer loss, declining revenues, or loss of investor confidence.
Physical risks	Acute	CR5	Increased frequency and severity of heavy rainfall, slope disasters, droughts, and other extreme weather events	CR5-1	Extreme weather events (such as heavy rainfall, landslides, and droughts) may cause damage to the Company's operating facilities, equipment, or data centers, resulting in business interruptions, loss of critical data, or personnel casualties.
				CR5-2	Extreme weather events (such as heavy rainfall and landslides) may cause a decline in the value of collateral for credit facilities, thereby affecting the Company's creditor interests.
				CR5-3	Extreme weather events (such as heavy rainfall, landslides, and droughts) may cause damage to the headquarters, operating sites, plants, or assets of investee and financing enterprises, or result in business interruptions, thereby affecting the Company's creditor positions or investment returns.

Risk Category	Climate/ Nature Related Risk Category	Item Code	Climate/ Nature Related Risk Issue	Risk Description Code	Risk Description
Physical risks	Acute	CR6	Bank liquidity issues caused by extreme weather events	CR6	Extreme weather events causing severe damage may lead enterprises or residents to rapidly and significantly increase bank withdrawals to meet disaster recovery funding needs, resulting in liquidity pressure on banks and the materialization of liquidity risks.
events	Chronic	CR7	Extreme changes in long term climate patterns, such as sea level rise and increasing average temperatures	CR7-1	Extreme changes in long term climate patterns (such as sea level rise) may cause damage to the Company's operating facilities, equipment, or data centers, resulting in business interruptions, loss of critical data, or personnel casualties; or rising average temperatures may increase electricity and water consumption for air conditioning, leading to higher operating costs.
				CR7-2	Extreme changes in long term climate patterns (such as sea level rise) may cause a decline in the value of collateral for credit facilities, thereby affecting the Company's creditor interests.
				CR7-3	Extreme changes in long term climate patterns (such as sea level rise and rising average temperatures) may cause damage to the headquarters, operating sites, plants, or assets of investee and financing enterprises, thereby affecting the Company's creditor positions or investment returns.

Risk Category	Climate/ Nature Related Risk Category	Item Code	Climate/ Nature Related Risk Issue	Risk Description Code	Risk Description
Transition risks	Policy and Legal	NR1	Changes in nature-related regulations or policies which increase compliance costs	NR1-1	Operational sites located near or in ecological protection areas due to regulatory changes may need to adopt management measures or relocate, leading to costs increase.
				NR1-2	Tightening regulations or policies requiring corporations to adopt related management measures leads to compliance costs (such as for environmental impact assessments and nature conservation measures) increase, resulting in decreased income or increased litigation risks and fines, then impacting investee and borrower profitability.
Transition risks	Technology	NR2	Increased costs from developing eco-friendly new technologies	NR2	Development of new technologies and equipment to mitigate damages caused to nature increase investee and borrower R&D expenditures and operational costs to increase, affecting profitability, and further impacting debt recovery and investment returns.
Transition risks	Market	NR3	Changes in consumer preferences or increased prices for natural resources or raw materials	NR3	Consumers may change their preferences for products or services due to interest in nature-related issues, and scarcity of natural resources may increase raw material prices and operational costs, resulting in declining demand for investee and borrower products and services and further reducing revenues while increasing costs for substitute products/ services.
Transition risks	Reputation	NR4	Increased stakeholder concern toward nature-related issues	NR4	Impacts on natural environments from our own or investee and borrower operational activities, failure to provide nature-related products, and lack of active involvement in nature-related issues of stakeholder concern may damage our corporate image and affect market capitalization.
Physical risks	Acute	NR5	Specific events that occur over the short term may change natural conditions. Such events may include oil leaks, forest fires, or harvest damages caused by pests.	NR5	Water resource pollution, water flow changes, wildfires, pests, and other natural events may impact corporations that rely heavily on water resources or other natural resources, and corporate operational activities may damage natural environment systems due to overexploitation of resources, oil leaks, or forest fires.
Physical risks	Chronic	NR6	Changes in rainfall patterns may affect water resource sufficiency and stability	NR6	Long-term changes in rainfall patterns may affect water resource distributions, increasing operational costs from water consumption for agricultural, food, and semiconductor industries that rely heavily on water resources, decreasing incomes and affecting investee and borrower profitability.

2.1.3 Identified Climate and Nature Opportunities

Climate and Nature Opportunities Matrix



● Opportunity Category: Resource Efficiency, Energy Sources, Products and Services, Resilience, Markets

▲ Business performance: Resource Efficiency, Markets, Reputation Capital, Products and Services, Capital Flows and Financing

■ Sustainability Performance: Ecosystem Protection, Restoration, and Regeneration Sustainable Use of Natural Resources

Opportunity Category	Climate/ Nature Related Opportunity Category	Item Code	Climate/ Nature Related Opportunity Issue	Opportunity Description Code	Opportunity Description
Opportunity	Resource Efficiency	CO1	Enhance efficiency of energy resources	CO1-1	Adopt green building designs and replace energy efficient equipment in offices and self owned buildings to improve energy efficiency, enhance operational decarbonization performance, and reduce operating costs.
				CO1-2	Promote paperless solutions such as digitalized internal processes and online meetings to enhance internal decarbonization performance.
Opportunity	Energy Sources	CO2	Increase proportion of renewable energy used at operational sites	CO2	Increase the use of renewable energy by installing solar power generation systems at self owned buildings or operating sites, generating electricity for self consumption with surplus power sold for non operating income, or obtaining green electricity and renewable energy certificates through power wheeling arrangements.
Opportunity	Products and Services	CO3	Increase green financial products and services	CO3-1	In line with global low carbon and green energy trends and in compliance with government policies and regulations, continue to promote green financial products and services, such as green lending (including retail products like green building mortgages), low carbon and climate related funds, green power trusts, green credit cards, and client engagement to support low carbon transitions to enhance the Company's revenue.
				CO3-2	Continuously optimize digital financial services to improve user convenience and achieve paperless, low carbon benefits. The development of related products and services will also drive increased investment in research and development.

Opportunity Category	Climate/ Nature Related Opportunity Category	Item Code	Climate/ Nature Related Opportunity Issue	Opportunity Description Code	Opportunity Description
Opportunity	Markets	CO4	Increase investment in or underwriting of green financial products to identify related business opportunities in the market.	CO4	Increase investment in or underwriting of green bonds or equities of green related industries to facilitate entry into new markets, capture emerging opportunities in the green and circular economy, and enhance operating income.
Opportunity	Resilience	CO5	Develop adaption capabilities of response to climate change	CO5	Actively participate in government led and international sustainability and climate related initiatives, translating commitments into concrete actions. Positive media coverage arising from such participation may further enhance the Company's overall corporate image.
Business performance	Resource Efficiency	NO1	Enhance resource efficiency of own operations to reduce impacts and reliance on natural environments	NO1	Install low water consumption equipment and water saving devices, or adopt recycled or nature friendly materials through green procurement, in order to reduce impacts on or dependence on natural resources while lowering operating or compliance costs.
Business performance	Products and Services	NO2	Develop or add financial products and services with benefits to nature	NO2	Provide financial solutions that generate positive impacts on nature or reduce negative impacts, including eco friendly services as well as related green products such as green lending and green investments, to increase revenue sources and competitiveness.
Business performance	Markets	NO3	Promote diversity of nature-related financial products	NO3	As attention and engagement by governments, investors, and consumers in nature related issues (including biodiversity and nature positive practices) continue to grow and form emerging markets, actively develop diversified nature related financial products and services to enhance operating income.

Opportunity Category	Climate/ Nature Related Opportunity Category	Item Code	Climate/ Nature Related Opportunity Issue	Opportunity Description Code	Opportunity Description
Business performance	Capital Flows and Financing	NO4	Provide capital to support corporate transformations and to promote nature and green-related investments and financing	NO4	Offer investment and financing instruments, such as loans, bonds, and funds, to address funding needs that enhance positive impacts on nature or mitigate negative impacts on nature, thereby increasing operating income while directing capital toward nature friendly and green activities and industries.
Business performance	Reputation Capital	NO5	Actively participate in and support nature-related activities in accordance with nature-related policies and initiatives	NO5	In alignment with government and international nature related policies and initiatives, actively engage in activities and sustainability assessments related to environmental assets and ecosystem services, generating positive impacts on society and local economic development and further enhancing corporate image and brand value.
Sustainability Performance	Ecosystem Protection, Restoration, and Regeneration	NO6	Support protection, restoration, and regeneration of habitats and ecosystems, as well as other nature and ecological protection activities	NO6	Actively participate in ecological conservation activities, such as direct or indirect restoration, conservation, or protection of ecosystems or habitats, to improve ecosystem health while enhancing resilience to natural disasters.
Sustainability Performance	Sustainable Use of Natural Resources	NO7	Promote transformations in own operations, green procurement, and sustainable management to promote sustainable use of natural resources	NO7	Promote transformation of the Company's own operations, or implement green procurement and supplier sustainability management mechanisms, to facilitate the sustainable use of natural resources, generate positive impacts on nature, and protect natural resources through concrete actions.

2.2 Climate and Nature Strategies and Actions

The parent company SinoPac Holdings approved its net zero targets in 2022, publicly committing to achieving net zero emissions for its own operations by 2030 and net zero emissions across its entire asset portfolio by 2050. To advance this vision, the Company released the Net Zero Commitment Implementation Plan in November 2024. In alignment with the GFANZ Net Zero Transition Planning Guidelines, the Company established a transparent and actionable management framework to integrate climate objectives into business operations and investment and financing strategies, strengthen engagement with high carbon emitting industries, enhance support for transition finance, and work with clients to achieve low carbon transition and advance the vision of sustainable finance.

Regarding climate and nature-related risks and opportunities, the Bank comprehensively considered the impact on operational strategies, potential business, product and financial planning, and the results of scenario analysis to identify the impact timelines, potential financial impact, and relevance to existing risks in the financial industry (such as credit risk, market risk, and operational risk) of each issue, serving as the basis for formulating related countermeasures and risk management measures. The following analysis prioritizes risks and opportunities according to their significance, selecting those in the first quadrant (high likelihood of occurrence and high extent of impact) for further analysis.

During risk and opportunity identification processes, we consider the most likely time intervals for the risks and opportunities associated with each issue, and use these to formulate mitigation and adaptation measures for the short, medium, and long term. As climate change scenarios and international trends evolve, the characteristics of these risks or opportunities may change accordingly. Bank SinoPac continuously tracks and identifies associated impacts during annual identification processes and adjusts formulated strategies based on identification results to respond to changing scenarios and trends.

In 2025, we identified one material climate risk and one material nature related risk, together with their potential impacts and response measures, which are compiled in the table below. In terms of nature related risks, the most material nature risk item determined based on the highest combined assessment score was selected for analysis. To support SinoPac Holdings in ensuring the feasibility and ongoing management of the Net Zero Commitment Implementation Plan and to further strengthen the management of climate and nature risks, the Bank formulated corresponding indicators, risk management measures, and response strategies for identified key risks based on past operational performance of related businesses. Please refer to Section 5.2 Metrics and Targets for more information.

Climate and Nature Related Risk Transmission Pathways							
Risk Category	**Risk Type**	**Code**	**Risk Item Description**	**Value Chain**	**Impact Aspects**	**Risk Linkages**	**Possible Time of Occurrence**
Transition risk	Policy and legal	CR1-2	Economic changes resulting from regulatory and policy developments related to carbon pricing, decarbonization strategies, or climate related disclosures may increase financial pressure or default risks for lending and investment counterparties in high carbon emitting industries or enterprises, thereby affecting the Company's creditor positions or investment returns.	Lending and Investment Counterparties	• Own Operations Risk • Credit Business • Investment and Underwriting Business	• Credit Risk • Market Risk	Long-term

Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	**Expected**
1. Impact of carbon regulations and net zero policies on corporate operations and repayment capacity. Net zero policies and carbon related regulations in various jurisdictions, including carbon fees, carbon taxes, carbon border measures, and CBAM, may increase operating costs. Failure to adjust strategies in a timely manner may result in loss of orders, reduced profitability, weakened repayment capacity, or even default. **2. Financial pressure on high carbon emitting, high pollution, and high climate risk industries** Industries with high carbon emissions or heavy reliance on fossil fuels, such as construction, conventional power generation, aluminum, cement, chemicals, petrochemicals, steel, paper manufacturing, and transportation, may face rising operating costs and declining profitability due to higher carbon prices, energy regulations, and international carbon border measures, resulting in difficulties in debt recovery or reduced investment returns. **3. Impacts on bank credit risk and capital adequacy** Banks are required to conduct carbon cost analysis in accordance with Domestic Banks' Climate-Related Risk Management Practice Handbook and international scenarios such as NGFS and IEA to estimate incremental losses in credit, bond, and equity investment exposures. Analysis results indicate that the impact of high carbon emitting industries on the Bank's capital adequacy ratio is assessed as low under various scenarios.	**I. Financing and Investment Strategies and Exit from High Carbon Activities** • In accordance with "Directives for Responsible Lending": 1. Pre lending assessments are conducted to review borrowers, use of funds, and fund flows. Prohibited lists are established for controversial industries, enterprises, or economic activities related to stranded assets such as thermal coal and unconventional oil and gas, as well as high carbon emitting industries. Financing activities without credible transition actions are gradually exited. In principle, no new project finance is undertaken and existing projects are not renewed upon maturity. 2. Post lending management is strengthened through periodic reviews and early warning mechanisms to monitor whether borrowers fulfill environmental protection, business integrity, and social responsibility obligations. If ESG risk signals or abnormal fund usage are identified, cases are reported in accordance with internal procedures and necessary measures are taken. • Large scale project finance is assessed under the Equator Principles framework for environmental and social impacts, and credible external databases are adopted to support objective assessment of transition related risks by business and credit review teams. • In accordance with "Directives for Responsible Investment", new investments in high carbon emitting industries are discontinued and related exposures and risks are gradually reduced. ESG risk levels of issuers are incorporated into investment decision making to ensure alignment with international standards and transparency. The responsible investment assessment process is continuously optimized by including annual greenhouse gas emissions to strengthen investment risk management. • Bank SinoPac (China) Ltd. has revised internal policies on "Guidelines for Credit Risk Management of Investment Securities and Guidelines for Green Credit Granting" to incorporate decarbonization statements, set concentration limits for high carbon emitting industries, and discontinue investment and financing activities related to thermal coal mining and power generation, as well as unconventional oil and gas, with strict controls and phased exit arrangements. **II. Industry Monitoring and Corporate Transition Support** • Continuously monitor the development and profitability of high carbon emitting industries and prepare industry analysis reports. In alignment with SinoPac Holdings' target of achieving net zero emissions across the full asset portfolio by 2050 and related decarbonization commitments, gradually reduce carbon intensity across investment and financing portfolios to mitigate risks. • Apply the Equator Principles framework for environmental and social impact assessments in large scale project finance and adopt credible external databases to support objective evaluation of transition risks.assessments in large scale project finance and adopt credible external databases to support objective evaluation of transition risks. • Support the transition of credit counterparties by assisting high carbon emitting enterprises in developing renewable energy businesses, upgrading industries, and adjusting operating strategies and risk allocations. Provide guidance for short, medium, and long term transition planning. In accordance with "Taiwan Sustainable Taxonomy (Version 2.0)"," Suggested Elements for Transition Plans", and "Reference Guidelines for Transition Lending Review" expand the scope and screening criteria for sustainable economic activities and provide reference directions for corporate transition planning and credit review. • Closely monitor Taiwan's 2050 net zero emissions policy and adjust business objectives and strategies in a timely manner.	1. Continuously reduce investment and financing exposure to high pollution and high carbon energy industries to mitigate risks associated with high carbon sectors, while closely monitoring low carbon transition strategies and risk response measures of high carbon emitting industries and clients of concern. Strengthen engagement with clients on decarbonization actions, including small and medium enterprises. 2. Through post lending management and annual reviews, continuously monitor industry development trends and historical profitability, prepare industry analysis reports, and annually assess the appropriateness of maintaining credit limits. 3. Continuously monitor new decarbonization regulations, carbon fee and carbon tax policies, and Taiwan's 2050 net zero emissions policy, assess their impacts on costs and expenses of credit clients, and adjust business objectives and strategies in a timely manner. 4. Support credit clients in developing renewable energy businesses and industrial upgrading, and assist high carbon emitting enterprises in formulating short, medium, and long term transition plans and strategies during the transition period, in order to avoid cascading risks arising from policy or market changes. 5. Subsidiaries are also required to closely monitor the impacts of regulatory requirements, carbon fee and carbon tax policies, and decarbonization and net zero policies on high carbon emitting industries or enterprises, as well as corresponding risk response measures.

Climate and Nature Related Risk Transmission Pathways							
Risk Category	**Risk Type**	**Code**	**Risk Item Description**	**Value Chain**	**Impact Aspects**	**Risk Linkages**	**Possible Time of Occurrence**
Physical Risk	Chronic	NR6	Changes in precipitation patterns may affect the availability and stability of water resources. Long term changes in precipitation patterns may alter water resource distribution, increase operating water costs for water intensive industries such as agriculture, food processing, and semiconductors, lead to revenue declines, and thereby affect the profitability of lending and investment counterparties	Lending and Investment Counterparties	• Credit Business • Investment and Underwriting Business	• Credit Risk • Market Risk • Other Risks (Operational Risk)	Long-term

Analysis of Impacts on Operational Strategies, Potential Businesses/Products, and Financial Plans	**Mitigation or Adaptation Measures/Response Strategies**	
	Current	**Expected**
1. If the operating sites, plants, or assets of lending or investment counterparties are affected by unequal water resource distribution, their business operations or production may be disrupted, adversely impacting their financial conditions and profitability, thereby resulting in reduced investment returns or difficulties in recovering the Company's creditor positions. 2. Global warming may lead to changes in precipitation patterns, making water resource management more challenging. For industries with high dependence on water resources, increased water related costs may be incurred, which may further affect production schedules and repayment capacity.	1. The Bank has collected, identified, and assessed drivers including water usage and water pollution to identify lending and investment counterparties with high levels of water resource sensitivity. 2. At present, the ESG risk levels of issuers are incorporated into pre investment assessments, and related frameworks and disclosures generally align with international standards and demonstrate transparency. 3. Subsidiaries focus on short term nature related events and assess the degree of dependence of lending and investment clients on natural resources.	1. The Bank continues to enhance nature risk identification processes by comprehensively assessing the degree of impact on operations and production processes across various industries. The results serve as a basis for future adaptation and mitigation planning, including potential future engagement with clients in developing reclaimed water, seawater desalination, and water saving technology investments. 2. The Bank has established the "Responsible Investment Management Directives" and related policies, under which ESG considerations are incorporated into capital deployment as guiding principles for promoting and implementing responsible investment. For industries or enterprises characterized by high pollution or high energy and water consumption, investment units conduct post investment management at least annually to identify potential ESG risk signals of investment targets. 3. Subsidiaries focus on short term nature related events and monitor the degree of dependence of lending and investment clients on natural resources.

In 2025, four material climate opportunities and three material nature related opportunities, together with their potential strategies and management measures, are summarized in the table below. To further capture climate and nature related opportunities, the Bank formulated opportunity development strategies based on past operational performance of relevant businesses, and established corresponding management measures and response strategies for identified key climate and nature opportunities. Please refer to Section 5.2 Metrics and Targets for more information.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Opportunity	Resource Efficiency	CO1-1	Improvement of energy efficiency through the adoption of green building designs and replacement of energy efficient equipment in offices and self owned buildings, enhancing energy use efficiency and operational decarbonization performance while reducing operating costs.	The Company	• Own Operations Risk • Capital Expenditure • Operating Procedures (Operational Risk)	• Reduction of Operating Costs • Improved Resource Efficiency • Enhanced Competitiveness	Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. Implement energy efficiency improvement measures, such as retrofitting existing self owned buildings into green buildings, installing rooftop solar panels, creating rooftop or sky gardens to reduce building temperatures, utilizing large glass curtain walls to enhance natural daylighting, adopting energy efficient lighting systems, and incorporating green building designs in new office buildings, in order to reduce energy costs during the operational stage. 2. Subsidiaries relocate data centers to more energy efficient buildings and procure new energy efficient equipment to improve energy use efficiency and reduce operating costs. Green building designs are also adopted for offices and self owned buildings to further reduce energy consumption and operating expenses.	1. The parent company, SinoPac Holdings, has established the “Environment and Energy Management Policy”, “Environment/Energy Management System Manual”, and “Environment/Energy Management System Procedures”. SinoPac Holdings continues to implement ISO 14001, ISO 14064-1, and ISO 50001 energy management systems and has obtained certification issued by BSI. Short, medium, and long term sustainability targets are formulated to progressively advance the sustainability development roadmap and to ensure implementation across all subsidiaries. 2. The parent company, SinoPac Holdings, has established the Office Environmental Protection and Energy Saving Guidelines to actively promote environmental protection and energy saving concepts among employees, and requires personnel of the holding company and its subsidiaries to complete online acknowledgment and compliance procedures.	The parent company, SinoPac Holdings, has established the “Environment and Energy Management Policy”, “Environment/Energy Management System Manual”, and “Environment/ Energy Management System Procedures”. SinoPac Holdings continues to implement ISO 14001, ISO 14064-1, and ISO 50001 energy management systems and has obtained certification issued by BSI. Short, medium, and long term sustainability targets are planned to progressively implement the sustainability development roadmap. At the same time, continuous measures are taken to improve energy efficiency in order to reduce operating and energy costs, with implementation extended across all subsidiaries.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Opportunity	Products and Services	CO3-1	Increase green financial products and services by continuously promoting offerings in line with global low carbon and green energy trends and in compliance with government policies and regulations. These include green lending products, including retail products such as green building mortgages, low carbon and climate related funds, green power trusts, and green credit cards, as well as supporting clients' low carbon transition through engagement activities, thereby enhancing the Company's revenue.	The Company	• Credit Business • Investment and Underwriting Business • Product and Service Sales and Customer Services • Regulatory Compliance Risk • Corporate Reputation • Strategic Risk	• Expansion of Business Opportunities and Market Reach • Increase in Revenue and Fee Income • Strengthened Customer Relationships • Enhanced Corporate Image, Brand Value, and Market Position • Reduced Carbon Footprint • Risk Reduction	Short-term /Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. By continuously optimizing the Bank's responsible lending and responsible investment related policies, the Bank increases lending and investment to enterprises with strong ESG, decarbonization, and sustainable economic activity performance. At the same time, preferential credit terms are offered or green financial products and services are provided, including green lending, underwriting of green bonds, and sustainable commercial papers, to encourage enterprises to continue their transition while enhancing the Company's revenue. 2. Corporate Banking Business: The Bank actively aligns with government renewable energy policies and supports financing for various solar photovoltaic facilities, including rooftop, ground mounted, stadium integrated, and agrivoltaic solar power projects. In addition to focusing on year on year growth in financing balances, the Bank is committed to capturing a leading market share within the industry and expanding its market influence. 3. Retail Banking Business: In response to global low carbon and green energy trends and increasing demand for environmentally sustainable and climate related products, the Bank actively launches products and services aligned with these themes. These include residential solar photovoltaic equipment loans, green building loans, and the cash rebate GREEN Card. By supporting government policies, the Bank leverages its financial influence to help consumers practice green and sustainable principles. At the same time, expanded business scope and diversified revenue sources further enhance the Bank's brand value and create additional business opportunities. 4. Trust Business: Focus on trust services required by renewable energy enterprises financed by the Bank in order to provide comprehensive financial services and increase trust related income. Launch a green power trust transaction platform to create new business opportunities through green power matching. • Continue to expand ESG fund custody services to promote the development of the sustainable investment market, and establish ESG pooled trust management accounts to drive innovative development of sustainable financial products. • In response to growing demand for carbon credit trading, continue to plan carbon credit trading trusts to assist carbon trading platforms in managing carbon credit related funds and safeguarding fund security. • Other trust services include green power monetary trusts and green bond trustee services.	1. In alignment with government policies and regulations, promote green financial products and services and participate in renewable energy and green industry associations to collaboratively design innovative offerings. In addition to green bonds, sustainable development commercial papers, green building loans, and US dollar green deposits, actively promote ESG funds and thematic products and seek fund custody services, while continuously developing new products to strengthen the Bank's brand and professional image. 2. Promote the green power trust platform and provide trust services, and offer project financing and customized financing models for the solar photovoltaic industry to capture business opportunities in green power trading. 3. Implement responsible investment and responsible lending management by incorporating ESG and climate risks into decision making and utilizing external databases to support objective assessments. Strengthen climate related engagement with clients and encourage disclosure of carbon emissions and transition plans, such as by formulating solar power incentive programs, while continuously providing products that meet market demand. 4. Subsidiaries establish the "Regulations for Green Finance Management" as the guiding framework for investment and financing policies, and enhance the ESG risk identification and climate impact assessment capabilities of credit officers.	1. In response to domestic and international sustainability trends and regulatory requirements, the Bank continues to enhance its sustainable finance policies and content. Through the formulation of sustainability objectives, responsible units are encouraged to promote green financial products and services and conduct engagement activities. To deepen understanding of clients' carbon emission targets and transition plans, the Bank has begun establishing case level and client level carbon risk and opportunity assessments and transition maturity analyses. These efforts are aligned with the standardized questionnaire issued by the Financial Supervisory Commission and are being piloted for listed and over the counter company credit clients to collect information such as carbon emissions data. 2. In alignment with government policies and regulations, the Bank promotes the development of green finance by continuously expanding green financial products and services, including green bonds, sustainable commercial papers, green lending, green building mortgages, low carbon and climate related funds, green power trusts, and green credit cards. Through engagement mechanisms, the Bank supports corporate and individual clients in achieving low carbon transition. The Bank also actively participates in renewable energy and green industry associations and collaborates with industry partners to design and innovate products and services, thereby enhancing the added value and professional image of financial services while increasing Company revenue. 3. Over the med- and long-term, the Bank aligns its green finance promotion with legal and regulatory developments in the green power market, core financial business strategies, and client business development directions, and fulfills its responsibilities in sustainable development.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Opportunity	Products and Services	CO3-2	Increase green financial products and services by continuously optimizing digital financial services to enhance user convenience and achieve paperless low carbon benefits. The development of related products and services will also drive increased investment by the Company in research and development.	The Company	• Product and Service Sales and Customer Services • Operating Procedures (Operational Risk) • Research and Development Investment and Capital Expenditure • Strategic Risk • Own Operations Risk • Credit Business • Investment and Underwriting Business • Corporate Reputation	• Enhanced Competitiveness • Increase in Revenue and Fee Income • Expansion of Business Opportunities and Market Reach • Enhanced Corporate Image, Brand Value, and Market Position • Improved Digital Service Satisfaction • Reduction of Operating Costs and Risks • Increased Demand for New Technology Adoption and Development • System Integration and Upgrades with Enhanced Information Security Protection • Improved Resource Efficiency • Reduced Carbon Footprint	Short-term /Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. Continuous Optimization of Digital Financial Services: • Enhance user convenience and customer experience by promoting fully online processes, reducing paper based operations, and lowering carbon emissions to demonstrate a green and sustainable corporate image. Subsidiaries also guide customers to adopt digital channels and promote online financing and electronic transactions to reduce operating and transaction costs. • Online insurance application services have been launched, with travel insurance and annuity products made available, and motor vehicle insurance renewal functions scheduled to be added in 2025. • In the trust business, the rapid matching and contract execution function for elder care trusts is expected to be completed by the end of 2025. Online transaction instruction functions for personal trusts and additional corporate trust functions are also under planning. 2. Data Analytics and Innovative Products: Digitalized operations facilitate the collection and analysis of customer data, enabling more accurate identification of customer needs and promoting cross selling and product innovation. The Bank continues to develop innovative products such as online loans and digital wealth management services to meet the needs of diverse customer segments. 3. Investment in Research and Development and System Construction: The Bank continues to invest in research and development to advance system transformation, data analytics platforms, API development, and the introduction of artificial intelligence models, supporting new functions and sustainable finance innovation. 4. Operational and Financial Benefits:New products and services create diversified revenue sources and enhance overall profitability. Paperless and automated processes help reduce operating costs and improve operational efficiency. 5. Strengthening Information Security and Risk Management:Digitalized operations enhance transaction transparency and traceability, reduce fraud risks, and strengthen overall risk management capabilities.	1. Develop smart financial technologies and new products to enhance online application and transaction functions for wealth management and retail banking, enabling customers to complete processes online whenever possible. These include mobile relationship manager tools and rapid matching functions, online insurance applications, electronic billing for various services, and related inquiry functions, thereby reducing paper based processes and promoting low carbon and sustainable practices. 2. Leverage big data analytics to develop differentiated products, enable precise marketing and personalized services, and enhance cross selling opportunities and overall competitiveness. 3. Cultivate technical teams to strengthen information security and innovation capabilities, continuously upgrade systems, and explore the application of artificial intelligence in customer services and risk management. 4. The Amret subsidiary has achieved a certain level of development in digital services and has introduced online loan application forms and online lending services.	1. Continuously optimize digital financial services and online application processes to enhance operational convenience and customer experience, and expand the diversity of products and services, such as launching integrated accounts and digitalized corporate trust services. 2. Formulate medium and long term research and development investment plans, optimize resource allocation, and balance costs and returns to support strategic objectives. Introduce technological innovation and artificial intelligence tools, continue investing in smart financial technologies and new product development, enhance online transaction and mobile application functions to meet customers' digital needs, and integrate ESG considerations to develop differentiated low carbon services, thereby improving efficiency and increasing market competitiveness. 3. Strengthen compliance and risk management by establishing regulatory compliance mechanisms to reduce compliance related risks. 4. Enhance digital marketing efforts to promote the convenience and environmental value of online applications and digital services, improve brand value and social impact, and attract sustainability oriented customer segments.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Opportunity	Markets	CO4	Increase investment in or underwriting of green financial products to identify related business opportunities in the market. Expanding investment in or underwriting of green bonds and equities of green related industries facilitates entry into new markets, captures emerging opportunities in the green and circular economy, and enhances operating revenue.	Lending and Investment Counterparties	• Investment and Underwriting Business • Product and Service Sales and Customer Services	• Increased Operational Flexibility • Expansion of Business Opportunities and Market Reach • Increase in Revenue • Enhanced Competitiveness	Short-term /Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. Actively engage with green bond issuers and closely monitor bond issuance developments in relevant industries to increase opportunities for underwriting green bonds. At the same time, enhance communication channels with clients, such as organizing investor conferences and exchange activities, to support client transition efforts and expand business opportunities. 2. Cooperate with peer financial institutions to expand market share, invest in low carbon and renewable energy related projects, increase the proportion of environmentally sustainable investments, and strengthen customer loyalty.	1. Actively engage with issuers of green bonds by maintaining communication with clients through questionnaires and other channels to exchange ESG related information, while closely monitoring bond issuance developments in relevant industries in order to capture opportunities for underwriting green bonds. 2. Identify emerging market opportunities by understanding investor and consumer attention to climate change issues and their preferences for green financial products and services. Moderately increase investment balances in green bonds to demonstrate the Company's concrete actions and commitment to corporate social responsibility and ESG related initiatives.	Actively engage with issuers interested in issuing green bonds and closely monitor bond issuance activities in relevant industries. Through continuous use of questionnaires, communication, and engagement mechanisms, guide and encourage clients to issue green bonds in order to capture underwriting opportunities.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Business Performance	Products and Services	NO2	Develop or expand financial products and services that are beneficial to nature by providing solutions that generate positive impacts on nature or reduce negative impacts, including ecosystem service friendly financial solutions and related green products such as green lending and green investments, thereby increasing revenue sources and enhancing competitiveness.	The Company	• Product and Service Sales and Customer Services • Corporate Reputation • Industry Risk • Credit Business • Investment and Underwriting Business • Strategic Risk • Own Operations Risk	• Increase in Revenue and Risk Reduction • Development and or Expansion of Low Carbon Products and Services • Enhanced Corporate Image • Enhanced Brand Value and Social Impact • Enhanced Competitiveness • Expansion of Business Opportunities and Market Reach • Increased Operational Flexibility • Enhanced Market Position	Short-term /Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. Expand green financial products and services by promoting renewable energy financing, green bonds, and ESG funds to strengthen market positioning and attract sustainability focused customer segments. 2. Develop ESG related trust and custody services covering areas such as carbon credits, green power, and employee benefits, and encourage partners to incorporate ESG policies through collaboration. 3. Strengthen product development and investment strategies by establishing a compliant Product Due Diligence framework and increasing climate related investment products to enhance risk response capabilities and revenue stability. 4. Enhance brand value and digital visibility through digital channels and cross industry partnerships to showcase successful cases, reduce customer acquisition costs, and increase customer lifetime value. 5. Respond to global trends by positioning green finance as a core business area to support environmental risk management, create new business opportunities, and enhance competitiveness. 6. Subsidiaries provide financial solutions that generate positive impacts on nature or reduce negative impacts, including ecosystem service friendly solutions and related green products such as green lending and green investments, to increase revenue sources and competitiveness. 7. The Amret subsidiary develops potential products and services aligned with sustainability and green finance themes.	1. Provide and actively promote green financial products and services, including green bonds, sustainable commercial papers, ESG themed funds, and related preferential programs, in order to increase revenue sources and enhance competitiveness. 2. Expand ESG related businesses, including assets under management of pooled trust accounts and fund custody services, while continuously launching new products. 3. Based on existing products, integrate environmental sustainability and green lifestyle themes to design green deposit programs for individual customers, and develop themed products such as solar photovoltaic equipment loans and green building mortgages. 4. Promote the green power trust trading platform to provide trust services required by customers and support the development of the renewable energy industry. 5. Establish an internal green finance framework, conduct education and training programs, and collaborate with government agencies and environmental organizations to ensure that products and services comply with environmental policy requirements, while strengthening market promotion and customer education. 6. Adopt agile approaches to rapidly develop, test, and optimize digital green finance services, regularly monitor market trends and customer needs, and flexibly adjust strategies. 7. Present data demonstrating the environmental contributions of digital green finance services and organize sustainable finance forums or related events to attract younger and environmentally conscious customer segments. 8. Promote renewable energy financing over the long term and issue green bonds to direct capital toward industries with positive ecological impacts. Establish dedicated credit review teams to strengthen internal professional capabilities. 9. The Hong Kong branch has launched green deposits and green interest rate swaps to support clients in advancing sustainable development. 10. Subsidiaries launched green deposit products in 2023. As of September 30, 2025, the balance of green loans denominated in Renminbi exceeded RMB 2.3 billion, and the balance of green investment bonds denominated in Renminbi exceeded RMB 600 million. 11. The Amret subsidiary currently has certain loan products that meet green finance standards.	1. Over the medium and long term, align with corporate banking strategies, regulatory developments in the green power market, and client business development directions to fulfill responsibilities for sustainable development. 2. In response to domestic and international sustainability trends, continue to pursue and expand ESG fund custody services to promote the development of the sustainable investment market. 3. Continuously evaluate and provide trust services and related thematic products that meet customer needs. 4. Monitor domestic and international sustainability issues and climate change trends, and promote sustainable finance products and services. 5. In support of sustainable development goals, promote public construction, infrastructure, and industries related to ESG, green, and sustainability themes, and emphasize the growing importance of blended finance instruments. 6. Provide financial solutions that generate positive impacts on nature or reduce negative impacts, including green lending and green investments, to enhance revenue sources and competitiveness. 7. Continuously monitor market and customer needs, plan green products accordingly, and ensure compliance with local regulatory requirements within prescribed timelines. 8. Adopt SinoPac Cloud Chat AI and leverage custom GPT capabilities and retrieval augmented generation technology to improve information collection efficiency, enhance work productivity, and reduce carbon emissions. 9. Promote renewable energy financing and green bond issuance over the long term to direct capital toward industries with positive ecological impacts. Establish dedicated credit review teams to strengthen internal professional capabilities and increase customer acceptance and participation in green products. 10. Where capital financing is not involved, continue planning to serve as a custodian bank for ESG themed funds. 11. Subsidiaries continue to expand green products, such as green lending and green investments, to increase revenue sources and competitiveness. 12. The Amret subsidiary plans to develop green finance products in 2026.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Business Performance	Markets	NO3	Promote diversification of nature related financial products as increasing attention and engagement from governments, investors, and consumers on nature related issues, including biodiversity and nature friendly practices, form emerging markets. Actively develop diversified nature related financial products and services to enhance operating revenue.	The Company	• Product and Service Sales and Customer Services • Investment and Underwriting Business • Credit Business • Corporate Reputation • Strategic Risk • Own Operations Risk	• Increase in Revenue and Risk Reduction • Development and or Expansion of Low Carbon Products and Services • Enhanced Brand Value and Social Impact • Increased Operational Flexibility • Expansion of Business Opportunities and Market Reach • Enhanced Competitiveness • Reduced Carbon Footprint • Enhanced Corporate Image • Enhanced Market Position	Short-term /Mid-term /Long-term

Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. In response to global low carbon and green energy trends, the financial sector plays a critical role in driving sustainable transformation. Through investment and financing activities, financial product design, and engagement, financial institutions encourage enterprises to place greater emphasis on ESG issues and accelerate sustainable actions. 2. Rising investor demand for green bonds and sustainable commercial papers has driven growth in underwriting fee income. At the same time, expanding products and services with sustainability value strengthens positioning in the green finance market, attracts ESG focused customer segments, and creates new business opportunities, such as expanding and promoting ESG fund products. 3. The ESG pooled management account was successfully launched in October 2025, with ongoing expansion of assets under management expected to further increase fee income. 4. By promoting green financial products in compliance with regulatory requirements, the Bank expands its product portfolio while meeting regulatory expectations. Focusing on the development of financial products that support biodiversity protection and the low carbon economy helps attract new customers, enhance loyalty among existing customers, optimize revenue structure, reduce climate related risks, and strengthen competitive positioning in the green finance market. 5. The launch of environmentally friendly material credit cards linked to green consumption initiatives raises public awareness of sustainability, further expands the customer base, creates additional business opportunities, and enhances the Bank's corporate reputation. 6. Subsidiaries respond to increasing attention and engagement by governments, investors, and consumers on nature related issues, including biodiversity and nature friendly practices, which are forming emerging markets. By actively developing diversified nature related financial products and services, subsidiaries enhance operating revenue.	1. Increasing attention and engagement by investors on nature related issues have driven demand for green bonds and sustainable commercial papers, thereby increasing the Bank's underwriting fee income. 2. Promote ESG themed funds and provide preferential programs, such as fee discounts for lump sum subscriptions of ESG series funds. 3. Continue to expand the scale of assets under management for ESG pooled management accounts. 4. The Bank has already offered green energy or ESG related retail credit products to provide customers with diversified financing options. 5. As enterprises and consumers place growing emphasis on nature and environmental issues, timely assessment and launch of related products and services will help encourage customers to adopt a broader range of the Bank's financial products. 6. The Hong Kong branch has launched green deposits and green interest rate swaps to support clients in advancing sustainable development through green financial products. 7. Strengthen collaboration with government agencies, nongovernmental organizations, and environmental institutions to ensure products meet market needs and regulatory requirements, while continuously developing and promoting nature related financial products. Enhance internal training to improve employee knowledge and professionalism in green finance in support of successful product promotion and operations. 8. Subsidiaries are studying new green finance scenarios or sustainable finance frameworks. 9. The Amret subsidiary participates in workshops and meetings organized by regulators and stakeholders.	1. Increasing attention and engagement by investors, governments, and consumers on nature related issues, such as biodiversity and environmentally friendly practices, as well as climate change, have driven demand for green financial products and services. This has formed emerging markets and enhanced the Bank's underwriting and related business income. 2. Continuously develop and promote green financial products and services centered on sustainable development, including green bonds, sustainable commercial papers, ESG lending products, and ESG pooled management accounts, to meet market demand and create revenue sources. 3. Plan to serve as a custodian bank for ESG themed funds in order to expand the scope of business operations. 4. Monitor market trends, understand investor and consumer preferences for green financial products, and promptly propose response measures to support clients in adopting a broader range of the Bank's financial products and services. 5. Strengthen collaboration with government agencies, nongovernmental organizations, and environmental institutions to ensure products comply with market needs and regulatory requirements, and to promote the development and promotion of nature related financial products. 6. Continuously monitor domestic and international sustainability issues and climate change trends, and promote sustainable finance products and services. 7. Enhance internal employee expertise and capabilities in green finance to ensure the successful promotion and operation of new products. 8. Subsidiaries evaluate new green finance scenarios or sustainable finance frameworks.

Opportunity Category	Opportunity Type	Code	Opportunity Description	Value Chain	Impact Aspects	Potential Opportunity Impacts	Possible Time of Occurrence
Business Performance	Capital Flows and Financing	NO4	Provide capital support to facilitate corporate transition and promote nature or green related investment and financing by offering relevant financial instruments, including loans, bonds, and funds, to meet funding needs that generate positive impacts on nature or mitigate negative impacts. These efforts help increase operating revenue while directing capital toward nature friendly and green activities and industries.	The Company	• Product and Service Sales and Customer Services • Investment and Underwriting Business • Credit Business • Corporate Reputation • Strategic Risk • Own Operations Risk	• Increase in Revenue and Risk Reduction • Expansion of Business Opportunities and Market Reach • Enhanced Competitiveness • Enhanced Brand Value and Social Impact • Enhanced Corporate Image • Enhanced Market Position	Short-term /Mid-term /Long-term

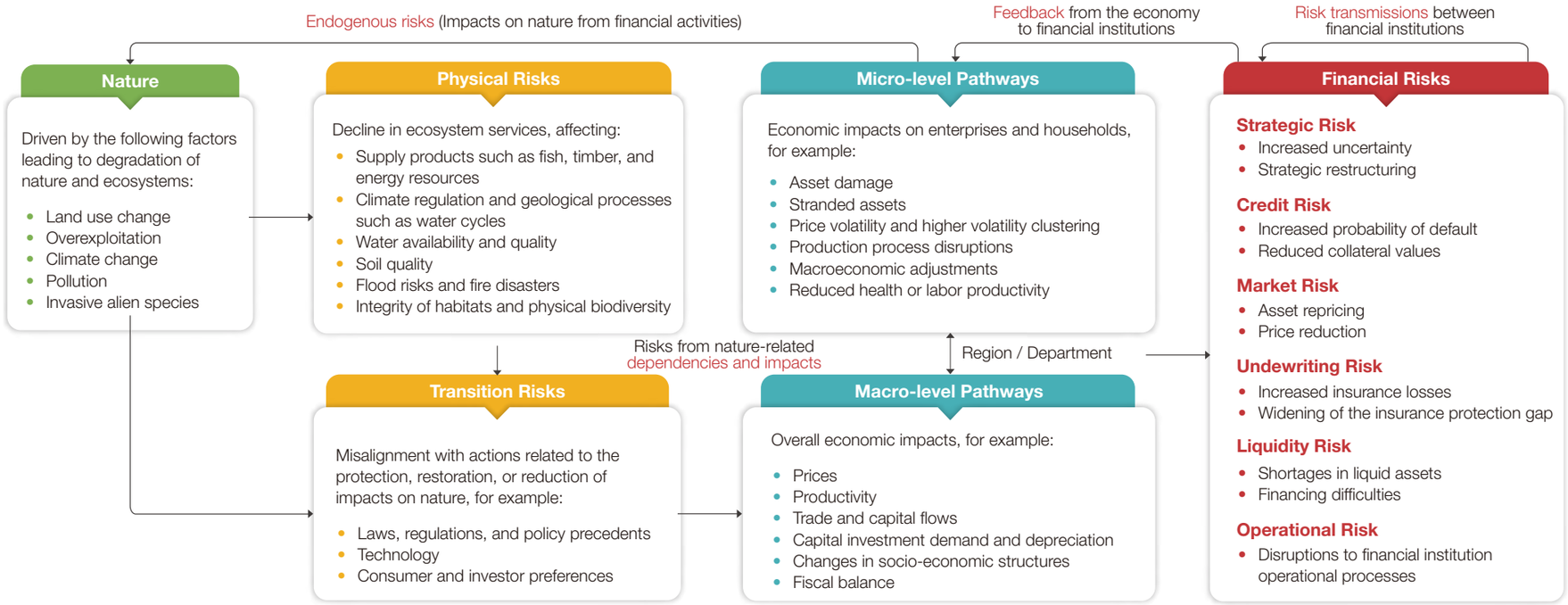
Analysis of Development Opportunities on Operational Strategies, Potential Businesses/Products, and Financial Plans	Mitigation or Adaptation Measures/Response Strategies	
	Current	Expected
1. Expand sustainability performance linked loans by agreeing with clients on indicators that support any ESG dimension, including indicators with positive impacts on nature, and providing preferential interest rate incentives. 2. The ESG pooled management account was successfully launched in October 2025, with continued expansion of assets under management expected to enhance fee income. 3. Continue to evaluate the issuance of sustainable development bonds and allocate the proceeds to financing related industries such as renewable energy, energy technology development, and pollution prevention and control. 4. Provide investment and financing products and services to direct capital toward nature friendly industries, while continuously optimizing credit policies to increase the proportion of low risk and stable return assets, thereby enhancing financial resilience. 5. Subsidiaries provide relevant investment and financing instruments, including loans, bonds, and funds, to meet funding needs that generate positive impacts on nature or mitigate negative impacts. These efforts increase operating revenue while directing capital toward nature friendly or green activities and industries.	1. Actively engage with issuers of green bonds and sustainable commercial papers, and continuously monitor issuance developments in relevant industries to capture underwriting opportunities. 2. Expand the scale of assets under management of ESG pooled management accounts. 3. Promote and expand the applicability of sustainability performance linked loans. 4. The Hong Kong branch has launched green deposits and green interest rate swaps to support clients in advancing sustainable development through green financial products. 5. Incorporate ESG factor assessments into credit decision making, supported by external databases to provide objective references for business and credit review personnel. 6. On September 17, 2025, the Bank issued sustainable development bonds with a total amount of New Taiwan Dollars 1 billion. The use of proceeds covers green categories and social benefit categories. The cumulative issuance amount over the years has reached New Taiwan Dollars 12.4 billion. 7. Promote renewable energy financing and strategic investment deployment covering key technologies, renewable energy, the circular economy, and low carbon industries. Guide capital toward nature friendly or green activities, and enhance customer acceptance and participation in green products through market promotion. 8. Subsidiaries launched green deposit products in 2023. As of September 30, 2025, the balance of green loans denominated in Renminbi exceeded RMB 2.3 billion, and the balance of green investment bonds denominated in Renminbi exceeded RMB 600 million.	1. Actively engage with issuers of green bonds and sustainable commercial papers, and continuously monitor issuance developments in relevant industries to capture underwriting opportunities. 2. Identify emerging market opportunities by understanding investor and consumer attention to climate change issues and their preferences for green financial products. Continue to develop ESG pooled management accounts centered on sustainable development. 3. Provide relevant investment and financing instruments, such as loans, bonds, and funds, to address funding needs that increase positive impacts on nature or mitigate negative impacts, and guide capital toward green or nature friendly activities and industries. 4. In alignment with government policies, promote the development of green finance by actively expanding green financial businesses and gradually extending them to other credit products. In response to regulatory guidance, provide financial solutions that generate positive impacts on nature or reduce negative impacts, including ecosystem service friendly products. 5. Continue issuing sustainable development bonds to implement the sustainability strategy of the parent company, SinoPac Holdings. Although such issuance may increase funding costs, it demonstrates the Company's concrete actions and commitment to corporate social responsibility and ESG related initiatives. 6. Promote renewable energy financing and strategic investment deployment covering key technologies, renewable energy, the circular economy, and low carbon sectors. Guide capital toward green industries and enhance customer acceptance and participation in green products through market promotion. 7. Subsidiaries continue to provide relevant investment and financing instruments, including loans and bonds, to increase operating revenue while directing capital toward nature friendly or green activities and industries.

2.3 Climate and Nature Dependencies, Impacts, Risks, and Opportunities Transmission Pathways

The Taskforce on Nature related Financial Disclosures (TNFD) released its final recommendations in September 2023. The disclosure framework is structured around four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets. TNFD also introduced the LEAP methodology, comprising Locate, Evaluate, Assess, and Prepare, which emphasizes that companies should carefully consider and define the scope of assessment before commencing the identification of risks and opportunities. This is followed by the evaluation of nature related dependencies and impacts, and subsequently the identification of material nature related risks and opportunities.

TNFD also issued Additional Guidance for Financial Institutions and updated the latest version in July 2024 to support the assessment of nature related risks and opportunities arising from investment and financing activities, including equity and bond investments, trading and insurance activities, and lending and other financing activities.

The loss of natural capital and the resulting nature related risks may affect corporate operations, capital allocation, and risk management, thereby generating potential impacts on financial business activities and leading to impairment of asset values. Conversely, the protection and restoration of natural capital contribute to the sustainable development of industries and economic activities. In response to Target 15 of the Kunming Montreal Global Biodiversity Framework regarding corporate responsibility, the Company has followed the TNFD guidance to preliminarily identify and understand nature related dependencies, impacts, risks, and opportunities. The diagram below illustrates the transmission pathways of nature related risks.



Dependencies

The extent to which an enterprise relies on various ecosystem services for its operations and value creation. Examples include the capacity to regulate water flows and water quality, as well as the ability to recover from natural disasters such as fires and floods.

Impacts

The degree of change in the state of nature. Impacts may result from an organization's direct, indirect, or cumulative activities and may affect nature's ability to provide social and economic functions. Impacts may be either positive or negative.

Nature-related risks

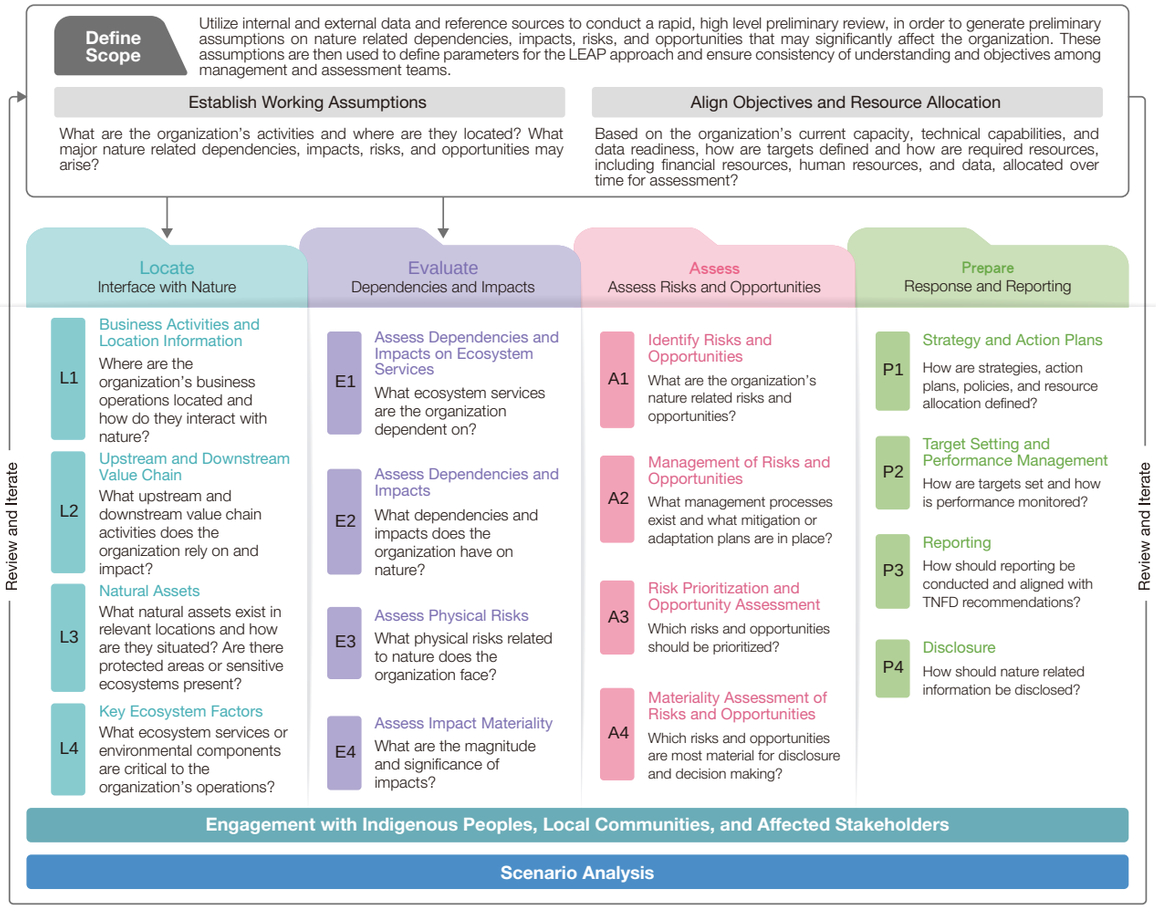
Risks that pose potential threats to an enterprise, arising from the organization's and society's dependencies on nature and impacts on nature. These risks may include physical risks, transition risks, or systemic risks.

Nature-related opportunities

Activities that generate positive outcomes for both the enterprise and nature by creating positive impacts on nature or reducing negative impacts. These opportunities may be further categorized into business related performance and sustainability performance.

LEAP Evaluation Process

In order to evaluate the nature dependencies, impacts, risks, and opportunities of Bank SinoPac's own operations, supply chain, and investees and borrowers, we utilized the LEAP methodology proposed by TNFD, incorporating natural factors in evaluations for comprehensive analysis of nature-related risks and opportunities, and to serve as a reference for future decisions. The LEAP methodology mainly includes four stages: Locate, Evaluate, Assess, and Prepare.



We used the LEAP methodology and framework to design Bank SinoPac's analysis process for nature-related issues:

Locate

- Collect latitude and longitude data for Bank SinoPac's self-owned real estate and operating sites in Taiwan, including Taiwan Island, Kinmen, Penghu, and Matsu, as well as the operating locations of upstream suppliers and the factory locations of investees and borrowers.
- Identify Priority Locations by overlaying latitude and longitude data with layers from the "Domestic Financial Industry Nature-related Risk Research Report," including legally designated environmentally sensitive areas and key ecological concern zones in Taiwan, hotspots of threatened species distribution, and the levels of endangerment of threatened species. Conduct both location sensitivity assessments and species sensitivity assessments through spatial overlay analysis.
- Based on the results of location sensitivity and species sensitivity assessments for each site, analyze overall nature sensitivity and assign priority ranking levels for focused attention.

Evaluate

- Analyze exposure amounts of Bank SinoPac's investees and borrowers that fall within nature related sensitive industries recommended in the TNFD Additional Guidance for Financial Institutions Second Edition released in June 2024, as well as in the "Domestic Financial Industry Nature-related Risk Research Report."
- Using the industry dependency and impact scores established in the "Domestic Financial Industry Nature-related Risk Research Report" based on the ENCORE database, prepare an industry dependency and impact matrix by combining exposure amounts with industry dependency and impact scores.
- For TNFD identified nature related sensitive industries, construct Sankey diagrams and identify key ecosystem services and pressure factors relevant to nature related sensitive industries.

Assess

- Identify nature-related risks and opportunities associated with Bank SinoPac's own operations as well as its lending and investment portfolios, and formulate corresponding strategic measures.
- Based on the primary dependency factors on ecosystem services and the factors with the greatest impacts on nature identified through the Sankey diagram analysis, conduct exploratory water-related scenario analysis with reference to the TNFD Guidance on Scenario Analysis.
- Analyze nature-related transition risk scenarios associated with environmental regulatory penalties.

Prepare

- Nature-related information is disclosed in the "Climate and Nature-Related Financial Disclosures Report."
- Continue to follow the TNFD framework, as well as related organizational structures and methodologies, to enhance capabilities in assessing and responding to nature-related dependencies, impacts, risks, and opportunities.

Note: In 2026, the Data and Risk Control Working Group under the Financial Industry Net-Zero Promotion Platform completed the initial draft of the research report on the demonstration case for the application of nature-related risk data. The report is accompanied by the initial draft of the Basic Operational and Advisory Exercise on Domestic Nature-Related Risk Data for the Financial Industry. The above documents are hereinafter collectively referred to as the "Research Report on Nature-Related Risks for the Domestic Financial Industry."

2.3.1 Analysis of Environmentally Sensitive Natural Areas

Following the LEAP analytical steps, the “L (Locate)” stage emphasizes whether an entity’s own business activities and value chain have impacts on the natural environment, specific biomes, or ecologically sensitive areas. Accordingly, latitude and longitude information for self owned properties and operating sites of Bank SinoPac in Taiwan, including Taiwan Island, Kinmen, Penghu, and Matsu, as well as the operating locations of upstream suppliers and the factory locations of lending and investment clients, were overlaid with spatial layers identified in the “Domestic Financial Industry Nature related Risk Research Report.” These layers include legally designated environmentally sensitive areas and key ecological concern zones in Taiwan, hotspots of threatened species distribution, and levels of endangerment of threatened species. Through this spatial overlay analysis, both location sensitivity assessments and species sensitivity assessments were completed. Based on the assessment results for location sensitivity and species sensitivity at each site, overall nature sensitivity was analyzed and priority levels for focused attention were assigned (please refer to the table below for the explanation of nature sensitivity scoring).

Sensitivity Scoring	Species Sensitivity	Location Sensitivity
Score: 5	• NCR (Nationally Critical) • National Class I Protected Species (Endangered Wildlife)	Located within legally designated environmentally sensitive areas (please refer to the spatial data used in the nature physical risk analysis table below)
Score: 4	• NEN (Nationally Endangered) • National Class II Protected Species (Rare and Valuable Wildlife)	Located within key ecological concern areas and hotspots of threatened species distribution: 1. Ecological Conservation Corridors of the National Ecological Green Network 2. Important migratory aquatic organism river corridors of the National Ecological Green Network with particular focus on independent stream systems
Score: 3	• NVU (Nationally Vulnerable) and NNT (Nationally Near Threatened) • National Class III Protected Species (Other Wildlife Requiring Conservation)	Located within key ecological concern areas and hotspots of threatened species distribution: 1. Key Concern Areas of the National Ecological Green Network 2. Other Effective Area Based Conservation Measures for terrestrial ecosystems (Terrestrial OECMs) 3. Important Bird Areas (IBA) 4. eBird Waterbird Hotspots 5. Important habitats of threatened plant species listed in the Red List 6. Buffer zones surrounding distribution locations of threatened plant species listed in the Red List
Score: 2	• NLC (Nationally Least Concern)	Other ecologically important areas of concern identified by Indigenous peoples, local communities, academic institutions, civic groups, and conservation organizations
Score: 1	• NE (Not Evaluated), DD (Data Deficient), and categories not included in the above classifications	Not located within the above mentioned areas

Domestic Financial Industry Nature related Risk Research Report” – Nature Sensitivity Scoring Matrix

Nature Sensitivity		Location Sensitivity				
		5	4	3	2	1
Species Sensitivity	5	10	9	8	7	6
	4	9	8	7	6	5
	3	8	7	6	5	4
	2	7	6	5	4	3
	1	6	5	4	3	2

- Priority Level 1 (Highest Priority)
- Priority Level 2
- Priority Level 3
- Priority Level 4 (Non-Priority)
- Priority Level 5 (Non-Priority)

Geospatial Data Used for Nature Related Physical Risk Analysis

Assessment Type	Category	Score	Name	Legal Basis	Data Source
Species Sensitivity Assessment	Species Data	Determined based on the species with the highest level of endangerment	Catalogue of Life in Taiwan	-	Taiwan Biodiversity Network (TBN)
			Species Distribution Data from the Taiwan Biodiversity Network (TBN)	-	
Nature Sensitivity Assessment	Regulated Environmentally Sensitive Areas	5	Nature Reserves	Cultural Heritage Preservation Act	Forestry and Nature Conservation Agency, Ministry of Agriculture
			Terrestrial Wildlife Protected Areas	Wildlife Conservation Act	
			Terrestrial Important Wildlife Habitats		
			Zoning Map of State Forest Land	Forest Act	
			Overview Map of Protection Forest Distribution in Taiwan		
			Extent of Public and Private Forest Land		
			Nature Protected Areas		
			Reservoir Storage Areas	Water Act	Water Resources Agency, Ministry of Economic Affairs
			Drinking Water Source Protection Areas and Designated Buffer Zones around Drinking Water Intakes in Taiwan	Drinking Water Management Act	Ministry of Environment
			Important Wetlands	Wetland Conservation Act	National Park Service, Ministry of the Interior
			Aquatic Wildlife Breeding and Conservation Areas	Fisheries Act	Fisheries Agency, Ministry of Agriculture
			Artificial Reef Areas		

Assessment Type	Category	Score	Name	Legal Basis	Data Source
Nature Sensitivity Assessment	Regulated Environmentally Sensitive Areas	5	Coral Reef Protection Areas	Fisheries Act	Fisheries Agency, Ministry of Agriculture
			Geological Heritage Sites and Geologically Sensitive Areas	Geological Act	Geological Survey and Mining Management Agency, Ministry of Economic Affairs
			National Parks and National Nature Parks	National Park Act	National Park Service, Ministry of the Interior
			Central Government-Administered River Areas	Water Act	Water Resources Agency, Ministry of Economic Affairs
			Landslide and Slope Failure Geologically Sensitive Areas	Geological Act	Geological Survey and Mining Management Agency, Ministry of Economic Affairs
			Debris Flow Potential Stream Impact Areas	Disaster Prevention and Protection Act	Water Resources Agency, Ministry of Economic Affairs
			Drinking Water Quality and Quantity Protection Areas	Tap Water Act	
	Key Ecologically Sensitive Areas Hotspots of Threatened Species Distribution	4	Ecological Conservation Corridors under the National Ecological Network	-	Forestry and Nature Conservation Agency, Ministry of Agriculture
			Important River Corridors for Migratory Species under the National Ecological Network, including Priority Independent Stream Systems	-	
		3	Priority Areas under the National Ecological Network	-	
			Important Bird and Biodiversity Areas (IBA)	-	Wild Bird Society of Taipei
			eBird Waterbird Hotspots	-	Biodiversity Research Institute, Ministry of Agriculture
			Key Areas for Red List Threatened Plant Species	-	
			Buffer Zones of Occurrence Points for Red List Threatened Plant Species	-	

Locations of upstream supplier operations

Evaluation Method:

Spatial analysis was conducted to assess procurement amounts from suppliers whose operating locations fall within Priority Level 1 areas.

Results:

Most supplier operating locations are company headquarters primarily located in urban areas, with relatively limited impact on biodiversity.

Reference Date: December 31, 2025 Unit: NTD million

Procurement Amount from Priority Level 1 Areas	Percentage of Total Procurement
18	0.8%

Locations of own operations and real estate for self use

Evaluation Method:

Spatial analysis was conducted to assess the carrying value of owned real estate located within Priority Level 1 areas, as well as the number of operating sites located in biodiversity hotspots.

Results:

Most owned real estate and operating sites are located in urban areas, resulting in relatively limited impact on biodiversity.

Reference Date: December 31, 2025 Unit: NTD million

Locations of own operations Carrying Value of Real Estate in Priority Level 1 Areas	Locations of own operations Percentage of Total Assets
180	0.001%

Real estate for self use Number of Sites in Priority Level 1 Areas
5

Downstream Investees and Borrowers Factories

Evaluation Method:

Spatial analysis was conducted to assess investment and financing amounts associated with downstream investees and borrowers factories located within Priority Level 1 areas.

Results:

Most downstream investees and borrowers factories are located near coastal and riverine areas, which may have relatively greater impacts on ecosystems or be more exposed to environmental impacts.

Reference Date: December 31, 2025 Unit: NTD million

Investment and Financing Amount in Priority Level 1 Areas	Percentage of Total Investment and Financing
23,895	1.4%

2.3.2 Assessment of Nature-Related Dependencies and Impact

Apart from disclosing investment and financing amounts in nature-related sensitive industries based on TNFD's Additional Guidance for Financial Institutions (Second Edition) (released in June 2024) and the “Domestic Financial Industry Nature-related Risk Research Report,” Bank SinoPac also used industry dependency and impact scores established in the “Domestic Financial Industry Nature-related Risk Research Report” based on the Exploring Natural Capital Opportunities, Risks and Exposure tool (ENCORE) to create dependency and impact matrices for industries in its investment and financing portfolio. This analysis helped to map overall exposures to nature-related risks. Furthermore, the Bank focused on high-exposure, high-sensitivity industries and collected information on the economic activities of individual investees and borrowers. This analysis identifies key ecosystem services and pressures that can be used to determine nature-related dependencies and impacts of investees and borrowers. Analysis procedures were as follows:

Industry

Step 1 Inventory

Based on the TNFD Additional Guidance for Financial Institutions Second Edition and the “Domestic Financial Industry Nature-related Risk Research Report,” identify TNFD nature related sensitive industries and conduct an inventory to disclose investment and financing amounts in these industries. Industry classification follows the definitions adopted by the competent authority.

Step 2 Dependency and Impact Assessment

With reference to the “Domestic Financial Industry Nature-related Risk Research Report,” use the ENCORE database to assign materiality scores for industry impacts and dependencies based on established evaluation criteria.

Materiality Scores

VH	H	M	L	VL
5	4	3	2	1

Score

Step 3 Industry Dependency and Impact Matrix

Aggregate the materiality scores of ecosystem services and impact drivers for each industry, and after standardization, derive the industry level dependency and impact scores to construct the materiality matrix.

Enterprise

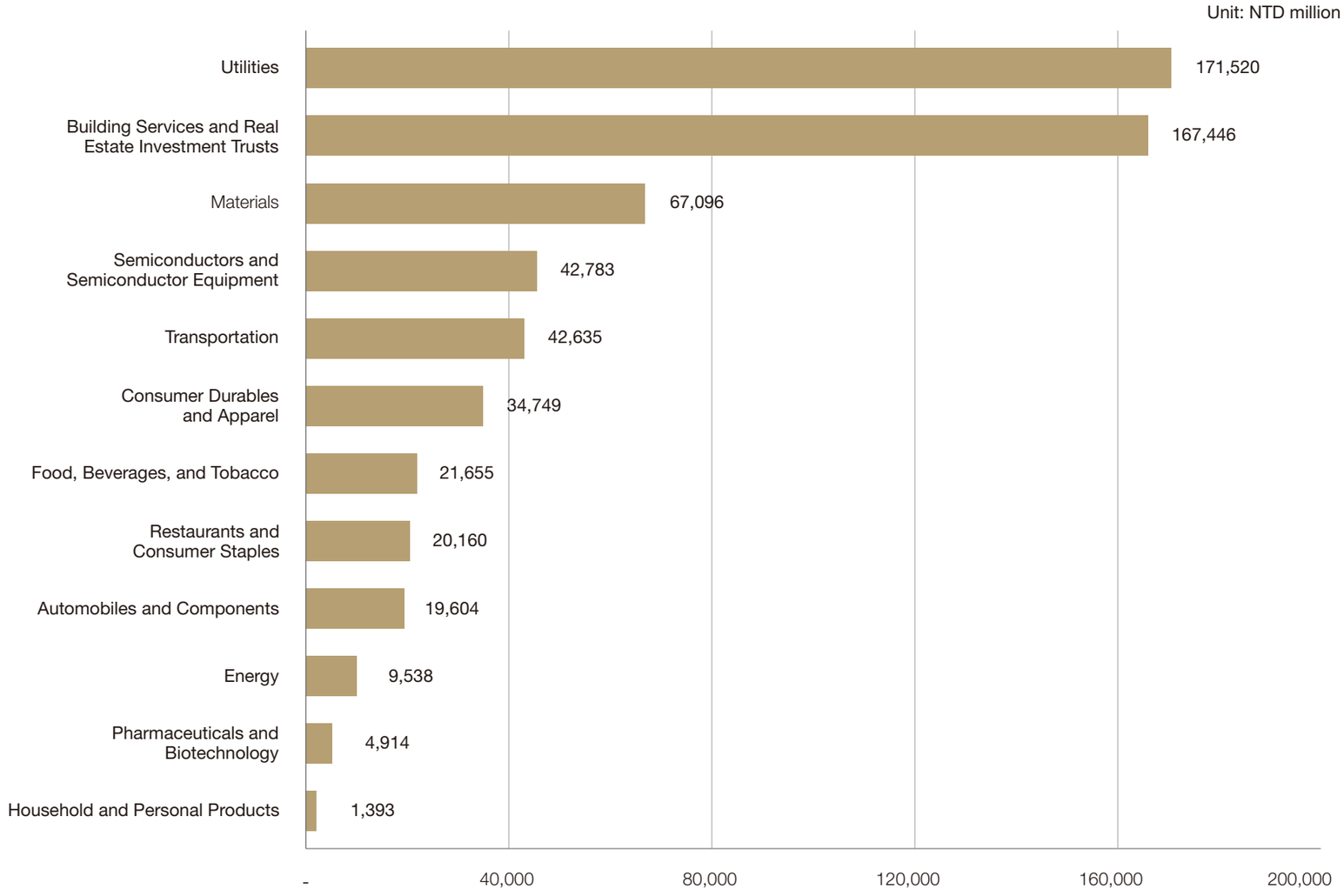
Step 4 Analysis of Dependency and Impact Drivers

With reference to the “Domestic Financial Industry Nature-related Risk Research Report” and ENCORE database, identify ecosystem services and pressure factors that may generate dependency and impacts for TNFD nature related sensitive industries.

Overview of TNFD Nature-Related Sensitive Industry Risk Exposures

In addition to following the TNFD Additional Guidance for Financial Institutions (Second Edition) (released in June 2024), this year also referenced the “Domestic Financial Industry Nature-related Risk Research Report.” Based on the TNFD industry definitions and classification standards adopted by the Directorate General of Budget, Accounting and Statistics, a total of 12 nature-related sensitive industries were identified and consolidated. These include (1) Energy, (2) Materials, (3) Transportation, (4) Automobiles and Components, (5) Consumer Durables and Apparel, (6) Restaurants and Consumer Staples, (7) Food, Beverage and Tobacco, including agriculture, (8) Household and Personal Products, (9) Pharmaceuticals and Biotechnology, (10) Semiconductors and Semiconductor Equipment, (11) Utilities,(including electricity, gas, independent power producers, renewable energy generation, water utilities, and environmental and facilities services), and (12) Construction Services and Real Estate Investment Trusts. As of December 31, 2025, the investment and financing amount for these sensitive industries was NT$606,494 million, accounting for approximately 34.91% of the overall industry investment and financing portfolio and 35.8% of the overall investment and financing amount, including personal loans.

TNFD Nature related Sensitive Industries Exposure Distribution (NTD million)



Bank SinoPac Industrial Dependency and Impact Materiality Matrix

Using the industry dependency and impact scores established in the “Domestic Financial Industry Nature-related Risk Research Report” based on the Exploring Natural Capital Opportunities, Risks and Exposure tool (ENCORE), and following industry classifications defined by the Directorate General of Budget[Note1], Accounting and Statistics, industries were categorized into TNFD nature-related sensitive and non-sensitive industries[Note2]. Based on these classifications, the top 20 industries by investment and financing balances were mapped according to their dependency and impact scores and visualized in an industry dependency and impact matrix.

Matrix axes

Dependency level

The extent to which businesses rely on various ecosystem services to sustain themselves. Examples include the ability to regulate water flow and quality, and the ability to recover from disasters such as fires and floods. The database includes a total of 25 ecosystem services

Impact level

The degree of change in natural conditions caused by direct, indirect, or cumulative organizational actions which affect natural impacts on social and economic functions. Impacts may be positive or negative, including a total of 13 pressures.

Bubble size

Investment and financing amounts as of December 31, 2025

Note1: When using Directorate General of Budget codes to map industry dependency and impact scores, one-to-many mappings may occur. Following the recommended methodology in the Research Report on Nature-related Risk for Taiwan’s Financial Industry, the maximum value approach is applied for aggregation and calculation.

Note2: As of 2025, the Bank adopted the TNFD nature-related sensitive industries organized by DGBAS industry classification, along with the corresponding ENCORE dependency and impact scores, as set out in the Research Report on Nature-related Risk for Taiwan’s Financial Industry, and completed the industry-level integration.

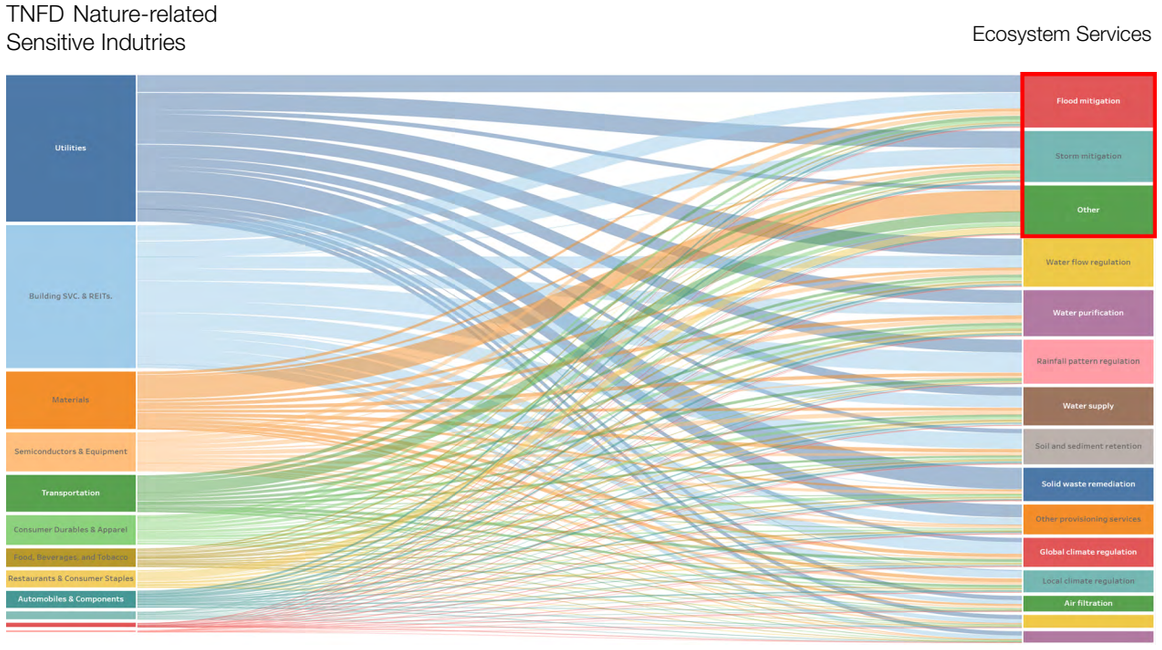
The top five TNFD nature related sensitive industries in our overall investment and financing portfolio with the highest dependencies and impacts (shown in purple on the chart) were: food, beverages, and tobacco (including agriculture); materials; utilities (including electricity, gas, independent power producers, renewable energy generation, water utilities, and environmental and facilities services); energy; and transportation.

Sankey Diagram of TNFD Nature related Sensitive Industries

To further focus on TNFD nature-related sensitive industries[Note1], the Bank used the industry dependency and impact scores established in the "Domestic Financial Industry Nature-related Risk Research Report" based on the Exploring Natural Capital Opportunities, Risks and Exposure tool (ENCORE) to identify potential dependencies in terms of ecosystem services and impacts in terms of pressure factors at the industry level. These results serve as the basis for nature-related risk scenario analysis and will support further enhancement of nature-related risk identification across the overall investment and financing portfolio, as well as the development of corresponding risk management processes to mitigate potential impacts on the Bank.

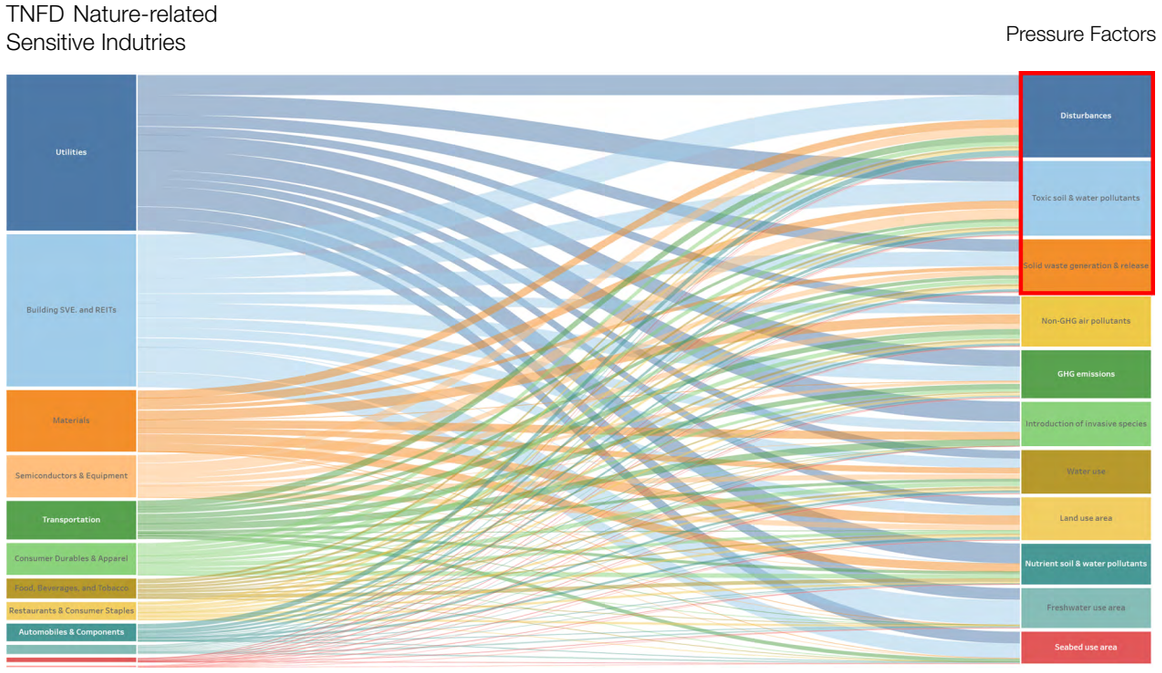
Dependency Sankey Diagram

The top three ecosystem service dependencies were flood control, storm mitigation, and others,[Note2] accounting for approximately 29.48 %.



Affect Sankey Diagram

The top three pressure factors affecting natural ecosystems were disturbance (for example noise and light pollution), discharges of toxic soil and water pollutants, and the generation and release of solid waste, accounting for approximately 38.12 %.



Note1: When mapping industry classifications to dependency and impact scores using the Directorate General of Budget, Accounting and Statistics industry codes, one to many relationships may occur. In accordance with the methodology recommended in the "Domestic Financial Industry Nature related Risk Research Report," the maximum value approach was adopted for consolidation and calculation.

Note2: Due to the large number of ecosystem service dependency categories, the Sankey diagram presents only items exceeding 2 %, while those below 2 % are grouped under "others," including other provisioning services related to animal based energy, biomass provisioning, soil regulation, biological control, genetic resources, nursery populations and habitat maintenance, pollination, recreation related services, aesthetic services, education, science and research services, and spiritual, artistic, and symbolic services.

2.4 Green Strategies

2.4.1 Green Operations

The Bank addresses the impacts of climate-related risks and opportunities on its business, strategy, and financial planning through parallel actions of mitigation and adaptation, in line with the Paris Agreement and in support of the national target of net zero emissions by 2050. On the operational front, the Bank continues to promote energy and environmental management measures across its branches by upgrading energy efficient equipment, strengthening energy management mechanisms, and implementing green operations. These efforts enhance energy efficiency and improve supply chain management effectiveness, while guiding industries to jointly fulfill environmental responsibilities. In addition, in 2023, the Bank purchased 4,000 metric tons of carbon credits from the Taiwan Carbon Exchange, which remain unused and serve as preparation for future carbon neutrality. The Bank also continues to procure renewable energy, with a cumulative total of 7.22 million kWh of green electricity contracted as of the end of 2025, demonstrating its long term commitment to carbon reduction.

Energy Management

In alignment with the energy management policy of SinoPac Holdings, the Bank initially introduced the ISO 50001:2018 Energy Management System in 2019 to enhance energy management efficiency. By 2025, the Bank has fully achieved its target of implementing the ISO 50001 Energy Management System across all self-owned buildings, reaching a total coverage rate of 100 %. The Bank continues to monitor and measure energy saving targets and key operational characteristics to ensure the effective implementation of various energy efficiency initiatives.

Certificate

Environmental Management

In alignment with the environmental management policy of SinoPac Holdings, the Bank initially introduced the ISO 14001:2015 Environmental Management System in 2019 to improve environmental risk management. By 2025, the Bank has fully achieved its target of implementing the ISO 14001 Environmental Management System across all self-owned buildings, reaching a total coverage rate of 100%. The Bank continues to control and reduce significant environmental impacts, and to establish long term and feasible measures to support climate sustainability.

Certificate

Greenhouse Gas Inventories

In alignment with SinoPac Holdings, the Bank has conducted greenhouse gas inventory based on the operational control approach since 2018. Starting from 2019, the Bank introduced ISO 14064-1:2018 to carry out inventory of total greenhouse gas emissions. In accordance with the short-, mid-, and long-term reduction targets for Scope 1 and Scope 2 set by SinoPac Holdings under the SBTi framework, the Bank aims to achieve net zero emissions for its own operations by 2030 through energy saving and carbon reduction measures, as well as the use of renewable energy and certificates. By 2022, the Bank completed greenhouse gas inventory for all domestic and overseas locations, achieving a coverage rate of 100 %. Going forward, the Bank will continue to conduct greenhouse gas inventory in accordance with its decarbonization pathway, integrate renewable energy and low carbon transition plans, and advance toward its vision of sustainable finance.

Certificate, Certificate

Note: Starting from 2025, Bank SinoPac has aligned with the requirements of its parent to conduct greenhouse gas inventories in accordance with the GHG Protocol. As Amret was newly consolidated as a subsidiary in 2025, it will continue to adopt ISO 14064-1:2018 as its GHG inventory standard on an interim basis. The Bank plans to transition Amret to the GHG Protocol in due course.

2025 Energy Saving and Carbon Reduction Initiatives and Performance

Energy Conservation Measures	Description	Electricity Savings in 2025 (MWh)	Reduced Greenhouse Gas Emissions (tons-CO2e)
Air Conditioning Replacement and Upgrade	Replace chilled water air conditioning units at Sanchong, Shulin, Chongxin, and Nanmen branches to reduce electricity consumption.	49.20	23.32
Air Conditioning Monitoring System Installation	Install air conditioning monitoring systems at the North Kaohsiung buildings to enable precise electricity usage control.	50.47	23.92
Replaced traditional lights with LED lights	Replaced traditional lights in branches and offices with LED lights	224.29	106.31
Total		323.96	153.55

2.4.2 Green Procurement

The Bank prioritizes the procurement of government certified environmentally friendly products, including green building materials and recycled paper. In accordance with the "Supplier Sustainability Guidelines" established by SinoPac Holdings, the Bank evaluates whether suppliers comply with environmental protection regulations and have established appropriate environmental management systems and procedures. The Bank also requires its suppliers to sign the "Supplier Sustainability Commitment," encouraging them to place equal emphasis on labor rights, business ethics, and integrity, and to work collaboratively toward achieving a balance among economic, social, and environmental objectives, thereby promoting environmental sustainability.

Bank SinoPac Green Procurement Achievements

Unit: NTD million

Items	2023		2024		2025	
	Total expenditures	Green procurement	Total expenditures	Green procurement	Total expenditures	Green procurement
Construction services	289	50	542	59	406	21
Computer and information services	994	10	896	20	1,113	160
Office supplies	58	40	89	40	71	41
Property management and security	87	0	167	0	150	0
Printed materials	77	4	93	6	100	18
Advertising and Marketing	129	30	162	43	232	92
Total procurement amount	1,635	134	1,950	168	2,074	332
Green procurement ratio		8.2%		8.6%		16%

Note: This table does not include Bank SinoPac (China) Ltd. or Amret Plc.

2.4.3 Green Products and Services

In alignment with SinoPac Holdings, the Bank received Board approval in March 2022 to commit to achieving net zero emissions for its own operations by 2030 and net zero emissions across its entire asset portfolio by 2050. The Bank seeks to work collaboratively with stakeholders to initiate a low carbon transition and is dedicated to supporting Taiwan's net zero goal through sustainable finance. In response to the government's efforts to transform Taiwan's economic and industrial structure, the Bank actively develops green financial products and services, enhances climate awareness among customers and the public, promotes energy transition, and creates opportunities in the net zero economy for clients and investors.

2.4.3.1 Financing in Green Products and Services

Corporate Finance

Unit: NTD million

Category	2024		2025	
	Year-end financing balance	Ratio (%)	Year-end financing balance	Ratio (%)
Green loans/Sustainable loans	193,844	21.81%	219,557	22.63%
Financing for energy conservation and energy storage equipment	13,417	1.51%	11,600	1.20%
• Financing for energy storage equipment	13,102	1.47%	11,515	1.19%
• Replacement of large diesel vehicles	315	0.04%	84	0.01%
Green infrastructure financing	176,811	19.90%	204,028	21.03%
• Financing for solar photovoltaic equipment	128,918	14.51%	150,003	15.46%
• Green building construction and development financing projects	42,400	4.77%	41,098	4.24%
• Financing for other green projects[Note 1]	5,493	0.62%	12,927	1.33%
Low Carbon Transition Financing	3,616	0.41%	3,930	0.40%
• Green textiles financing	3,264	0.37%	3,745	0.39%
• Credit Guaranteed Loans for Registered Low Carbon Smart Factories	352	0.04%	185	0.02%
Sustainability-linked loans	23,247	2.62%	41,330	4.26%
Total sustainability products	217,091	24.43%	260,887	26.89%
Overall product scale[Note2]	888,598		970,378	

Note1: Mainly includes financing for other energy infrastructure such as onshore wind power, geothermal energy, and small-scale hydropower, as well as financing for other operational activities that support the development of renewable energy.

Note2: The 2024 data includes Bank SinoPac's corporate banking loan balance, including non-performing loans. The 2025 data includes corporate banking loan balances of Bank SinoPac and Bank SinoPac (China) Ltd., including non-performing loans.

Consumer Finance

Unit: NTD million

Category	2024		2025	
	Year-end financing balance	Ratio (%)	Year-end financing balance	Ratio (%)
Sustainable loans and mortgages provided to consumers	5,187	0.68%	5,959	0.76%
Green mortgage	4,940	0.65%	5,770	0.74%
Energy-saving equipment	247	0.03%	189	0.02%
• Household solar photovoltaic equipment	211	0.03%	173	0.02%
• Personal electric vehicles	36	0.00%	16	0.00%
Overall product scale[Note]	765,024		783,912	

Note: The 2024 data includes Bank SinoPac's loan balances for housing loans, auto loans, personal loans, and credit cards, including non-performing loans. The 2025 data includes loan balances for housing loans, auto loans, and personal loans, including non-performing loans.

2.4.3.2 Other Green Products and Services

Third Party Sustainable Investment Products (Primarily Green)

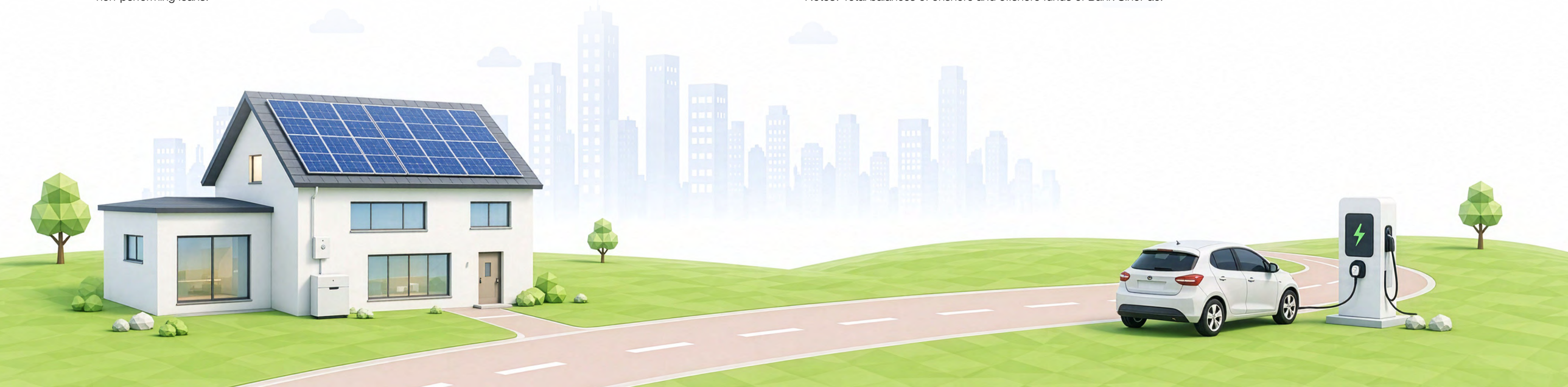
Unit: NTD million

Category	2024		2025	
	AUC at Year End	Ratio (%)	AUC at Year End	Ratio (%)
ESG integrated investments[Note 1]	2,570	2.10%	3,077	2.30%
ESG benchmark company investments[Note2]	364	0.30%	270	0.20%
Total sustainable products	2,934	2.39%	3,347	2.51%
Overall product scale[Note3]	122,575	100.00%	133,562	100.00%

Note1: ESG Integrated Investments refer to investments that exclude controversial or sensitive activities and systematically incorporate ESG risk factors, including environmental, social, and governance considerations, into the investment analysis and decision-making process.

Note2: ESG Benchmark Company Investments refer to investments in activities, companies, or projects within the same industry that demonstrate relatively stronger ESG performance, based on a positive screening approach.

Note3: Total balances of onshore and offshore funds of Bank SinoPac.



Climate Scenario Analyses

Significant Areas of Uncertainty Considered in Assessing Climate Resilience

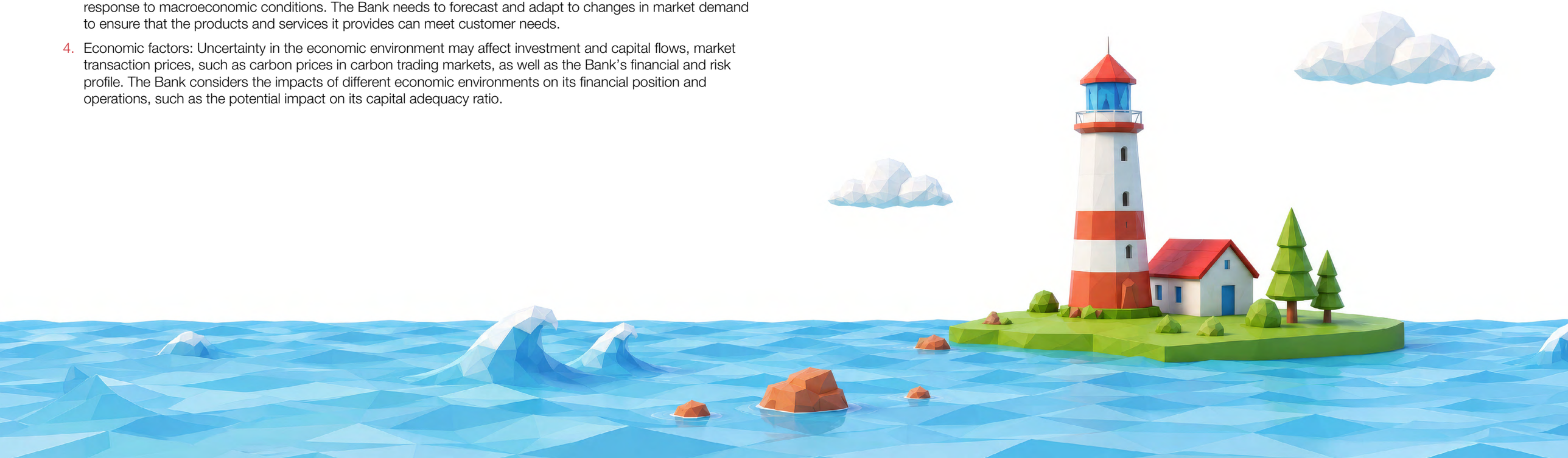
When conducting climate resilience assessments, the Bank considers significant areas of uncertainty, including policy changes, technological advancements, shifts in market demand, and economic factors. These considerations help the Bank remain flexible in responding to climate-related risks and opportunities, adapt to changes under different scenarios, and maintain resilience in order to achieve its sustainable development goals.

The significant areas of uncertainty are described as follows:

1. Policy changes: International and domestic net-zero carbon emission policies may be affected by changes in geopolitical conditions, economic and trade developments, and climate change trends, which may in turn influence the pace of related developments.
2. Technological advancements: Successful technological progress, such as in energy storage facilities, may significantly advance the development of renewable energy. However, if such technologies cannot be widely adopted and applied, the cost of obtaining renewable energy may increase.
3. Shifts in market demand: Market demand for green financial products and services may change over time and in response to macroeconomic conditions. The Bank needs to forecast and adapt to changes in market demand to ensure that the products and services it provides can meet customer needs.
4. Economic factors: Uncertainty in the economic environment may affect investment and capital flows, market transaction prices, such as carbon prices in carbon trading markets, as well as the Bank's financial and risk profile. The Bank considers the impacts of different economic environments on its financial position and operations, such as the potential impact on its capital adequacy ratio.

Safekeeping of Documents Related to Scenario Analyses

Scenario analyses and strategic information, including key assumptions and parameters used during analyses, are documented and stored by the Risk Management Division in accordance with the "Guidelines for Financial Disclosures Related to Climate Risks by Domestic Banks" issued by the Financial Supervisory Commission. If related information needs to be updated due to implementations of climate risk management tasks or after referencing the latest climate science research, the Risk Management Division will update and regularly report said information to senior management.



3.1 Physical Risks

Bank SinoPac has proposed scenario analyses for five physical risks: Heavy rainfall and flooding, slope disasters, droughts, wildfires, and rising sea levels. Heavy rainfall and flooding may occur as Taiwan is often impacted by typhoons which bring heavy rain and cause flooding in low-lying areas. Impacts from global climate change in recent years have increased the frequency of flooding incidents due to heavy rainfall in some regions, causing financial losses in our value chain. Droughts result from Taiwan's high mountains, short and fast-flowing rivers, and high variability in river flows, which make it difficult to retain water. Impacts from global climate change in recent years have increased fluctuations in river flows, causing operational impacts due to suspended operations or additional costs required to obtain water. Slope disasters may occur as Taiwan has many mountains and is often impacted by earthquakes and typhoons, which may cause slope collapses and affect the safety of real estate and businesses located in slope regions. As Taiwan is an island, rising sea levels over the long term may impact real estate in low-lying coastal areas and around rivers. Finally, wildfires have been exacerbated by the impacts of global climate change in recent years, including rising temperatures, intensified droughts, and changes in precipitation patterns. These factors have increased both the likelihood of wildfire occurrence and the extent of potential impact areas, which may in turn affect real estate and businesses.

In 2025, Bank SinoPac expanded the scope of its climate physical risk scenario analysis to include overseas positions for the first time. The analysis factors included heavy rainfall and flooding, drought, wildfires, and rising sea levels. Due to the lack of global projection data for slope disasters, this specific factor remains limited to domestic operations.

While warming scenario projections for wildfires are currently unavailable, a global wildfire risk assessment was conducted based on the baseline period (annual average from 1981 to 2010), recognizing its significance as a major natural disaster of public concern. For heavy rainfall and flooding, drought, slope disasters, and sea-level rise, the scenarios are based on the Fifth Assessment Report (AR5) and Sixth Assessment Report (AR6) published by Intergovernmental Panel on Climate Change (IPCC). These analyses evaluate three pathways—low warming, medium warming, and high warming scenarios, the assumptions for which are detailed in the table below.

Items		Low Warming Scenario	Medium Warming Scenario	High Warming Scenario
Heavy Rainfall And Flooding	Overseas	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
	Domestic	AR5 RCP4.5	AR5 RCP4.5	AR5 RCP8.5
Drought	Overseas	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
	Domestic	AR6 SSP1-2.6	AR6 SSP3-7.0	AR6 SSP5-8.5
Slope Disasters	Domestic	AR6 SSP1-2.6	AR6 SSP2-4.5	AR6 SSP5-8.5
Wildfires	Domestic and Overseas	Baseline period[Note]		
Rising Sea Levels	Domestic and Overseas	AR6 SSP1-2.6	AR6 SSP3-7.0	AR6 SSP5-8.5

Note: Due to the lack of warming scenario projections for wildfires, the global wildfire risk assessment was conducted based on the baseline period (annual average from 1981 to 2010).

Bank SinoPac analyzed physical risks for various sections of our overall value chain (suppliers, our own operations, investees and borrowers) and assessed potential impacts on capital adequacy ratios from expected losses, setting five potential impact levels:

Potential Impact Level	Low	Moderately Low	Moderate	Moderately High	High
Capital Adequacy Ratio Reduction (A)	0% ≦ A < 0.12%	0.12% ≦ A < 0.24%	0.24% ≦ A < 0.42%	0.42% ≦ A < 0.59%	A ≦ 0.59%
Equivalent Amount (B)(TWD)	0 ≦ B < 1.8billion	18 ≦ B < 37billion	37 ≦ B < 64billion	64 ≦ B < 92billion	B ≦ 92billion

Overview of Physical Risks and Scenario Analysis Results





Risk Factors	Acute Physical Risk: Heavy Rainfall and Flooding[Note 1]	Acute Physical Risk: Droughts	Acute Physical Risk: Slope Disasters[Note 2]	Wildfires	Chronic Physical Risk: Rising Sea Levels
Parameters	Rainfall volumes and inundation probability maps	1. Domestic: Standardized Precipitation Index threshold values, water conservation alert levels, and revenue impact ratios 2. Overseas: Water pressure index and revenue impact ratios	Rainfall volumes and landslide susceptibility index	Wildfire weather index, loss ratios for real estate values, and revenue impact ratios	Rising sea levels and parameters in the Climate Change Scenario Analyses Documents for
Timeline	2030,2050	2030,2050	Domestic Banks (including loss ratios for real estate values and revenue impact ratios)	Baseline period	2030,2050
Area[Note 3]	Domestic and Overseas	Domestic and Overseas	Domestic	Domestic and Overseas	Domestic and Overseas
Scenario Analysis Methods	Obtained latitude and longitude values for real estate locations to determine risk levels.				
Value Chain Analysis – Locations of upstream supplier operations – Operational risks	Low impact	Low impact	Low impact	Low impact	Low impact
Value Chain Analysis – Locations of own operations – Operational risks	Low impact	Low impact	Low impact	Low impact	Low impact
Value Chain Analysis – Real estate for self use – Operational risks	Low impact		Low impact	Low impact	Low impact
Value Chain Analysis – Downstream – Loan collateral – Low impact	Low impact		Low impact	Low impact	Low impact
Value Chain Analysis – Downstream – Factory – Credit risks	Low impact	Low impact	Low impact	Low impact	Low impact
Analysis Results	The total expected losses from locations of own operations, real estate for self-use, loan collateral, locations of suppliers, and factory locations of investees and borrowers have potentially low impacts on capital adequacy ratios under all scenarios at all timepoints.				

Note1: Regarding the World Resources Institute (WRI) mapping platform used for overseas heavy rainfall and flooding, the flooding data currently only provides estimation information based on AR5.

Note2: Due to the lack of global projection data for overseas slope disasters, the assessment is limited to the domestic scope.

Note3: Due to the difficulty of data collection and in consideration of IFRS S2 Climate-related Disclosures, a materiality threshold has been applied to filter the scope of data collection. The threshold is defined as "total investment and financing amount of SinoPac Holdings exceeding NTD 300 million."

Physical Risks—Mitigation and Adaptation Measures

Risk Factors	Analysis Target	Mitigation and Adaptation Measures
① Acute Physical Risk: Heavy Rainfall and Flooding 	Locations of upstream supplier operations	• Maintain signing rates of Supplier Sustainability Commitment at 100% for domestic suppliers. ①②③④ • Continue to strengthen supplier awareness of climate change issues and organize regular supplier communications and exchanges themed around climate issues. In 2025, we hosted 2 supplier training sessions focused on ESG/climate change issues and convened the third Supplier Conference. ①②③④
② Acute Physical Risk: Droughts 	SinoPac's operational sites and real estate for self use	• Apart from adhering to the "Natural Disaster Emergency Response Guidelines," Bank SinoPac has formulated business continuity plans and organized remote backup drills to prepare for sudden natural disasters. ①②③④ • We purchase comprehensive commercial fire and electronics insurance (which also covers typhoon and flooding incidents) for all assets each year. With total-mass-based control, our insurance policies entitle us to settlements of approximately 90% of post-disaster recovery costs, so most losses can be offset. ① • Operating sites in drought-prone areas prepare water storage tanks and rent water trucks when necessary to shorten operation interruption times. ② • Enhance waterproofing facilities and drainage pipelines for offices in identified high-risk areas. Installations of wicket gates have been completed for 100% of self-owned buildings in high-risk areas as of 2025. ① • Continue to track physical risks identified under scenario analyses and reference historical climate data from the National Science and Technology Center for Disaster Reduction when purchasing real estate for self-use. ①③
③ Acute Physical Risk: Slope Disasters 	Loan collateral	• Credit analysis processes include ESG assessments which encompass environmental (and climate change) risks. ①③④ • Avoid taking on real estate targets prone to flooding, landslides, faults, soil liquefaction, tsunamis, and nuclear disasters. ①③④ • Apart from land, guarantees, deposits, securities, and items governed by other regulations, all collateral shall be insured by the borrower (or provider) based on appraised values and loan amounts to reduce risks, and Bank SinoPac shall be listed as a designated beneficiary. ①③④ • Major natural disasters should be considered when grading real estate locations, and immediate reviews of associated areas should be conducted during emergency incidents. ①③④ • With regard to physical risks of areas where real estate collateral are located, rigorous assessments should be conducted as needed to determine whether said areas may be potential climate disaster sites, and the Disaster Risk Adaption Platform should be referenced when determining loan ratios. When listing real estate as collateral, climate-related physical risks should be taken into consideration, and climate risks of heavy rainfall, rising sea levels, and flood-prone areas should be identified. ①③④ • We have formulated corresponding short/medium/long-term targets and incorporated climate change risk factors into loan evaluation procedures and regulations to serve as references for determining loan conditions and review levels. ①②③④ • Added systemic registration and disclosure mechanisms incorporating potential risks from heavy rainfall flooding and slope disaster risk information to real estate assessment processes. ①③ • We have integrated domestic climate change physical risk data into our credit review and approval system. ①③
④ Chronic Physical Risk: Rising Sea Levels 	Factory locations of investees and borrowers	• Include ESG assessments encompassing environmental (and climate change) risks in credit analysis processes, review client action plans for ESG risks, and formulated list of industries with high climate risks and assessment processes for climate risks (including physical risks). ①②③④ • Determine whether clients have analyzed and established appropriate responses to climate change risks (both physical and transition risks) and opportunities, for example, the physical risks associated with their main operational sites or factories. Rigorous assessments are conducted to determine whether said areas are potential climate disaster sites and to serve as a reference for credit investigations. ①②③④ • Prior to investments, we gather information on the environmental, social, and governance aspects of investee companies, and work to understand investee industrial influence and operational impacts associated with climate change through investor conferences, symposiums, and interviews with upstream and downstream vendors/management teams; this information is incorporated into various elements of our investment evaluations. ①②③④ • The "Directives for Responsible Investment" stipulate that: "Climate risks of investees should be assessed and reviewed before setting investment limits, and assessment results should be used to establish mechanisms for differential management. Due diligence and careful evaluation should be conducted for listed industries with high climate risks. Climate risk assessment and reviews should be based on the Banking Book Stock ESG Risk Assessment Form or Banking Book Bond ESG Risk Assessment Form." ①②③④ • We have formulated corresponding short/medium/long term targets which are incorporated into non-financial risk identifications/assessments for investee and borrower operations. ①②③④

3.1.1 Heavy Rainfall and Flooding

Locations of upstream supplier operations

Procurement amounts and expected losses from suppliers located in areas with high climate sensitivity risks; increased procurement amounts transferred back to SinoPac were estimated based on expected losses.

Evaluation method

Calculated procurement amounts and expected losses[Note] from suppliers located in areas with high climate sensitivity risks due to heavy rainfall and flooding under different scenarios.

Analysis results

Expected losses associated with high climate sensitivity risks from suppliers located in areas prone to heavy rainfall and flooding under all scenarios and timelines ranged from NT$0.3-0.4 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Heavy Rainfall and Flooding Base date: 2025/12/31 Unit: Million NTD

Scenario	2030		2050	
	Procurement amounts with high climate sensitivity risks	Expected losses	Procurement amounts with high climate sensitivity risks	Expected losses
Low Warming Scenario	10	0.3	13	0.4
Medium Warming Scenario	10	0.3	13	0.4
High Warming Scenario	10	0.3	13	0.4

Note: Expected losses = Total procurement amount x Possibility of flooding under physical climate change risks from heavy rainfall and flooding x Inundation probability x Ratio of repair costs for property damages

Locations of own operations

Revenues and expected losses associated with high climate sensitivity risks from locations of own operations.

Evaluation method

Referenced the "Climate Change Scenario Analyses Documents for Domestic Banks" issued by the Bankers Association of the Republic of China, using the revenue impact ratios of the highest physical risk level (Level 5) to assess expected losses[Note], costs of property damage repairs, and costs offset by insurance settlements from suspensions of overall operations located in areas prone to heavy rainfall and flooding under different scenarios to calculate expected losses with high climate sensitivity risks.

Analysis results

Expected losses associated with high climate sensitivity risks from own operations prone to heavy rainfall and flooding under all scenarios and timelines ranged from NT$0.29-2.12 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Heavy Rainfall and Flooding Base date: 2025/12/31 Unit: Million NTD

Scenario	2030	2050
	Expected losses	Expected losses
Low Warming Scenario	0.29	2.12
Medium Warming Scenario	0.29	2.12
High Warming Scenario	0.29	2.12

Note: Expected losses = (Losses from work stoppage + Costs of asset damage repairs) - Insurance settlements. (1) "Losses from work stoppage" were calculated as the losses in revenue resulting from one day of work stoppage when rainfall intensity reached the government standard for suspending work and class; (2) "Costs of property damage repairs" were calculated as: Annual revenue for said operational location in the reported year x Possibility of flooding under physical climate change risks from heavy rainfall and flooding x Inundation probability x Ratio of repair costs for property damages; (3) "Insurance settlements" were calculated as 90% of costs of property damage repairs.

Real estate for self use

Book values and expected losses associated with high climate sensitivity risks from locations of real estate for self use.

Evaluation method

Book Values and expected losses[Note] from real estate for self use with high climate sensitivity risks due to heavy rainfall and flooding under different scenarios.

Analysis results

The total book values of real estate for self use associated with high climate sensitivity risks due to heavy rainfall and flooding under all scenarios and timelines ranged from NT$29-127 million, amounting to 0.001-0.004% of total Bank SinoPac property values; expected losses ranged from NT$9-57 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

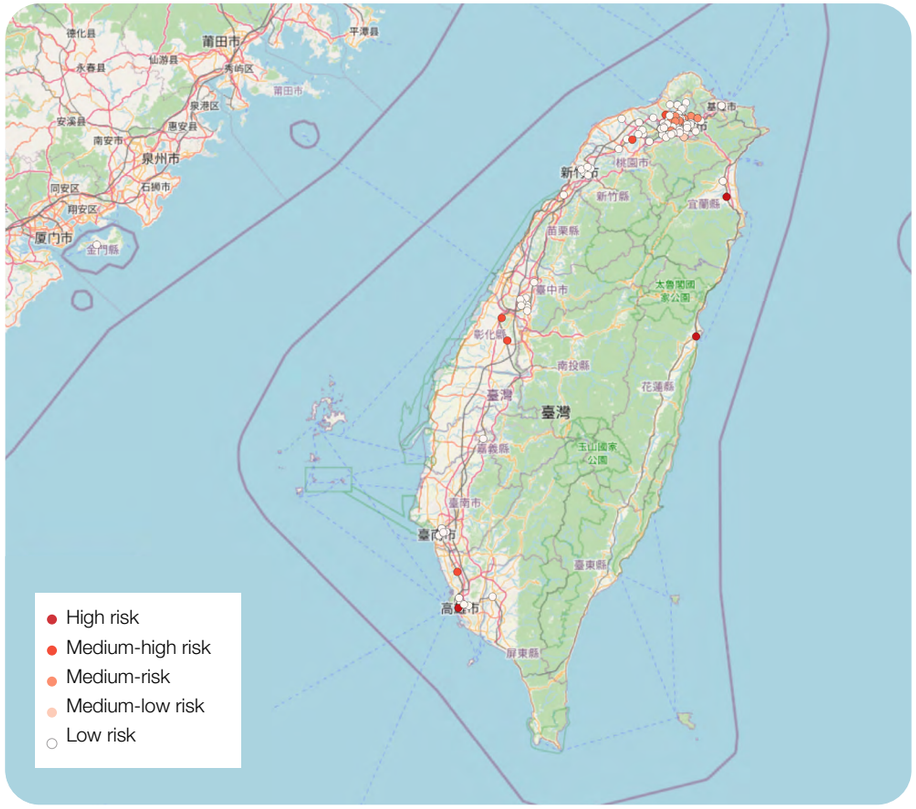
Acute Physical Risk: Heavy Rainfall and Flooding

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total assets	Expected losses	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total assets	Expected losses
Low Warming Scenario	29	0.001%	9	127	0.004%	57
Medium Warming Scenario	29	0.001%	9	127	0.004%	57
High Warming Scenario	29	0.001%	9	127	0.004%	57

Note: Expected losses = Book values of real estate for self use x Real estate loss ratio x Possibility of flooding under physical climate change risks from heavy rainfall and flooding x Inundation probability x Median of expected values for real estate value loss ratios.

Climate sensitivity distribution of the operational location and owned real estate under heavy rainfall and flooding in High Warming Scenario (2050)



Loan collateral

Loan amounts and incremental expected losses from real estate collateral associated with high climate sensitivity risks.

Evaluation method

Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate internal ratings for loan clients based on probabilities of default and referenced the loss given default estimation method from the "Climate Change Scenario Analyses Documents for Domestic Banks" to evaluate incremental expected losses[Note] from real estate collateral associated with high climate sensitivity risks under all scenarios and timelines.

Analysis results

The total amount of loans with real estate collateral associated with high climate sensitivity risks due to heavy rainfall and flooding under all scenarios and timelines ranged from NT$10,215~13,832 million, amounting to 0.58~0.78% of total Bank SinoPac loans; incremental expected losses ranged from NT$3.3~9.3 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Heavy Rainfall and Flooding Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Loan amounts associated with high climate sensitivity risks	Proportion of total assets	Incremental expected losses	Loan amounts associated with high climate sensitivity risks	Proportion of total assets	Incremental expected losses
Low Warming Scenario	10,215	0.58%	3.3	13,832	0.78%	9.3
Medium Warming Scenario	10,215	0.58%	3.3	13,832	0.78%	9.3
High Warming Scenario	10,215	0.58%	3.3	13,832	0.78%	9.3

Note: Incremental expected losses = Probability of default(PD) x Change in loss given default(LGD) x Loan amount.

Loan collateral

Possible potential impacts on interest income: Estimated potential impacts from interest income when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Evaluation method

We estimated possible business volumes for the next five years based on the number of loans with real estate collateral and average interest rates over the past five years, then calculated the amount of real estate collateral associated with high climate sensitivity risks due to heavy rainfall and flooding under all scenarios and timelines to estimate the potential impacts on interest income[Note] when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Analysis results

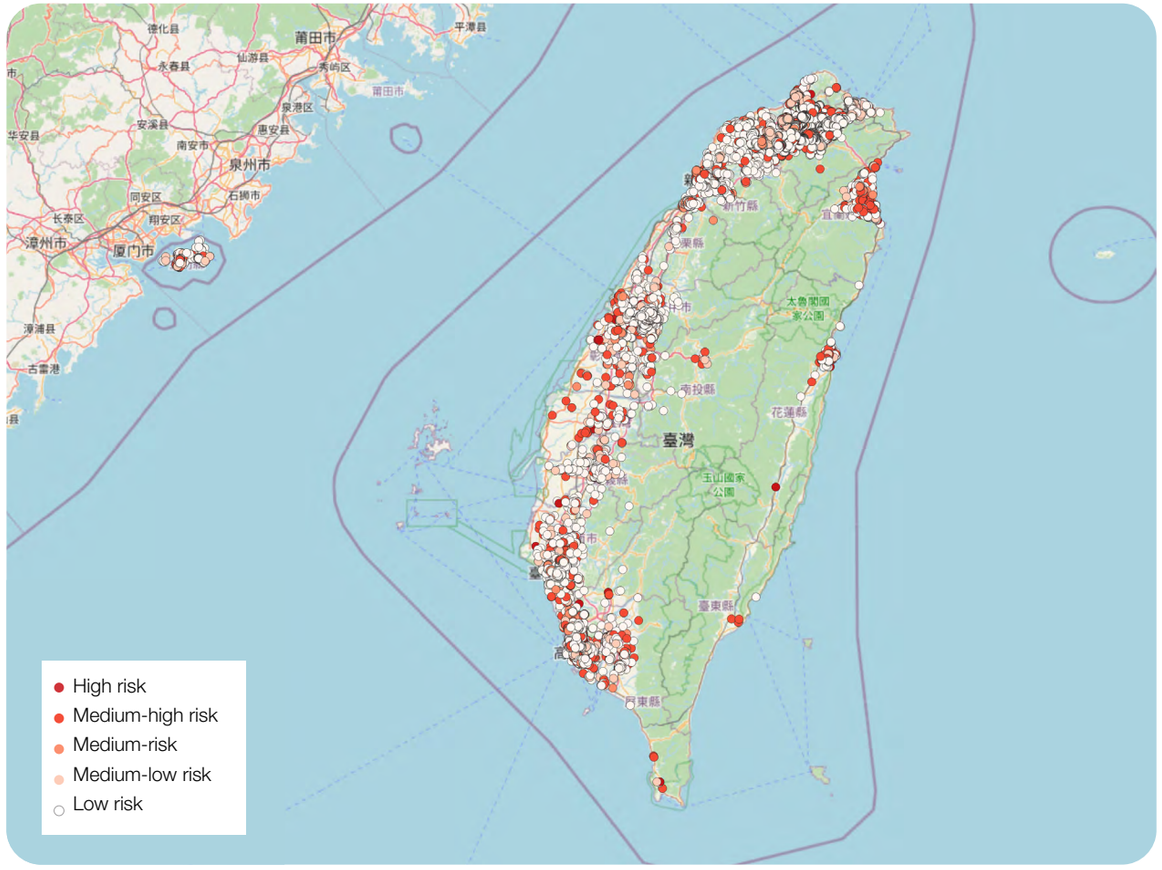
The total financing amounts and proportions of overall investment and financing amounts from investees and borrowers with factories located in high climate sensitivity risks under all scenarios and timelines are shown below; expected losses ranged from NT$10~267 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Heavy Rainfall and Flooding Base date: 2025/12/31 Unit: Million NTD

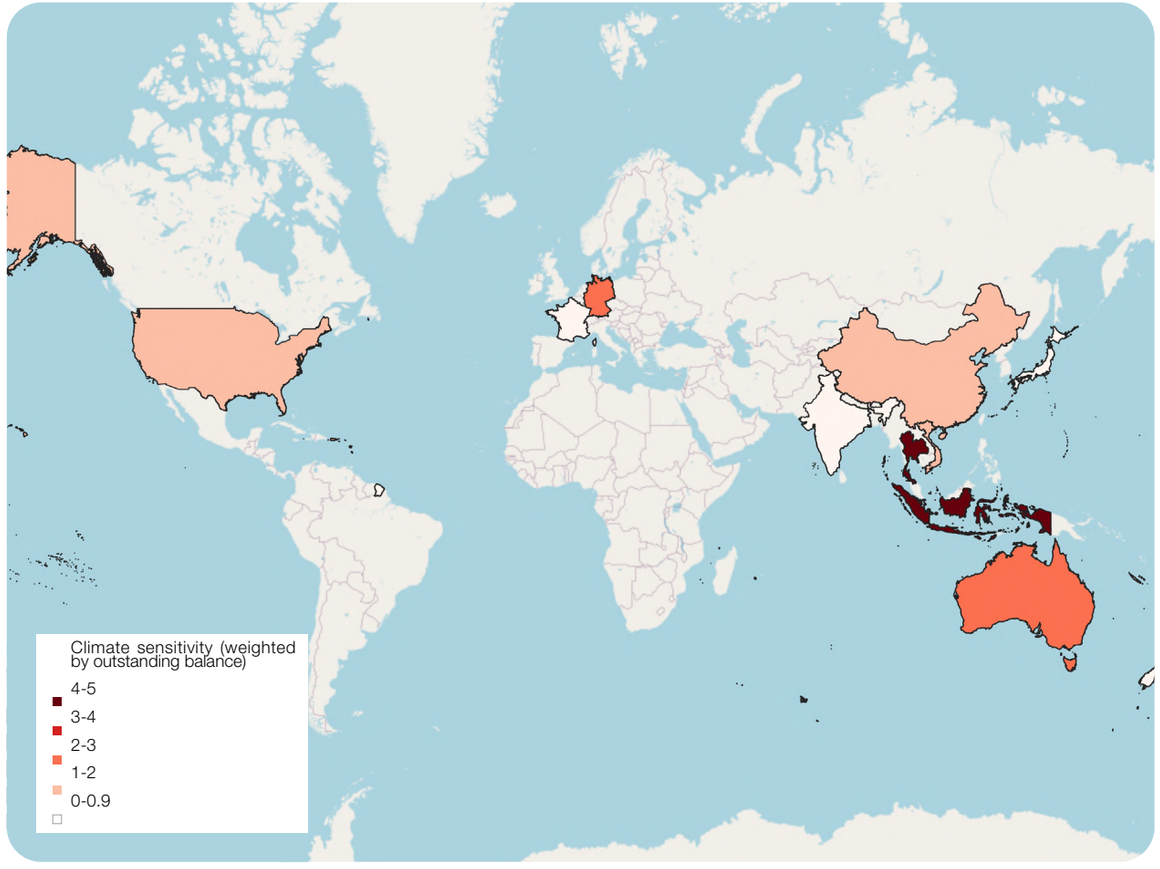
Scenario	Average interest	2030		2050	
		Loan amounts associated with high climate sensitivity risks	Impacts on interest income	Loan amounts associated with high climate sensitivity risks	Impacts on interest income
Low Warming Scenario	Average interest rates for past five years for each loan type	7,823	10~201	11,160	14~267
Medium Warming Scenario		7,831	10~201	11,181	14~267
High Warming Scenario		7,831	10~201	11,181	14~267

Note: Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Climate sensitivity distribution of domestic credit collateral under heavy rainfall and flooding in High Warming Scenario (2050)



Climate sensitivity distribution of overseas credit collateral under heavy rainfall and flooding in High Warming Scenario (2050)



Downstream investees and borrowers

Investment and financing amounts, and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Expected losses[Note] from investees and borrowers with factories located in areas with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Expected losses associated with high climate sensitivity risks from investees and borrowers located in areas prone to heavy rainfall and flooding under all scenarios and timelines amount to NT$3 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Heavy Rainfall and Flooding

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses
Low Warming Scenario	9,187	0.54%	3	9,648	0.57%	3
Medium Warming Scenario	9,187	0.54%	3	9,648	0.57%	3
High Warming Scenario	9,187	0.54%	3	9,668	0.57%	3

Note: Expected losses = Probability of default x Change in loss given default x Financing amount (targets determined to be high-risk on internal credit ratings).

3.1.2 Droughts

Locations of upstream supplier operations

Procurement amounts and expected losses from suppliers located in areas with high climate sensitivity risks; increased procurement amounts transferred back to SinoPac were estimated based on expected losses.

Evaluation method

Procurement amounts and expected losses[Note] from suppliers located in areas with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Procurement amounts associated with high climate sensitivity to drought, based on supplier locations under all scenarios and time points, amounted to NT$159 million, representing approximately 7.14% of Bank SinoPac's total procurement. The expected losses amounted to NT$0.19 million.

Acute Physical Risk: Droughts

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030		2050	
	Procurement amounts with high climate sensitivity risks	Expected losses	Procurement amounts with high climate sensitivity risks	Expected losses
Low Warming Scenario	159	0.19	159	0.19
Medium Warming Scenario	159	0.19	159	0.19
High Warming Scenario	159	0.19	159	0.19

Note: Expected losses = Procurement amount x Expected revenue loss ratios under physical climate change risks from drought

Locations of own operations

Revenues and expected losses associated with high climate sensitivity risks from locations of own operations.

Evaluation method

Expected losses[Note] from high climate sensitivity risks due to drought for own operations under all scenarios and timepoints.

Analysis results

Expected losses from high climate sensitivity risks associated with drought from own operations under all scenarios and timepoints ranged from NT$6.04-6.05 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Droughts

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030	2050
	Expected losses	Expected losses
Low Warming Scenario	6.04	6.04
Medium Warming Scenario	6.04	6.04
High Warming Scenario	6.04	6.05

Note: Expected losses = Annual revenues from operational locations x Expected revenue loss ratios under physical climate change risks from drought

Downstream investees and borrowers

Investment and financing amounts, and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Expected losses[Note] from investees and borrowers with factories located in areas with high climate sensitivity risks due to drought under all scenarios and timepoints.

Analysis results

Total investment and financing amounts and proportions of all investment and financing amounts at Bank SinoPac from investees and borrowers with factories located in high climate sensitivity risks associated with drought under all scenarios and timepoints are shown as follows. Expected losses amounted to NT$25 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Droughts

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Investment and financing amounts with high climate sensitivity risks associated with drought	Proportion of overall investment and financing amounts	Expected losses	Investment and financing amounts with high climate sensitivity risks associated with drought	Proportion of overall investment and financing amounts	Expected losses
Low Warming Scenario	31,586	1.86%	25	32,829	1.94%	25
Medium Warming Scenario	31,586	1.86%	25	32,829	1.94%	25
High Warming Scenario	32,110	1.90%	25	32,829	1.94%	25

Note: Probability of default x Change in loss given default x Financing amount (targets determined to be high-risk on internal credit ratings).

3.1.3 Slope Disasters

Locations of upstream supplier operations

Procurement amounts and expected losses from suppliers located in areas with high climate sensitivity risks; increased procurement amounts transferred back to the Bank were estimated based on expected losses.

Evaluation method

Procurement amounts and expected losses[Note] from suppliers located in areas with high climate sensitivity risks due to slope disasters under all scenarios and timepoints.

Analysis results

Procurement amounts associated with high climate sensitivity risks due to slope disasters based on supplier locations under all scenarios and timepoints amounted to NT$74 million, around 3.59% of total procurement at Bank SinoPac, and expected losses ranged from NT$2.9-3.1 million.

Acute Physical Risk: Slope Disasters

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030		2050	
	Procurement amounts with high climate sensitivity risks	Expected losses	Procurement amounts with high climate sensitivity risks	Expected losses
Low Warming Scenario	74	2.9	74	3.1
Medium Warming Scenario	74	2.9	74	3.1
High Warming Scenario	74	2.9	74	3.1

Note: Expected losses = Total procurement amount x Possibility of 350 mm/24 hr rainfall volumes for all scenarios under physical climate change risks from slope disasters x Hazard index combining slope angles, historical collapses, and other factors x Ratio of repair costs for property damages for each slope disaster.

Locations of own operations

Revenues and expected losses associated with high climate sensitivity risks from locations of own operations.

Evaluation method

Expected losses[Note], costs of property damage repairs, and costs offset by insurance settlements from suspensions of overall operations for suppliers located in areas with high climate sensitivity due to slope disasters under all scenarios and timepoints.

Analysis results

Expected losses associated with high climate sensitivity risks from own operations due to slope disasters under all scenarios and timelines ranged from NT$140.16-140.39 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Slope Disasters

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030	2050
	Expected losses	Expected losses
Low Warming Scenario	140.16	140.39
Moderate Warming Scenario	140.16	140.39
High Warming Scenario	140.16	140.39

Note: Expected losses = (Losses from work stoppage + Costs of property damage repairs) - Insurance settlements. (1) "Losses from work stoppage" are calculated as annual revenues required to operate the business at said location in the reported year; (2) "Costs of property damage repairs" are calculated as: Annual revenues for said operational location in the reported year x Possibility of 350 mm/24 hr rainfall volumes for all scenarios under physical climate change risks from slope disasters x Hazard index combining slope angles, historical collapses, and other factors x Ratio of repair costs for property damages for each slope disaster; (3) No settlements are paid for slope disaster incidents, and therefore "insurance settlements" were zero.

Real estate for self use

Book values and expected losses associated with high climate sensitivity risks from locations of real estate for self use.

Evaluation method

Book Values and expected losses[Note] from real estate for self use located in areas with high climate sensitivity risks due to slope disasters under all scenarios and timepoints.

Analysis results

The total book values of real estate for self use associated with high climate sensitivity risks due to slope disasters under all scenarios and timelines amounted to NT$125 million, amounting to 0.004% of total Bank SinoPac asset values; expected losses ranged from NT$11-12 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Slope Disasters

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total asset property	Expected losses	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total asset property	Expected losses
Low Warming Scenario	123	0.004%	11	123	0.004%	12
Moderate Warming Scenario	123	0.004%	11	123	0.004%	12
High Warming Scenario	123	0.004%	11	123	0.004%	12

Note: Expected losses = Book value of real estate for self use x Possibility of 350 mm/24 hr rainfall volumes for all scenarios under physical climate change risks from slope disasters x Hazard index combining slope angles, historical collapses, and other factors x Median real estate value loss ratio for each slope disaster.

Loan collateral

Loan amounts and incremental expected losses from real estate collateral associated with high climate sensitivity risks.

Evaluation method

Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate internal ratings for loan clients based on probabilities of default and referenced the LGD estimation method from the "Climate Change Scenario Analyses Documents for Domestic Banks" to evaluate incremental expected losses[Note] from real estate collateral associated with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Total amount of loans associated with high climate sensitivity risks from real estate collateral due to slope disasters under all scenarios and timepoints and proportions of total loans are shown in the following table; Incremental expected losses fell between NT$18~19 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Slope Disasters

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Loan amounts associated with high climate sensitivity risks	Proportion of overall loans	Incremental expected losses	Loan amounts associated with high climate sensitivity risks	Proportion of total assets	Incremental expected losses
Low Warming Scenario	18,073	1.02%	18	19,721	1.11%	19
Moderate Warming Scenario	18,073	1.02%	18	19,721	1.11%	19
High Warming Scenario	18,073	1.02%	18	19,721	1.11%	19

Note: Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Loan collateral

Possible potential impacts on interest income: Estimated potential impacts from interest income when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Evaluation method

We estimated possible business volumes for the next five years based on the number of loans with real estate collateral and average interest rates over the past five years, then calculated the amount of real estate collateral associated with high climate sensitivity risks under all scenarios and timepoints to estimate potential impacts on interest income[Note] when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Analysis results

Potential financial impacts from interest income ranged from NT$17-379 million under all scenarios and timepoints, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Slope Disasters

Base date: 2025/12/31 Unit: Million NTD

Scenario	Average interest rate	2030		2050	
		Loan amounts associated with high climate sensitivity risks	Interest income impacted	Loan amounts associated with high climate sensitivity risks	Interest income impacted
Low Warming Scenario	Average interest rates for past five years for each loan type	15,955	17~350	17,463	19~379
Moderate Warming Scenario		15,955	17~350	17,463	19~379
High Warming Scenario		15,955	17~350	17,463	19~379

Note: Impacts on interest income = Assumed impact on loan ratio x Average interest rate x Loan amount.

Downstream investees and borrowers

Investment and financing amounts and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Expected losses[Note] from investees and borrowers with factories located in areas with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

The total financing amounts and proportions of overall investment and financing amounts for investees and borrowers with factories located in high climate sensitivity risks under all scenarios and timepoints are shown below; there was no expected loss, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Slope Disasters Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses
Low Warming Scenario	386	0.02%	0	386	0.02%	0
Moderate Warming Scenario	397	0.02%	0	397	0.02%	0
High Warming Scenario	397	0.02%	0	397	0.02%	0

Note: Expected losses = Default rate x Ratio of loss given default x Investment and financing amount (targets determined to be high-risk on internal credit ratings).

3.1.4 Rising Sea Levels

Locations of upstream supplier operations

rocurement amounts and expected losses from suppliers located in areas with high climate sensitivity risks; increased procurement amounts transferred back to the Bank were estimated based on expected losses.

Evaluation method

Procurement amounts and expected losses[Note] from suppliers located in areas with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Procurement amounts associated with high climate sensitivity risks due to rising sea levels based on supplier locations under all scenarios and timepoints amounted to NT$5 million, around 0.23% of total procurement at Bank SinoPac. The expected losses ranged from NT$1.76-1.77 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels Base date: 2025/12/31 Unit: Million NTD

Scenario	2030		2050	
	Procurement amounts with high climate sensitivity risks	Expected losses	Procurement amounts with high climate sensitivity risks	Expected losses
Low Warming Scenario	5	1.76	5	1.76
Moderate Warming Scenario	5	1.76	5	1.77
High Warming Scenario	5	1.76	5	1.77

Note: Expected losses = Total procurement amount x Possibility of inundation under physical climate change risks from rising sea levels x Ratio of repair costs for property damages for each inundation.

Locations of own operations

Revenues and expected losses associated with high climate sensitivity risks from locations of own operations.

Evaluation method

Expected losses[Note] associated with high climate sensitivity risk are calculated by offsetting expected losses from work stoppage and costs of property damage repairs with insurance settlements from under all scenarios and timepoints.

Analysis results

Expected losses associated with high climate sensitivity risks from own operations due to rising sea levels under all scenarios and timelines ranged from NT$7.24-70.41 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030	2050
	Expected losses	Expected losses
Low Warming Scenario	7.24	7.24
Moderate Warming Scenario	7.24	70.37
High Warming Scenario	7.25	70.41

Note: Expected losses = (Losses from work stoppage + Costs of property damage repairs) - Insurance settlements. (1) "Losses from work stoppage" are calculated as annual revenues required to operate the business at said location in the reported year; (2) "Costs of property damage repairs" are calculated as: Annual revenues for said operational location in the reported year x Possibility of inundation under physical climate change risks from rising sea levels x Ratio of costs of property damage repairs; (3) "Insurance settlements" are calculated as 90% of costs of property damage repairs.

Real estate for self use

Book values and expected losses associated with high climate sensitivity risks from locations of real estate for self use.

Evaluation method

Expected losses[Note] from real estate for self use are assessed based on the real estate loss ratio under all scenarios and timepoints.

Analysis results

No real estate for self use was located in high climate sensitivity risk areas from rising sea levels under any scenario or time horizon, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total asset property	Expected losses	Real estate for self use book value associated with high climate sensitivity risks	Proportion of total asset property	Expected losses
Low Warming Scenario	0	0%	0	0	0%	0
Moderate Warming Scenario	0	0%	0	0	0%	0
High Warming Scenario	0	0%	0	0	0%	0

Note: Expected losses = Expected losses = Book value of real estate for self use x Possibility of inundation under physical climate change risks from rising sea levels x Median expected property value loss ratio.

Loan collateral

Loan amounts and incremental expected losses from real estate collateral associated with high climate sensitivity risks.

Evaluation method

Referenced the advanced methodology from the "Climate Risk Management Manual for Domestic Banks" to calculate internal ratings for loan clients based on probabilities of default and referenced the LGD estimation method from the "Climate Change Scenario Analyses Documents for Domestic Banks" to evaluate incremental expected losses[Note] from real estate collateral associated with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Total amount of loans associated with high climate sensitivity risks from real estate collateral due to rising sea levels under all scenarios and timelines and proportion of total loans are shown in the following table; Incremental expected losses fell between NT$0.44~0.47 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels

Base date: 2025/12/31 Unit: Million NTD

Scenario	2030			2050		
	Loan amounts associated with high climate sensitivity risks	Proportion of overall loans	Incremental expected losses	Loan amounts associated with high climate sensitivity risks	Proportion of total assets	Incremental expected losses
Low Warming Scenario	1,654	0.09%	0.44	1,654	0.09%	0.44
Moderate Warming Scenario	1,654	0.09%	0.44	1,698	0.1%	0.47
High Warming Scenario	1,654	0.09%	0.44	1,698	0.1%	0.47

Note: Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Loan collateral

ossible potential impacts on interest income: Estimated potential impacts from interest income when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Evaluation method

We estimated possible business volumes for the next five years based on the number of loans with real estate collateral and average interest rates over the past five years, then calculated the amount of real estate collateral associated with high climate sensitivity risks under all scenarios and timepoints to estimate potential impacts on interest income[Note] when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Analysis results

Potential financial impacts from interest income ranged from NT$2-47 million under all scenarios and timepoints, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels

Base date: 2025/12/31 Unit: Million NTD

Scenario	Average interest rate	2030		2050	
		Loan amounts associated with high climate sensitivity risks	Interest income impacted	Loan amounts associated with high climate sensitivity risks	Interest income impacted
Low Warming Scenario	Average interest rates for past five years for each loan type	1,648	2~46	1,648	2~46
Moderate Warming Scenario		1,648	2~46	1,692	2~47
High Warming Scenario		1,648	2~46	1,692	2~47

Note: Impacts on interest income = Assumed impact on loan ratio x Average interest rate x Loan amount.

Downstream investees and borrowers

Investment and financing amounts and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Expected losses[Note] from investees and borrowers with factories located in areas with high climate sensitivity risks under all scenarios and timepoints.

Analysis results

Total investment and financing amounts and proportions of all investment and financing amounts at Bank SinoPac from investees and borrowers with factories located in high climate sensitivity risks under all scenarios and timepoints are shown as follows. There were no expected losses, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Chronic Physical Risk: Rising Sea Levels

Base date: 2025/12/31 Unit: Million NTD

Scenario	2050			2100		
	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses
Low Warming Scenario	4,046	0.24%	0	4,046	0.24%	0
Moderate Warming Scenario	4,046	0.24%	0	4,046	0.24%	0
High Warming Scenario	4,046	0.24%	0	4,046	0.24%	0

Note: Expected losses = Probability of default x Change in loss given default x Financing amount (targets determined to be high-risk on internal credit ratings).

3.1.5 Wildfire

Locations of upstream supplier operations

Procurement amounts and expected losses from suppliers located in areas with high climate sensitivity risks; increased procurement amounts transferred back to SinoPac were estimated based on expected losses.

Evaluation method

Calculated procurement amounts and expected losses[Note] from suppliers located in areas with high climate sensitivity risks due to wildfire under baseline scenario.

Analysis results

The total procurement amount associated with suppliers whose operating locations fall into high climate sensitivity risk areas under the wildfire scenario is zero. The potential impact on the Bank's capital adequacy ratio is assessed as low.

Acute Physical Risk: Wildfire

Base date: 2025/12/31 Unit: Million NTD

Scenario	Procurement amounts with high climate sensitivity risks	Expected losses
Baseline	0	0

Note: Expected Loss = Procurement Amount × Revenue Loss Ratio under the wildfire physical climate risk scenario (assuming full impact from wildfire, with a loss ratio of 100 percent).

Locations of own operations

Revenues and expected losses associated with high climate sensitivity risks from locations of own operations.

Evaluation method

Expected losses[Note] are calculated for the Bank's operating locations under the wildfire baseline scenario by offsetting expected business interruption losses with asset damage repair costs and insurance compensation amounts, in order to determine the expected losses associated with locations classified as high climate sensitivity risk.

Analysis results

For the Bank's operating locations classified as high climate sensitivity risk under the wildfire scenario, the expected loss is zero. The potential impact on the Bank's capital adequacy ratio is assessed as low.

Acute Physical Risk: Wildfire Base date: 2025/12/31 Unit: Million NTD

Scenario	Expected losses
Baseline	0

Note: (Business Interruption Loss + Asset Damage Repair Cost) – Insurance Compensation (1) Business Interruption Loss refers to the annual operating revenue of the location that requires physical business operations at the site. (2) Asset Damage Repair Cost is calculated as the annual operating revenue of the location multiplied by the revenue loss ratio under the wildfire physical climate risk scenario (assuming full impact from wildfire, with a loss ratio of 100 percent). (3) Insurance Compensation is estimated at 90 percent of the asset damage repair cost, based on assumed insurance coverage.

Real estate for self use

Book values and expected losses associated with high climate sensitivity risks from locations of real estate for self use.

Evaluation method

Book Values and expected losses[Note] from real estate for self use with high climate sensitivity risks due to wildfire under different scenarios.

Analysis results

The total book values of real estate for self use associated with high climate sensitivity risks due to wildfire amounted to zero, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Wildfire Base date: 2025/12/31 Unit: Million NTD

Scenario	High climate sensitivity risks Real estate for self use book value associated with high climate sensitivity risks	Proportion of total asset property	Expected losses
Baseline	0	0	0

Note: Expected Loss = Book values of real estate for self use × Revenue Loss Ratio under the wildfire physical climate risk scenario (assuming full impact from wildfire, with a loss ratio of 100 percent).

Loan collateral

Loan amounts and incremental expected losses from real estate collateral associated with high climate sensitivity risks.

Evaluation method

Referenced the advanced methodology from the “Climate Risk Management Manual for Domestic Banks” to calculate internal ratings for loan clients based on probabilities of default, and referenced the Loss Given Default estimation method from the “Climate Change Scenario Analyses Documents for Domestic Banks” to evaluate incremental expected losses from real estate collateral associated with high climate sensitivity risks under the wildfire baseline scenario[Note]

Analysis results

The total amount of loans with real estate collateral associated with high climate sensitivity risks due to wildfire under baseline scenario amounted to approximately

Acute Physical Risk: Wildfire

Base date: 2025/12/31 Unit: Million NTD

Scenario	Loan amounts associated with high climate sensitivity risks	Proportion of total asset property	Expected losses
Baseline	315	0.02%	6

Note:Incremental expected losses = Probability of default x Change in loss given default x Loan amount.

Loan collateral

Possible potential impacts on interest income: Estimated potential impacts from interest income when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Evaluation method

We estimated possible business volumes for the next five years based on the number of loans with real estate collateral and average interest rates over the past five years, then calculated the amount of real estate collateral associated with high climate sensitivity risks due to wildfire under baseline scenario to estimate the potential impacts on interest income[Note] when loan ratios were reduced by at least -5.0% or loan applications were rejected based on opinions from internal experts.

Analysis results

The potential financial impact on interest income is estimated to range from NT$0~9 million, with low potential impacts on the capital adequacy ratio of Bank SinoPac.

Acute Physical Risk: Wildfire

Base date: 2025/12/31 Unit: Million NTD

Scenario	Average Interest Rate	Loan Exposure Amount in High Climate Sensitivity Risk Areas	Impacted interest income
Baseline	The average interest rate is derived from the five year historical average by loan type.	315	0~9

Note:Impacted interest income = Assumed affected loan ratio × Average interest rate × Loan exposure amount.

Downstream investees and borrowers

Investment and financing amounts, and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Expected losses[Note] from investees and borrowers with factories located in areas with high climate sensitivity risks under wildfire baseline scenario.

Analysis results

The investment and financing amounts associated with client factory locations classified as high climate sensitivity risk due to wildfire, and their proportion of total investment and financing amounts, are presented as follows; expected losses are zero, with low potential impacts on the Bank's capital adequacy ratio.

Acute Physical Risk: Wildfire

Base date: 2025/12/31 Unit: Million NTD

Scenario	Investment and financing amounts associated with high climate sensitivity risks	Proportion of overall investment and financing amounts	Expected losses
Baseline	1,945	0.11%	0

Note: Expected losses = Probability of default x Change in loss given default x Financing amount (targets determined to be high-risk on internal credit ratings).

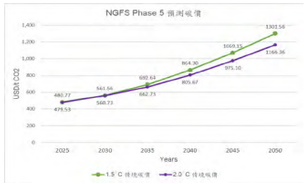
3.2 Transition Risks

In response to transition risks from global climate change, Bank SinoPac conducted respective analyses on different value chain sections (suppliers, own operations, and investment and financing businesses) to evaluate possible additional "carbon costs" (such as carbon credits, carbon taxes, and carbon fees); "energy transition" from government low-carbon transition goals (Nationally Determined Contributions, NDCs); and potential financial impacts from the three risk incidents under the SinoPac Holdings 2030 operational net zero emissions commitment. Under different climate scenarios and time scales, this could cause potential financial impacts for Bank SinoPac.

Potential financial impacts on Bank SinoPac from transition risks: We analyzed transition risks for various sections of our overall value chain (suppliers, own operations, investment, and financing business) and assessed potential impacts on capital adequacy ratios from incremental expected losses to set five potential impact levels:

Potential Impact Level	Low	Moderately Low	Moderate	Moderately High	High
Capital Adequacy Ratio Reduction (A)	0 ≦ A < 0.12%	0.12% ≦ A < 0.24%	0.24% ≦ A < 0.42%	0.42% ≦ A < 0.59%	A ≦ 0.59%
Equivalent Amount (B)(NTD)	0 ≦ B < 1.8 billion	1.8 billion ≦ B < 3.7 billion	3.7 billion ≦ B < 6.4 billion	6.4 billion ≦ B < 9.2 billion	B ≦ 9.2 billion

Overview of Transition Risk and Scenario Analysis Results

Risk Factors	Carbon Cost Payments		Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations by 2030
Parameters	Carbon Costs		Contract capacities, equipment construction costs, electricity sold per kW of renewable energy, renewable energy certificate costs, monetary substitution per kW, and monetary substitution rate[Note 1].	Equipment replacement costs, green electricity costs, renewable energy certificate costs[Note 3], and costs for hiring external consultants.
Climate Scenarios	• Network for Greening the Financial System (NGFS): • The projected carbon price under the NGFS Phase 5 scenario based on the REMIND-MAgPIE 3.3–4.8 Integrated Physical Damages (median) model is adopted. 1. Below 2°C (equivalent to the SBT target pathway with a linear annual emissions reduction rate of 2.5%). 2. Net Zero 2050 / 1.5°C (equivalent to the SBT target pathway with a linear annual emissions reduction rate of 4.2%).		Nationally Determined Contributions (NDC)	Achieve operational net zero emissions by 2030
	• International Energy Agency (IEA): 1. Below 2°C: The carbon price projection under the Sustainable Development Scenario (SDS) disclosed in the "World Energy Outlook 2021" report is adopted, which is consistent with the Below 2°C pathway (equivalent to the SBT target pathway with a linear annual emissions reduction rate of 2.5%). 2. Net Zero 2050 / 1.5°C: The carbon price projection under the Net Zero Emissions by 2050 (NZE) scenario disclosed in the World Energy Outlook 2025 report is adopted, which is consistent with the Net Zero 2050 / 1.5°C pathway (equivalent to the SBT target pathway with a linear annual emissions reduction rate of 4.2%).			
Timeline	2025-2050 (analysis conducted for every five-year period) [Expected average asset holding period is 1-7 years].		2025[Note 2] [Expected average asset holding period is 1-7 years].	Conducted analyses for each year from 2026-2030 based on the SinoPac Holdings target of achieving operational net zero emissions by 2030[Note 4]
Scenario Analysis Methods	• As carbon costs affect supplier sale costs, potential financial impacts from suppliers passing on carbon costs were quantified. • Nine high-emission industries (Oil and gas, Power generation, Metal mining, Chemical material manufacturing, Industrial manufacturing motor vehicle manufacturing, Industrial manufacturing-manufacture of basic metals and fabricated metal products, Cement, Shipping, and Aviation) were selected from industries with high climate risks on a heatmap showing industrial climate risks and taken from a list of high-emission corporations monitored by the Ministry of Environment; additional "carbon costs" of investees and borrowers were assessed to quantify potential financial impacts. (Please refer to 5.5 Exposure to Industries with High Climate Risks for information on the climate risk heatmap and exposure amounts) • Assessed possible additional "carbon costs" for financing targets and quantified potential financial impacts on Bank SinoPac at the end of 2025 from industries with credit concentration ratios exceeding 8% (the real estate industry and the electricity, gas & water industry).		Conducted scenario analyses on investees and borrowers based on a list of heavy electricity users provided by external consultants.	Calculated decreases in carbon costs resulting from expected reductions in carbon emissions based on potential financial impacts from transition risks under carbon reduction scenarios.

Risk Factors			Carbon Cost Payments	Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Net Zero Emissions in Own Operations by 2030
Value Chain Analysis	Own operations	Operational risks			Low impacts
	Upstream suppliers	Operational risks	Low impacts	Low impacts	
	Downstream investees and borrowers	Credit risks and market risks	Low impacts	Low impacts	
Analysis Results			Our comprehensive assessment indicates that, across different climate scenarios and time horizons, the potential impact on the Bank's capital adequacy ratio remains low. This assessment takes into account factors including the pass-through of carbon costs from suppliers, financing and investment exposures to high-emission industries and enterprises regulated by the environmental authority, exposures to industries with high credit concentration, exposures to major electricity consumers, and the decarbonization costs required to achieve net-zero emission targets.		

Note1: (1) "Contract capacities" were estimated using the indirect emission volumes disclosed by the Ministry of Environment on the Mandatory Greenhouse Gas Reporting System; (2) "equipment construction costs" were based on the "Renewable energy bulk purchase rate table" released by the Ministry of Economic Affairs, which set preliminary (Phase 1) construction costs for rooftop solar photovoltaic equipment with installed capacity of more than 500 kW as NT$36,400/KW; (3) "electricity sold per kW of renewable energy" was based on the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" and set at annual levels of 1,250 kWh/KW for solar photovoltaic power; (4) "renewable energy certificate costs" were calculated using the market trading price of NT$4/kWh; (5) "monetary substitution per kW" was set at 2,500 kWh/KW based on the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"; (6) "monetary substitution rate" was set at NT$4/kWh based on the Ministry of Economic Affairs "Fee rate of monetary substitution payment for consumers of renewable energy obligation."

Note2: The "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity" stipulates that specified targets are required to complete installations by 2025, and therefore we have used the years listed in these Regulations for analysis. Compulsory installed capacities for renewable energy were calculated as 10% of said user's average contract capacities for the previous year. If renewable energy equipment was installed prior to 2023, 20% of central competent authority notified compulsory installed capacities were deducted; for installations completed before 2024, 10% of central competent authority notified compulsory installed capacities were deducted.

Note3: The National Renewable Energy Certification Center states that "renewable energy certificate costs" are determined by buyers and sellers through market mechanisms and we have therefore estimated market prices for 2030 to be NT$4/kWh.

Note4: Please refer to the SinoPac Holdings official website for more details on our net zero targets.

Note5: The scope of assessment for our industrial climate risk heatmap encompassed domestic and foreign investment and financing positions of Bank SinoPac.

Transition Risks-Mitigation and Adaptation Measures

Risk Factors	Analysis Target	Mitigation and Adaptation Measures
Carbon Cost Payments	• Costs transferred from suppliers • Investees and borrowers in high-emission industries • Investees and borrowers listed as high-emission enterprises by the Ministry of Environment • Industries with credit concentration ratios exceeding 8%	• Use the "Directives for Responsible Investment" as a guideline for promoting and implementing responsible investment. • Adhere to the "Directives for Responsible Lending," "Corporate Banking Manual Equator Principles Section," and "Financial Markets Manual" for rigorous evaluation of the environmental, social, and corporate governance impacts of businesses operated by investees and borrowers when making investment and financing decisions. • Formulated "Concentration and Risk Limitations for High-Risk Industries" in consideration of overall business developments, risk capacities, future industrial developments, and business cycles. Subcategories for some high-emission industries (such as non-ferrous metals, oil & gas exploration and wholesaling and marine transportation) have been included in the "Concentration and Risk Limitations for High-Risk Industries" and we monitor limits each month. • Strengthen management of sustainable supply chains, optimize supplier grading systems, continue to survey high-emission suppliers, further expand green procurement items such that 95% of procured items are government certified green procurement and finance items, and increase usage ratios of green building materials for renovation and decoration to more than 70%. • SinoPac Holdings' pledge to achieve full-portfolio net zero emissions by 2050 was approved by its Board in March 2022. SinoPac Holdings joined SBTi in August 2022 and submitted Science Based Targets (SBTs) which were verified and approved in January 2024. We hope to initiate low-carbon transition alongside stakeholders and "Achieve Net Zero Emissions in Taiwan Through Sustainable Finance." • Bank SinoPac works with SinoPac Holdings to fulfill net zero commitments in accordance with decarbonization statements and expanded inventory scope for decarbonization assets.
Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Investees and borrowers who are heavy electricity users affected by these Regulations	
Net Zero Emissions in Own Operations by 2030	Own operations	• In alignment with SinoPac Holdings' Scope 1 and Scope 2 Science-Based Targets (SBTs) for emissions reduction, as well as its commitment to achieve net-zero emissions from its own operations by 2030, the Bank continues to implement various energy-saving and carbon reduction initiatives. These efforts include increasing the proportion of renewable energy usage and utilizing renewable energy certificates (RECs), with the aim of progressively reducing greenhouse gas emissions. • Implement internal carbon pricing mechanisms: Review/adjust internal carbon pricing mechanisms for own operations. • Raise renewable energy usage ratios: Continue to raise annual targets for renewable energy usage ratios. • Promote energy and carbon reduction programs: Expand inventory scope and certification rate of our own buildings under ISO14001 and ISO50001 management systems.

3.2.1 Carbon Cost Payments

Upstream suppliers

Investment and financing amounts, and expected losses of investments/loans from investees and borrowers with factories located in areas associated with high climate sensitivity risks.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5° C) to estimate potential financial impacts of expected carbon cost transfers[Note]

Analysis results

Carbon costs transferred from suppliers are shown in the chart below, with low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints under all scenarios.

Risk factor: Carbon cost payments

Base date: 2025/12/31 Unit: Million NTD

Scenario	Data Source	Business Scope	Procurement Costs	Carbon Costs Transferred From Suppliers					
				2025	2030	2035	2040	2045	2050
< 2° C	IEA	Procurement	2,382	16	20	26	34	40	47
	NGFS			69	81	96	116	141	168
1.5° C	IEA			18	23	32	41	50	61
	NGFS			69	81	100	125	154	188

Note: Expected carbon cost transfers = Procurement amounts from said suppliers x Estimated carbon emission intensity x Carbon prices under warming scenario. (1) "Estimated carbon emission intensity" was estimated using the 2024 fuel combustion carbon emission data and analysis results as well as GDP estimates released by the Executive Yuan Directorate General of Budget, Accounting and Statistics; (2) "Carbon prices under warming scenario" used predicted carbon prices under the NGFS or IEA 2° C and 1.5° C scenarios.

Downstream investees and borrowers

Assessment of the nine "high-emission industries" and "high-emission corporations monitored by the Ministry of Environment" in industrial climate risk heatmap (Please refer to 5.5 Exposure to Industries with High Climate Risks for the climate risk heatmap)

- Credit risks (credit, bills, and bonds): Calculated accentuating change ratios of financial factors in existing models/evaluation tables using estimated carbon costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.
- Market risks (stock investments): Calculated impacts on company net values using estimated carbon costs and analyzed relative stock prices and losses from price declines.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5 ° C) as well as estimated additional carbon costs[Note 1] to analyze incremental changes in expected losses[Note 2] from climate risks on credit, bill, and bond positions, and incremental losses from price declines[Note 3] in stock investment positions from climate risks.

Analysis results

Our investment and financing positions in "high-emission industries" and "high-emission enterprises listed by the Ministry of Environment" are shown in the chart below and hold low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints under all scenarios.

Risk factor: Carbon cost payments Base date: 2025/12/31 Unit: Million NTD

Scenario	Data Source	Business Scope	Investment and Financing Amounts	Credit risks: Incremental expected losses from climate risks / Market risks: Incremental losses from price declines from climate risks					
				2025	2030	2035	2040	2045	2050
< 2°C	IEA	Credit risks (credit, bills, and bonds)(A)	163,054	208	212	217	221	226	232
		Market risks (stock investments)(B)	2,651	2	12	27	43	57	74
		Overall investment and financing positions (=A+B)	165,705	210	224	244	264	283	306
	NGFS	Credit risks (credit, bills, and bonds) (A)	163,054	213	227	243	260	282	297
		Market risks (stock investments)(B)	2,651	8	50	98	149	203	263
		Overall investment and financing positions (=A+B)	165,705	221	277	341	409	485	560
1.5° C	IEA	Credit risks (credit, bills, and bonds) (A)	163,054	212	219	229	240	251	262
		Market risks (stock investments)(B)	2,651	3	22	51	82	115	141
		Overall investment and financing positions (=A+B)	165,705	215	241	280	322	366	403
	NGFS	Credit risks (credit, bills, and bonds) (A)	163,054	216	237	263	297	315	328
		Market risks (stock investments)(B)	2,651	12	77	157	249	354	436
		Overall investment and financing positions (=A+B)	165,705	228	314	420	546	670	763

Note1: Additional carbon costs = (BAU (Business As Usual) carbon emissions - Carbon emissions under warming scenario) x Carbon prices under warming scenario. (1) "BAU carbon emissions" were estimated using IEA predicted carbon emission growth rates under the "do nothing" scenario; (2) "Carbon emissions under warming scenario" were estimated using the SBT 2° C and 1.5° C carbon reduction pathways and respective carbon reduction targets of 2.5% and 4.2%; (3) "Carbon prices under warming scenario" were estimated using the NGFS or IEA 2° C and 1.5° C scenarios.

Note2: Incremental changes in expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is based on financial impacts from additional carbon costs. Changes from original PD values were calculated after using existing models/assessment tools to calculate PD values under warming scenarios.

Note3: Incremental losses from price declines = Investment amount x Loss ratio from price declines. (1) "Loss ratio from price decline" = Impact on net value/predicted net worth ; (2) Impact on net worth = Additional carbon costs x (1 - Tax rate).

Downstream borrowers: Industries with high credit concentration ratios (real estate industry)

Assessment of industries where the Bank's credit concentration ratio exceeds 8% (for the current year: the real estate industry)

- Credit risks (credit): Calculated accentuating change ratios of financial factors in existing models/evaluation tables using estimated carbon costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5 ° C) as well as estimated additional carbon costs[Note1] to analyze incremental changes in expected losses[Note 2] from climate risks on credit positions.

Analysis results

Financing amounts for industries with high credit concentration ratios (real estate industry) are shown in the chart below, with low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints under all scenarios.

Risk factor: Carbon cost payments Base date: 2025/12/31 Unit: Million NTD

Scenario	Data Source	Business Scope	Financing Amounts	Credit risks: Incremental expected losses from climate risks					
				2025	2030	2035	2040	2045	2050
< 2° C	IEA	Credit risks (credit)	172,974	59	59	59	59	59	59
	NGFS			59	59	59	59	59	60
1.5° C	IEA			59	59	59	59	59	59
	NGFS			59	59	59	60	60	60

Note1: Additional carbon costs = (BAU carbon emissions - Carbon emissions under warming scenario) x Carbon prices under warming scenario. (1) "BAU carbon emissions" were estimated using IEA predicted carbon emission growth rates under the "do nothing" scenario; (2) "Carbon emissions under warming scenario" were estimated using the SBT 2° C and 1.5° C carbon reduction pathways and respective carbon reduction targets of 2.5% and 4.2%; (3) "Carbon prices under warming scenario" were estimated using the NGFS or IEA 2° C and 1.5° C scenarios.

Note2: Incremental changes in expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is based on financial impacts from additional carbon costs. Changes from original PD values were calculated after using existing models/assessment tools to calculate PD values under warming scenarios.

Downstream borrowers: Industries with high credit concentration ratios (electricity, gas & water industry)

Assessment of industries where the Bank's credit concentration ratio exceeds 8% (electricity, gas & water industry)

- Credit risks (credit): Calculated accentuating change ratios of financial factors in existing models/evaluation tables using estimated carbon costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, using predicted carbon price scenarios under NGFS (Below 2° C and 1.5° C) and IEA (Below 2° C and 1.5 ° C) as well as estimated additional carbon costs[Note 1] to analyze incremental changes in expected losses[Note 2] from climate risks on credit positions.

Analysis results

Financing amounts for industries with high credit concentration ratios (electricity, gas & water industry) are shown in the chart below, with low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints under all scenarios.

Risk factor: Carbon cost payments Base date: 2025/12/31 Unit: Million NTD

Scenario	Data Source	Business Scope	Financing Amounts	Credit risks: Incremental expected losses from climate risks					
					2030	2035	2040	2045	2050
< 2° C	IEA	Credit risks (credit)	22,945	65	65	65	65	66	66
	NGFS			65	66	66	66	67	67
1.5° C	IEA			65	66	66	67	67	67
	NGFS			65	66	67	68	70	71

Note1: Additional carbon costs = (BAU carbon emissions - Carbon emissions under warming scenario) x Carbon prices under warming scenario. (1) "BAU carbon emissions" were estimated using IEA predicted carbon emission growth rates under the "do nothing" scenario; (2) "Carbon emissions under warming scenario" were estimated using the SBT 2° C and 1.5° C carbon reduction pathways and respective carbon reduction targets of 2.5% and 4.2%; (3) "Carbon prices under warming scenario" were estimated using the NGFS or IEA 2° C and 1.5° C scenarios.

Note2: Incremental changes in expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is based on financial impacts from additional carbon costs. Changes from original PD values were calculated after using existing models/assessment tools to calculate PD values under warming scenarios.

3.2.2 Energy Transition

Upstream suppliers

Procurement amounts from suppliers that are heavy electricity users.

Evaluation method

Compiled a list of suppliers for 2025 and identified the number of heavy electricity users and procurement amounts.

Analysis results

The number of suppliers which were heavy electricity users and procurement amounts are shown in the chart below, amounting for around 2.91% of total procurement at Bank SinoPac.

Base date:2025/12/31 Unit: Million TWD

Risk factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"

Heavy electricity users	Procurement amounts	Proportion of total procurement
2	69	2.91%

Downstream investees and borrowers

Investees and borrowers that are heavy electricity users

- Credit risks (credit, bills, and bonds): Calculated accentuating change ratios of financial factors in existing models/evaluation tables using estimated energy transition costs to analyze credit risks, probabilities of default, internal ratings, and incremental expected losses.
- Market risks (stock investments): Calculated impacts on company net worth using estimated energy transition costs and analyze relative stock prices and incremental losses from price declines.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, and evaluated additional procurement or construction costs[Note 1] from investees and borrowers from our list of heavy electricity users to determine incremental changes in expected losses on credit, bill, and bond positions from climate risks[Note 2] and incremental losses from price declines in stock investment positions from climate risks[Note 3].

Analysis results

Investment and financing amounts are shown in the chart below, with low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints under all scenarios.

Risk factor: Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"

Base date:2025/12/31
Unit: Million TWD

Business scope	Investment and Financing Amounts	Credit risks: Incremental expected losses from climate risks Market risks: Incremental losses from price declines from climate risks		
		Solar equipment installed in 2025	Renewable energy electricity and certificates purchased in 2025	Monetary substitutions paid in 2025
Credit risks (credit, bills, and bonds)(A)	36,419	0.27	0.30	0.36
Market risks (stock investments)(B)	2,886	0.19	0.52	1.05
Overall investment and financing positions (=A+B)	39,305	0.46	0.83	1.41

Note1: Additional costs from energy transition were calculated as 10% of said user's average contract capacities for the previous year. (1) Additional costs to install solar power equipment = (Contract capacity x 10% x Deductions for advance installations x Solar equipment installation costs)/Average cost amortization over 20 years; (2) Additional costs for purchasing renewable energy electricity and certificates = Contract capacity x 10% x Annual amount of electricity sold per KW of solar photovoltaic energy x Price of solar photovoltaic certificates; (3) Additional costs for monetary substitutions = Contract capacity x 10% x kWh/KW for monetary substitution x Monetary substitution rate.

Note2: Incremental changes in expected losses (ΔEL) = ΔPD × LGD × EAD. ΔPD is based on financial impacts from additional energy transition costs. Changes from original PD values were calculated after using existing models/assessment tools to calculate PD values under warming scenarios.

Note3: Incremental losses from price declines = Investment amount x Loss ratio from price declines. (1) "Loss ratio from price decline" = Impact on net value/predicted net value; (2) Impact on net value = Additional energy transition costs x (1 - Tax rate).

3.2.3 Net Zero Emissions in Own Operations

Own operations

Estimated potential financial impacts on own operations from low-carbon transition risks based on the SinoPac Holdings target of operational net zero emissions by 2030.

Evaluation method

Referenced the "Climate Risk Management Manual for Domestic Banks" to assess advanced practices for climate resilience, evaluating potential financial impacts to Bank SinoPac from increased equipment replacement costs, green electricity procurement costs, renewable energy certificate costs, and external consulting costs for carbon reduction in accordance with the SinoPac Holdings goal to achieve operational net zero emissions by 2030.

Analysis results

Low potential impacts on the capital adequacy ratio of Bank SinoPac at all timepoints.

Risk factor: Operational net zero

Base date:2025/12/31 Unit: Million TWD

Business scope	Transition Risk Scenario	Potential Financial Impacts				
		2026	2027	2028	2029	2030
Own operations	Achieve operational net zero emissions by 2030.	80	96	112	145	169

3.3 Scenario Analyses for Climate Opportunities

The net zero trend has spread from industries in general to the financial industry. The Financial Supervisory Commission released sustainable development roadmap for Listed and OTC companies which stipulates that, starting in 2023, all Listed and OTC companies should disclose greenhouse gas inventory data in stages and complete verifications by 2029. The financial industry launched the Green Finance Action Plan 3.0 to guide financial institutes in handling sustainable investment and financing, signing international sustainable principles or initiatives, and conducting sustainable finance evaluations; encourage corporations to focus on and implement ESG aspects; and build sustainable financial ecosystems. Bank SinoPac cooperates with SinoPac Holdings in actively promoting net zero actions and assisting collaborating vendors in establishing carbon reduction strategies, launching the "Four Steps of Sustainable Finance," and providing one-stop green transition financial services which encompass the four aspects of carbon inventories and verifications, energy management, carbon reduction, and sustainability. Our multifaceted developments include the following items:

We exert our financial strength and use practical actions to make contributions to environmental sustainability. Please refer to our official website for more information on our green products and services.

Green Products and Services

Carbon inventory services for core vendors

In 2025, we will continue to collaborate with industry partners to jointly promote net zero developments by providing integrated services for corporate carbon inventories and verification, helping enterprises understand their own conditions and support corporations in meeting their carbon reduction targets.

Financing for Energy Efficiency and Energy Storage Equipment

In response to the government's initiatives to promote deep energy conservation and energy storage technology program, and in support of the net zero transition, SinoPac launched energy efficiency equipment and behind-the-meter energy storage financing solutions for the first time. These solutions provide heavy electricity users with diversified deployment options, helping them achieve energy savings and cost reduction.

Green Energy Trading Trust Platform

To resolve enterprise difficulties in obtaining green electricity, we utilized our own advantages in solar energy financing to establish a Green Energy Trading Trust Platform and payment trust mechanisms, using trust mechanisms to aid management of cash flows for renewable energy electricity trading, thereby lowering transaction costs and risks while greatly increasing management efficiency. We earmarked funds for dedicated use to enhance the security of electricity purchases and power transfers between renewable energy users, power generation operators, and electricity sales vendors.

Financial Advisory Services for Green Energy Business

In response to renewable energy project construction and M&A transactions, we provide project management and advisory services for corporate solar power plant equity and asset transactions. This includes advising and planning for clients' energy transitions, matchmaking potential counterparties, estimating solar installation values, and negotiating transaction terms to actively develop and bridge the needs of buyers and sellers in the market.

Promotion of green deposits

The Financial Supervisory Commission Green Finance Action Plan 3.0 hopes to fully exert financial energies and guide positive ESG actions. Bank SinoPac provides green deposit services to corporations focused on ESG and Corporate Governance Evaluations. In future, said funds will be invested in green industrial developments to achieve mutually beneficial outcomes that enable corporations to move toward green and carbon reduction actions, and the financial industry will assist corporations with carbon reduction. Additionally, we continue to promote green deposits for individuals in 2025, so that USD demand deposit customers could flexibly use their funds for global financing or re-financing adhering to green loan principles , thereby exerting our sustainable finance influence.

Sustainability -linked loans

Bank SinoPac uses interest rate reductions as economic incentives to promote sustainability-linked loans that encourage corporate clients to meet agreed-upon sustainability performance targets and create a win-win situation for sustainable development.

Bank SinoPac follows SinoPac Holdings in conducting simulations and estimations of the additional costs required to adapt to climate change risks as well as potential financial impacts on Bank SinoPac for investment and financing enterprises in the 9 high-emission industries identified as hotspots in the industry climate risk heatmap and for high-emission enterprises listed by the Ministry of Environment. Furthermore, additional climate transition burdens on clients are seen as potential funding needs and business opportunities for Bank SinoPac. We also actively respond to transformations in industry structures by developing green financial products and services. When focusing on potential credit demand driven by the aforementioned climate transition activities, the Bank incorporates the financial impacts of changes in funding costs and net interest margins into its strategy formulation and resource allocation considerations when providing financing support.

Aim of analysis

Additional costs for climate transition by investees and borrowers belonging to high-emission industries and high-emissions enterprises listed by the Ministry of Environment, as well as continued development of financing services for green electricity and renewable energy, which are considered to be potential capital requirement scenarios for Bank SinoPac. Our analysis enables us to determine the capital costs required for loans to realize climate opportunities.

Analysis method

Referenced the indicators listed in Financial Statistics Monthly on the Central Bank of the Republic of China (Taiwan)'s website. We use historical average quarterly deposit interest rates during 2023Q1 to 2025Q4 as an indicator of future funding cost estimations for our credit-related businesses.

Analysis results

In recent years, global economic and market uncertainties have increased due to factors such as geopolitical tensions, inflation, interest rate hikes, and shifts in U.S. policies. An analysis of the Bank’s historical data from Q1 2023 to Q4 2025 shows that quarterly deposit rates ranged from approximately 1.74% to 2.13%, while the net interest margin (NIM, including FX swaps) ranged from approximately 1.18% to 1.44%, with no fixed or clear trend observed. These results reflect only the characteristics of funding fluctuations under historical conditions and do not constitute any form of forecast or projection of future financial performance.

Base date:2025/12/31

3.4 Regulatory Climate Change Scenario Analysis

Bank SinoPac adhered to the "Operational Plans for Climate Change Scenario Analyses by Domestic Banks" to establish current climate stress scenarios, taking into account the domestic transition process and the degree of climate change. Both long-term and short-term stress scenarios were set based on different time horizons. The long-term scenario timelines were set at 2030 and 2050, while the short-term scenario assesses climate events that may occur within the next year. The long-term scenarios are categorized into three types: "Orderly Net-Zero," "Disorderly Transition," and "Passive Transition." The short-term scenarios are divided into "Physical Risk" and "Transition Risk," as described below:

Scenario Type		Description
Long-term Scenarios	Orderly Net-Zero Scenario	The global pathway that gradually achieves net-zero emissions by 2050.
	Disorderly Transition Scenario	A delayed transition that still aims to limit global warming to below 2℃ by the end of the century.
	Passive Transition Scenario	A delayed and insufficient transition, failing to meet carbon reduction targets, resulting in more severe warming.
Short-term Scenarios	Physical Risk Scenario	Assumes a strengthened Typhoon Morakot event occurs within the next year under a 2 warming scenario.
	Transition Risk Scenario	Based on current sectoral emission intensities and the projected carbon fee levels to be implemented in Taiwan.

Results of Long-Term Climate Change Scenario Analysis

Base date: 2025/12/31

Stress Scenario Configuration	Long-Term Scenarios					
	Orderly scenario		Disorderly scenario		Passive Transition Scenario	
	2030	2050	2030	2050	2030	2050
Proportion of expected losses to pre-tax profits	34.81%	45.12%	43.49%	51.80%	41.49%	70.70%
Proportion of expected losses to net worth	4.04%	5.24%	5.05%	6.02%	4.82%	8.21%

Note1: The estimated expected losses under each scenario are subject to uncertainty and do not represent actual future impacts. Caution should be exercised when interpreting and using the analysis results due to their inherent limitations.

Note2: Due to methodological differences between long-term and short-term scenarios, the analysis results should not be directly compared.

Results of Short-Term Climate Change Scenario Analysis

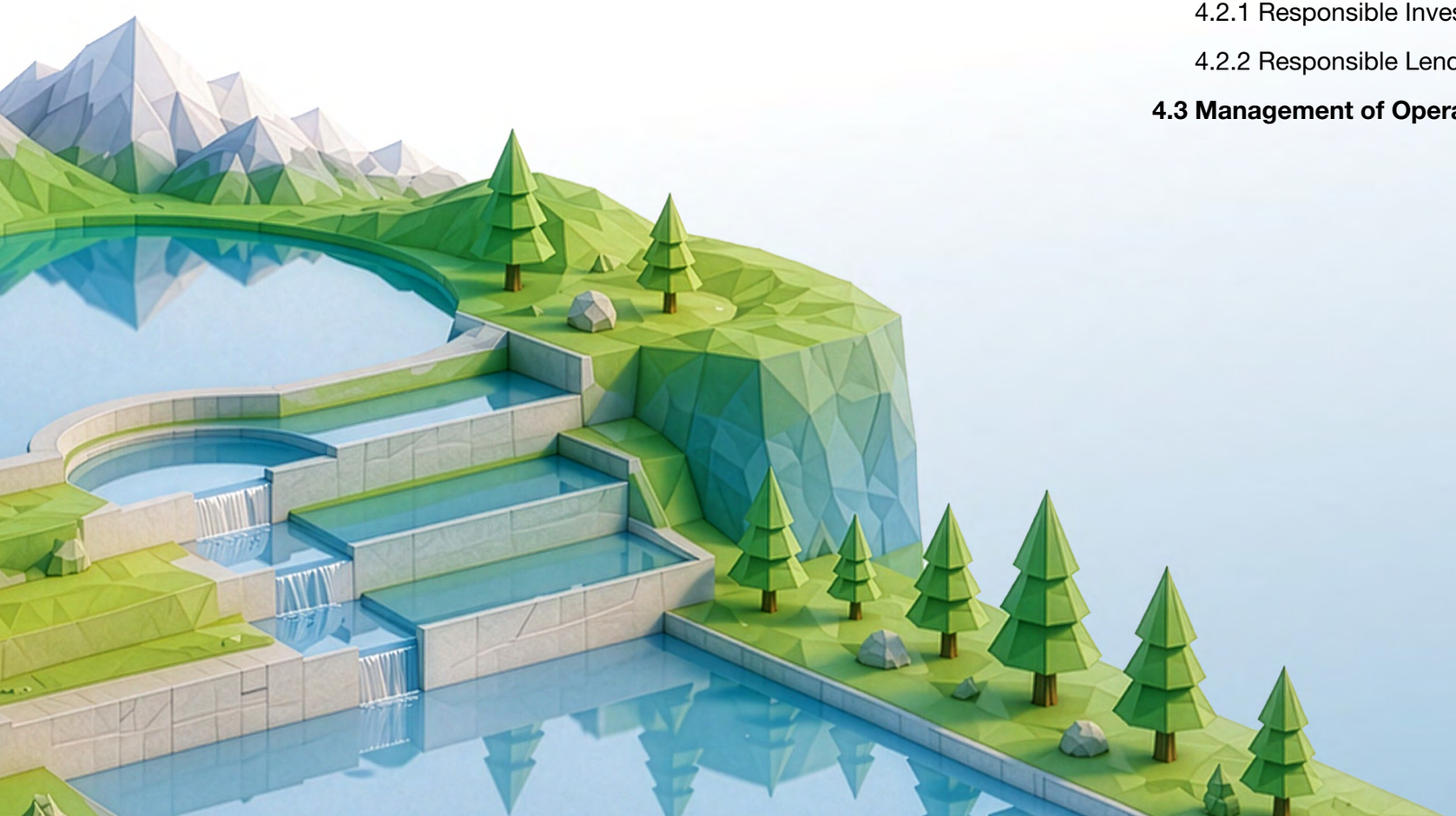
Base date: 2025/12/31

Stress Scenario Configuration	Short-Term Scenarios		
	Physical Risk Intensity-Adjusted Scenario	Transition Risk Scenario	Integrated Loss Scenario
Proportion of expected losses to pre-tax profits	47.68%	26.18%	47.72%
Proportion of expected losses to net worth	5.54%	3.04%	5.54%

Note1: The estimated expected losses under each scenario are subject to uncertainty and do not represent actual future impacts. Caution should be exercised when interpreting and using the analysis results due to their inherent limitations.

Note2: Due to methodological differences between long-term and short-term scenarios, the analysis results should not be directly compared.

Risk Management



Bank SinoPac adheres to the "Guidelines for Domestic Banks' Climate Risks Financial Disclosures" released by the Financial Supervisory Commission and the SinoPac Holdings "Directives for the Management of Climate and Nature-related Risks and Opportunities." We have established the "Guidelines for the Management of Climate-Related Risks and Opportunities" to evaluate current and future impacts from climate risks and opportunities and have also adopted related mitigation and adaptation actions.

4.1 Risk Policy Framework

The Chairman of Bank SinoPac oversees the Risk Management Committee, which is responsible for implementing major Board decisions and matters related to climate risk management policies. We have included "climate risks" in our "Risk Management Measures" and formulated the "Guidelines for the Management of Climate-Related Risks and Opportunities," which encompass related regulations associated with Governance, Strategy, Risk Management, and Metrics and Targets, to enhance our management of climate risks and opportunities. Our Risk Management Division regularly discloses climate change risks (including all metrics for physical risks and transition risks) in risk management reports which are submitted to the Risk Management Committee, the Audit Committee, and the Board.

We assign climate risk management responsibilities and management mechanisms for each line of defense based on these three lines of defense for internal control:

First line of defense

Investment, financing, and related operational execution units

- Climate risks are assessed when handling related business activities, and climate-related risks are incorporated into business considerations. Appropriate identification and management processes are adopted to ensure that risks can be properly controlled at an early stage.
- Differentiated risk management measures are adopted for businesses or transactions with high climate risks depending on the climate risks identified or assessed, and the rankings of said risks; relevant records are stored for future reference.

Second line of defense

Investment, financing, related operational management units, product management units, compliance units, and risk management units

- Effectively monitors climate risk management implementations under the first line of defense.
- Remains attentive to the sustainability commitments set by SinoPac Holdings and international sustainability trends, as well as potential impacts and materiality from clients with high climate risks, client willingness and capability to improve their own climate risks, alternative methods to offset our own risks, and corresponding measures. When formulating management measures for clients with high climate risks, we require clients who fail to effectively manage their own climate risks to gradually adopt corresponding measures.
- When formulating management measures for assets with high climate risks, we consider climate risk materiality, management capabilities for said assets, and alternative methods to offset our risk exposures. We may gradually adopt response measures for asset portfolios that fail to effectively manage climate risks.
- Related units track regulatory changes to ensure that all operations and management rules adhere to and are updated according to climate-related regulations released by competent authorities.
- We conduct scenario analyses and stress tests on both physical and transition risks, and progressively select scenarios that are relevant and plausible to the Bank to illustrate how climate risks are transmitted and affect the Bank’s financial risk profile. In consideration of the uncertainties and long-term nature of climate change, forward-looking information is progressively incorporated into the selected scenarios to avoid relying solely on historical data and underestimating potential future risks.
- During regular reviews of climate risk management policies and practices, the Bank takes into account the results of scenario analyses and stress tests, and retains relevant documentation containing key assumptions and variables for at least five years.

Third line of defense

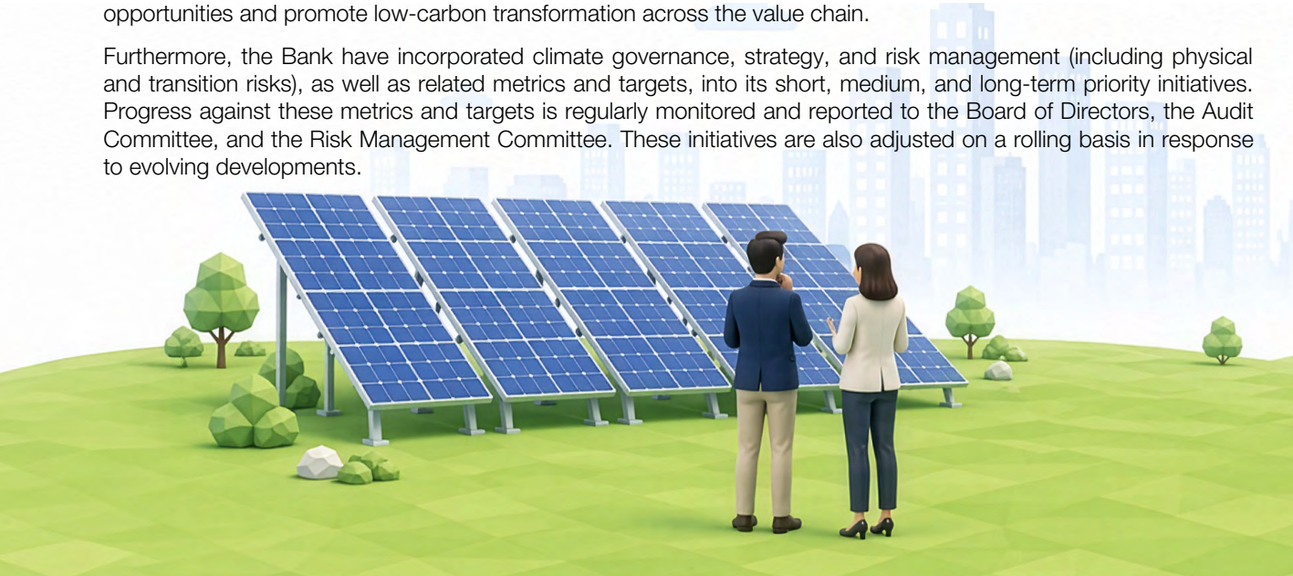
- Assess effectiveness of the first and second lines of defense in monitoring climate risks, and provide suggestions for improvement as appropriate.

We assign climate risk management responsibilities and management mechanisms for each line of defense based on these three lines of defense for internal control. The management process for climate and nature-related risks and opportunities is divided into four steps: identification, assessment and measurement, response and proposing mitigation or adaptation measures/strategies, and reporting. This process assesses how climate and nature-related risks and opportunities impact our businesses, strategies, and finances in the short, medium, and long term. (Please refer to 2 Strategy).

We conducted scenario analyses of physical and transition risks under different climate scenarios and time scales for different parts of our overall value chain (suppliers, own operations, investment and financing business). Physical risks include: "acute risk: heavy rainfall and flooding," "acute risk: drought," "acute risk: slope disasters," and "chronic risk: rising sea levels." Transition risks include "carbon cost payments," the Ministry of Economic Affairs "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity," and "operational net zero emissions by 2030." We conducted scenario analysis and quantification of financial impacts using these risk factors to assess potential financial effects on Bank SinoPac, following which responsible units formulated corresponding business, strategic, and financial climate resilience mitigation and adaptation measures to enhance climate resilience. (Please refer to 3 Scenario Analyses for Physical and Transition Risks).

Bank SinoPac follows the pragmatic approach of parent company SinoPac Holdings in the face of challenges brought on by climate-related risks and opportunities. We work to reduce our carbon emissions, and follow our parent company in tracking achievement of SBT targets, gradually increasing the proportion of renewable energy usage, expanding financing for alternative energies, and issuing Green Bonds. We are gradually adjusting our investment and financing business strategies (for example by monitoring and tracking financing for high carbon-emission industries, supporting clean energy and new technologies, and assisting clients in reducing carbon emissions and transitioning to low-carbon operations) to expand our coverage scope as we explore climate-related opportunities and promote low-carbon transformation across the value chain.

Furthermore, the Bank have incorporated climate governance, strategy, and risk management (including physical and transition risks), as well as related metrics and targets, into its short, medium, and long-term priority initiatives. Progress against these metrics and targets is regularly monitored and reported to the Board of Directors, the Audit Committee, and the Risk Management Committee. These initiatives are also adjusted on a rolling basis in response to evolving developments.



4.2 Management of Investment and Financing Risks

SinoPac Holdings formulated a group-level sustainable finance statement in 2022, incorporating environmental, social, and corporate governance (ESG) factors into its corporate banking, retail banking, asset management, wealth and private banking, and investment banking businesses. This statement serves as the basis for each business line to establish its respective management guidelines.

Bank SinoPac's "Directives for Responsible Lending" incorporate environmental pollution and corporate governance regulations into Client Customer Due Diligence (CDD) and Know Your Customer (KYC) processes, and we continue to reference ESG risk issues during evaluations.

In addition, Bank SinoPac's "Stewardship Policy," "Directives for Responsible Investment" and other regulations also establish criteria for excluding and screening investees, determining risk levels for targets, and reviewing whether investees have violated environmental sustainability rules or incurred material ESG disputes. We do not invest in targets that have incurred violations and pledge to continue engaging with our investees on possible ESG issues to help them realize their responsibilities related to environmental protection and social sustainability.

In 2023, the Bank incorporated the assessment of biodiversity loss, which is closely linked to climate change (including species conservation, habitat conservation, and environmental sustainability), into its credit approval and review processes. Starting from July 1 of the same year, the Bank has implemented differentiated financing restrictions for domestic and overseas corporations engaged in thermal coal mining or coal-fired power generation.

Industry and Activities Guidelines

List of prohibited controversial industries	• Controversial industries: Such as pornography, controversial arms and weaponry, etc.
List of sensitive industries/ economic activities that require careful assessment	• Sensitive industries: High climate risk industries, such as industries with high carbon emission (Oil and gas, Power generation, Metal mining, Chemical material manufacturing, Industrial manufacturing motor vehicle manufacturing, Industrial manufacturing-manufacture of basic metals and fabricated metal products, Cement, Shipping, and Aviation) and industries with high physical risk (agriculture, forestry, fishing, and animal husbandry industry and other public utilities industry). • Sensitive economic activities: Industries involved in gambling, food safety concerns, radioactive substances/non-medical or hazardous genetic engineering research, and manufacture of non-bonded asbestos fibers and polychlorinated biphenyls (PCBs).
Business restrictions aligned with decarbonization statement	• Ceased providing financing for projects related to thermal coal and unconventional oil and gas starting in July 2022, and prohibited renewal of financing for existing projects upon maturity. The policy has been continuously improved and the decarbonization scope was expanded to our investment, financing, and fixed income underwriting business for thermal coal mining, power generation, and unconventional oil and gas. Starting from July 2025, the decarbonization scope has been defined as investments, financing, and fixed income underwriting business activities involving stranded assets (thermal coal and unconventional oil and gas) without transition actions. The scope of thermal coal activities has also been expanded to include infrastructure, and a unified timeline for divestment has been set to 2030.
Guidelines for industries with high carbon emissions	• Incorporated ESG performance and carbon emission information into investment and financing processes for industries with high carbon emissions. • Actively engage with related companies and carefully consider whether to continue financing if clients fail to establish transformation plans after repeated communication.
Biodiversity evaluation	• Project financing: Conduct environmental and social risk evaluation in accordance with Equator Principles 4.0 and the 8 Performance Standards of IFC. If significant natural habitats are involved, potential adverse impacts and mitigation measures shall be assessed in accordance with Performance Standard 6 (PS6). • Sustainability-linked loans: Added "compliance with major or significant life below water or life on land actions aligned with the United Nations SDGs" into "environmental evaluation indicators" to guide customers to strengthen their focus on and establish relevant performance indicators. • Equity investment: Added "risk incidents related to involvement in biodiversity (including species conservation and habitat maintenance) issues" into ESG risk evaluation items for equity investment.
Reference Guidelines for the Recognition of Sustainable Economic Activities	• Lending: Incorporate the second edition of the “Taiwan Sustainable Taxonomy” into the “Responsible Lending Management Direction”, actively directing capital toward sustainable economic activities. • Equity investment: Include, as part of ESG risk screening for equity investments, cases where any criteria under the FSC’s “Taiwan Sustainable Taxonomy” are not met and no concrete transition plan or timeline has been established.

Engagement and Management Guidelines

Voting policy	• Support in principle: ESG proposals put forward to achieve positive objectives in environmental, social, governance, or sustainable management. • Oppose in principle: Proposals that violate major climate-related issues. • Oppose in principle or abstain from voting on: Proposals where the issuing company damaged shareholder rights and interests due to unsound operations, or was penalized by related competent authorities due to major violations of environmental, social, corporate governance, or other sustainable management issues.
Management policies for sales institutes	• Collaborating domestic securities investment institutes are required to sign a statement of compliance with the "Stewardship Principles for Institutional Investors." Collaborating overseas fund asset management institutes are required to comply with the Principles for Responsible Investment.
Other engagement the companies and shareholder activism	• Lending: In conducting corporate lending, the Bank takes into account the “Taiwan Sustainable Taxonomy” and encourages clients to asses the alignment of their economic activities with the Guidelines. The Bank also assists clients in formulating decarbonization and transition plans to support sustainable development and transition. For industries with high climate risks (including high-carbon-emitting sectors), the Bank encourages the disclosures of greenhouse gas emissions intensity data and the development of low-carbon transition strategies, as well as engagement in sustainable economic activities. • Investment: Through participation in shareholders’ meetings, investor conferences, and the exercise of voting rights, the Bank engages with investee companies on ESG issues such as climate change, biodiversity, governance, and social matters. The Bank continues to advocate for and monitor concrete sustainability and decarbonization actions (such as progress in setting carbon reduction targets and the degree of target achievement). In addition, ESG questionnaires are distributed to investee companies, focusing on their actual sustainability practices, including the ESG issues incorporated into operational and business decision-making, whether sustainability performance is assessed in accordance with classification frameworks such as the “Taiwan Sustainable Taxonomy” or the EU Taxonomy, and key topics such as net-zero commitments and greenhouse gas disclosures.

4.2.1 Responsible Investment

Bank SinoPac actively complied with the six principles of the United Nations Principles for Responsible Investment (PRI) in 2019 and established the "Directives for Responsible Investment" to guide our investment, asset management, and wealth management businesses, incorporating ESG issues and related risks into the decision-making processes of related businesses. We listed controversial industries prohibited from investment and sensitive industries/enterprises/economic activities that require careful evaluation. We also signed the "Stewardship Principles for Institutional Investors" and established a "Stewardship Policy" in 2020, formulating items of concern for investee companies, including related news coverage, financial performance, industry conditions, medium and long-term corporate strategies, major environmental protection actions, social responsibilities, labor rights, and corporate governance issues. We incorporated ESG factors into investment evaluation processes, assessing and adopting the following indicators, and also incorporated climate change-related issues into investment policies.

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Prohibit investment in controversial industries, carefully evaluate investments in sensitive industries.
3. Remain attentive of and periodically review whether investee companies have appropriately disclosed or provided information on ESG issues.

Responsible Investment Development Path of Bank SinoPac

2018~2019

Stewardship and responsible investment

- Signed the "Stewardship Principles for Institutional Investors."
- Complied with the six principles of the United Nations Principles for Responsible Investment (PRI) and established the "Directives for Responsible Investment."

2020~2022

Introduction of climate change issues

- Established the "Stewardship Policy" which incorporated ESG factors into investment evaluation processes, and also incorporated climate change-related issues into voting policies.
- Amended "Stewardship Policy" and "Directives for Responsible Investment" and established high-emission industry targets as well as industrial guidelines for gasoline, natural gas, and thermal power.
- Added new high-emission industries including cement and concrete manufacturing as well as steel, iron, and other metal manufacturing industries.

2023~2025

Accelerate decarbonization and enhance ESG, climate, and nature-related risk management

- Added assessments of investee physical risks and SBT targets in "Directives for Responsible Investment."
- Added identified industry categories in ESG risk evaluation forms to determine climate risks.
- Added biodiversity issues and compliance with Taiwan Sustainable Taxonomy into investment evaluation items.

Incorporated ESG Factors into Wealth Management Product Review Processes

Our review processes for wealth management products incorporated ESG compliance principles into evaluations for mutual fund issuers. ESG factors were also incorporated into product review processes for mutual funds. Following comprehensive assessments of other factors, we selected mutual fund products with ESG investment concepts or relatively positive concepts for evaluation to fully implement responsible investment and stewardship principles, and we also promote and sell ESG funds on the Bank SinoPac marketing website.

When evaluating other overseas securities (including bonds, stocks, and ETFs), we prioritize investment targets from industries or industries that are not controversial or environmentally sensitive (such as tobacco, alcohol, arms and weaponry, gambling, oil, and natural gas).

Bank SinoPac wealth management website sustainable investment section

Wealth Management Product Listing Review Process

Proposing unit conducts a preliminary ESG review of mutual fund issuer

- Domestic securities investment trust companies are required to sign the "Stewardship Principles for Institutional Investors"
- Offshore fund asset management companies are required to have a sustainability report, sustainable investment policies,evidence of voluntary compliance with the Principles for Responsible Investment (PRI), or other proof of compliance with ESG investment principles

Mutual Fund Product ESG reviews

Prioritize ESG-associated funds

- Funds with investees related to ESG themes
- Funds with ESG management policies

Other items

- Investment strategies
- Reasonableness of fees
- Risk premiums
- Historical performance
- Appropriate customer types

Over 2/3 reviewers attended,and approved by over 3/4 reviewers

Fund listed

Less than 2/3 reviewers attended, or not approved by 3/4 or above of the reviewers

Fund rejected

In 2025, all 33 domestic securities investment trust companies that offered funds through Bank SinoPac signed statements of compliance with the "Stewardship Principles for Institutional Investors." All 33 offshore fund asset management institutions that offered funds through Bank SinoPac adhered to the Principles for Responsible Investment (PRI).

Post-Investment Management

1. We review ESG information on our investees each quarter. If any investees are involved in negative news related to ESG matters, these will be covered in our review reports. If annual credit limit reviews uncover potential ESG risks in our issuers (or guarantors), we actively work to understand and record related risks in reports submitted to investment business management units.
2. Bank SinoPac monitors investee operations by attending shareholders' meetings, exercising voting rights, and engaging with senior executives. Stewardship Reports are disclosed on an annual basis, and we continue to engage with investee companies on ESG issues and monitor ESG-related opportunities and risks of investee companies through emails, telephone interviews, questionnaires, and on-site visits. If investee companies are fined for violating ESG-related regulations and fail to make effective improvements, we will gradually reduce or divest our holdings in such companies.

Engagement with Investee Companies

To exert our influence on climate issues across the value chain and enhance our reputation, we actively participate in engagement actions, deliver questionnaires on sustainability issues to investees, visit and email our financing targets to explain our ESG concepts, in order to strengthen awareness of climate and ESG issues. We hope our investees and borrowers can achieve environmental sustainability and low-carbon transformations while pursuing profitability growth. We also hope to set an example and encourage others to make contributions to environmental sustainability.

In 2025, Bank SinoPac delivered questionnaires covering environmental, social, corporate governance (ESG) and other sustainable issues to investee companies. Surveys relating to sustainable issues were delivered to a total of 46 companies.

Engagement on ESG issues or related information (number of communications)	Attendances at shareholders meetings	Attendances at investor conferences	Questionnaires on climate change issues	Other: Non-periodic visits
13	30	74	46	13

Note: Bank Sinopac conducts thematic engagement with investees where questionnaire themes for each year are related to themes for the following year. Our engagement themes for 2025 focused on carbon reduction and sustainable economic activities assessment, including SBT target setting, carbon reduction pathway planning, carbon fee levies, major industrial safety incidents, and board independence. The themes for 2026 will continue to focus on carbon reduction-related issues and track the progress of sustainable economic activities assessment. New additions include disclosure of voluntary greenhouse gas reduction information and biodiversity, covering a wide range of ESG-related issues.

4.2.2 Responsible Lending

In order to exert influence on corporate social responsibilities in the banking industry, Bank SinoPac established the "Responsible Lending Management Directives" to guide capital toward social responsibilities. We referenced letters from competent authorities and the guidelines of three global lending associations: The Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), and the Loan Syndications and Trading Association (LSTA). We established the "Directives for Responsible Lending" and "Guidelines for Sustainability-Linked Loan Service" to incorporate ESG considerations into loan granting processes, and to serve as a positive guide for funds associated with green lending, social responsibility lending, sustainability-linked loans, and other sustainable products.

Development Path of Responsible Lending at Bank SinoPac

2014~2019

Gradually introduced responsible lending standards

- Incorporated Equator Principles into corporate finance lending regulations.
- Required all loan applications to undergo reviews of ESG risks. Our regulations stipulate targets for rejection and loan limits.
- Formulated "Directives for Responsible Lending," which stipulate exclusion criteria to prevent financing of controversial industries.
- Remained attentive of loan client response strategies to climate change risks and opportunities.

2020~2022

Implementation of Equator Principles

- Signed Equator Principles.
- Established dedicated "Environmental and Social Risk Team" to conduct risk assessments and reviews for EP cases, and submitted a report detailing the first year of Equator Principles implementations which disclosed EP implementation processes, education and training, and publicly disclosed information.

2023~2025

Advanced responsible lending

- Amended "Directives for Responsible Lending"
  - Sensitive industries/activities include tobacco, tropical rainforest logging, and the manufacturing/use of driftnets. In addition, biodiversity loss—being highly linked to climate change and natural capital—has been incorporated into loan review and assessment.
  - Added qualification criteria for green loans and social loans and incorporated the criteria into the Bank's regular internal audit items, with verification conducted by an independent third party from our head office, to strengthen sustainability information management and prevent greenwashing.
  - Clearly define the decarbonization scope and transition actions, prohibit engagement with activities included in the list of controversial industries/enterprises/economic activities, and progressively phase out financing for stranded assets without transition actions.
  - Facilitate an orderly industry transition by aligning with the latest "Taiwan Sustainable Taxonomy," assisting clients in developing decarbonization transition plans, and encouraging the extension of transition finance.
- Continued to strengthen utilization of internal ESG information, and incorporate a domestic physical climate risk database to support lending activities.

Corporate Finance

Bank SinoPac fully implemented KYC and CDD mechanisms in corporate lending projects. When establishing business relationships with borrowers, Bank SinoPac's business units communicate its ESG principles to clients through the "Credit Loan and Financial Transaction Limit Application Form" and initiate engagement actions. During the credit granting process, an ESG screening and assessment checklist is established to conduct ESG risk assessments and factor evaluations for clients. The Bank has also established an exclusion list for controversial industries with high ESG risks. For sensitive industries and economic activities, due diligence and prudent assessments are conducted to strengthen ESG risk analysis, which serves as a basis for credit review strategies. For cases submitted to the Board Credit Committee and Credit and Investment Committee (cases exceeding a specific amount), we disclose client ESG risk information and improvement action plans to provide a basis for approval or rejection. Factors related to environmental, social, governance, and climate change risks include the following:

1. Environmental risks: Air, soil, and water pollution; waste management; biodiversity and ecological protection; energy management; and compliance with environmental laws.
2. Social risks: Occupational health and safety, human rights issues, supplier management, and community relations.
3. Corporate risks: Corporate governance, ethical management, legal compliance, and risk management.
4. Climate change risks: Asset losses, suspended operations, and other physical risks caused by short-term climate variability and extreme climate events or long-term changes in climate patterns, and transition risks arising from responses to policies, laws, technologies, and market changes associated with low-carbon economic trends.

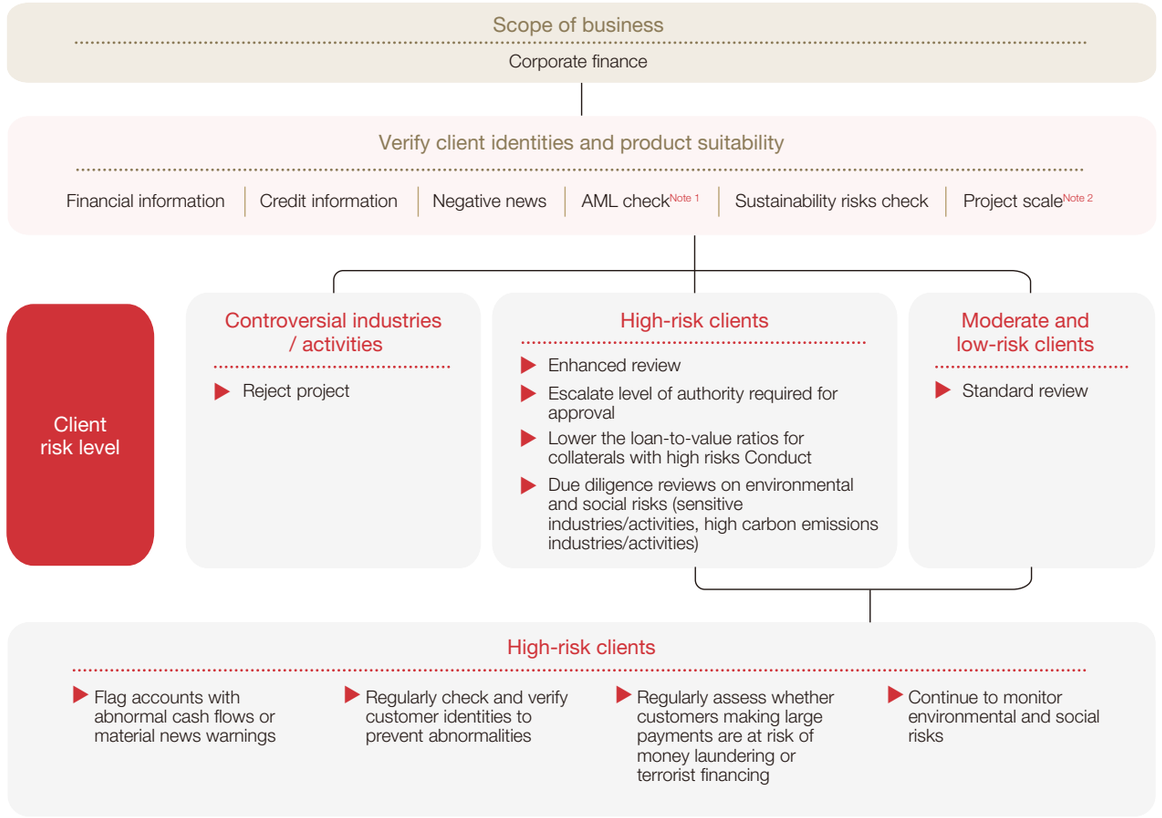
If ESG risks are noted on the "Credit Risk Information Disclosure and Review Items" in credit reports during ESG review processes, Bank SinoPac will perform ESG engagements to gain a better understanding, assist clients in making improvements, and assess mitigation and compensatory measures and responses. We carefully consider whether to continue business dealings with clients that have severe issues or issues that cannot be improved over the long term.

Involvement in sensitive industries/enterprises/economic activities

Conditionally approved after engagement (including projects approved with reductions and restrictive conditions)	Number of cases	Balance as of December 31, 2025
	0	0
Rejected	Number of cases	Total amount of loans
	3	TWD$2.374 billion

CDD and KYC Processes for Corporate Finance

Bank SinoPac incorporates ESG factors into Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, and implements classified management of corporate banking customers; different reviews and management operations are carried out for each risk level. We also strengthen ESG risk reviews for project finance and continue to monitor environmental and social risks after approval.



Note1: Please refer to "SinoPac Holdings 2025 Sustainability Report" 2.2.2.3 Customer Due Diligence and 3.1.3.1 Corporate Banking Lending for more information.

Note2: Projects that require financing of US$10 million or more require risk classifications based on the Equator Principles. Please refer to "SinoPac Holdings 2025 Sustainability Report" 3.1.3.1 Corporate Banking Lending for more information.

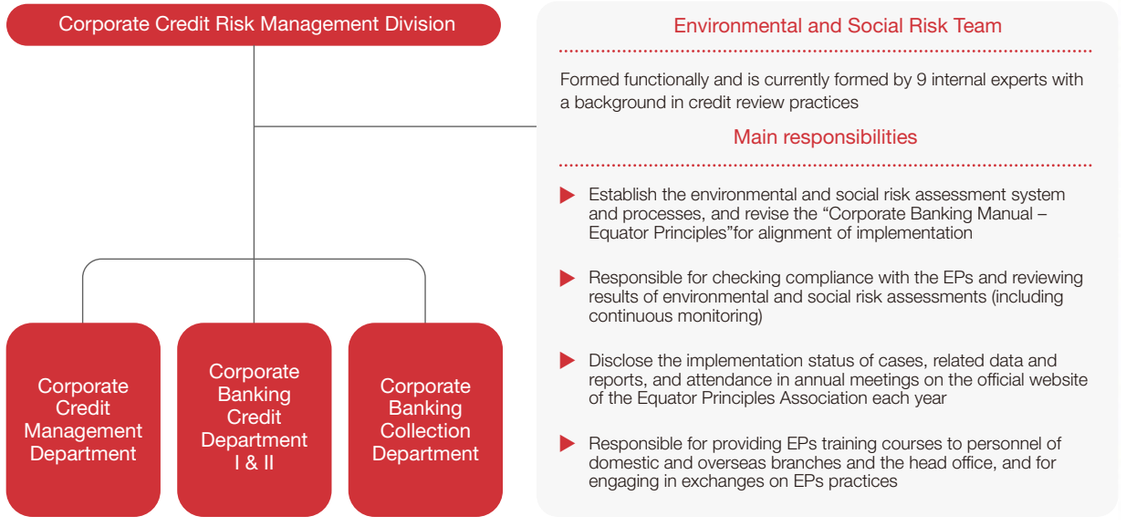
Project Finance

Bank SinoPac complies with EP 4.0 and the International Finance Corporation (IFC) 8 Performance Standards (PS1-8) and has listed climate change, biodiversity, and other risks as required evaluation factors. The Environmental and Social Risk Team consists of members who have completed EP 4 training course and have expertise in credit management and practical experience with reviewing Equator Principles cases. EPs cases were incorporated into our periodic self-inspection items starting from December 2022 for inspection by a third party from our head office. In 2025, a total of 19 project finance cases were reviewed in accordance with the EPs, of which 11 have reached financial close, and the remainders are still ongoing.

Project Finance Reviewed in 2025

Overall number of financing projects	19
Percentage of projects reviewed according to the EP	100%
Number of projects that reached financial close	11

Bank SinoPac Equator Principles Environmental and Social Risk Team Structure and Responsibilities



Environmental and Social Risk Team

Formed functionally and is currently formed by 9 internal experts with a background in credit review practices

Main responsibilities

- Establish the environmental and social risk assessment system and processes, and revise the “Corporate Banking Manual – Equator Principles”for alignment of implementation
- Responsible for checking compliance with the EPs and reviewing results of environmental and social risk assessments (including continuous monitoring)
- Disclose the implementation status of cases, related data and reports, and attendance in annual meetings on the official website of the Equator Principles Association each year
- Responsible for providing EPs training courses to personnel of domestic and overseas branches and the head office, and for engaging in exchanges on EPs practices

EP case review process

Loan application	Receive loan application	Responsible unit
	Determine case applicability	Business unit → Head office unit
	Case risk classification	Head office credit analysis unit
Request documents	Request documents	Business unit
	Review environmental and social risks	Head office credit analysis unit
Risk review	Environmental and social risk assessment **High-risk Type A cases** An independent third-party unit verifies client environmental and social risk assessments and due diligence reports	**Head office review unit** (included in the current approval process)
	Credit risk review	
Loan approval and contract signing	Warranties and contract signing	Business unit
Post-loan management	Annual EP review	Business unit → Head office unit

Environmental and social risk process nodes

Before loan approval

1 Business unit

Determine applicability and risk category of cases during loan application (includes requests for EP documents)

During loan approval

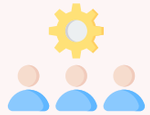
2 Head office unit

Collectively check and review environmental and social risks of EP cases (includes data checklist and assessment report)

After loan approval

3 Business/head office unit

Periodically check environmental and social risks of EP cases (includes annual review report)



Environmental and Social Risk Team - Review

Retail Finance

CDD and KYC Processes for Retail Finance Loans

Scope of business

Retail Finance Loans

Verify client identities and product suitability

Credit information | Financial information | AML check[Note 1] | Investigation of ESG related data and controversies (such as environmental pollution or illegal cash flows[Note 2] | Negative news

Client risk level

Controversial clients	High-risk clients	Moderate and low-risk clients
▶ Reject project	▶ Adjust loan conditions by case after provision of reasonable explanations or improvement measures	▶ Regular review

Post-approval risk management

- ▶ Flag accounts with abnormal cash flows or material news warnings
- ▶ Regularly check and verify customer identities to prevent abnormalities
- ▶ Regularly assess whether customers making large payments are at risk of money laundering or terrorist financing
- ▶ Continue to monitor environmental and social risks

Note1: Please refer to "SinoPac Holdings 2025 Sustainability Report" 2.2.2.3 Customer Due Diligence for more information.

Note2: Environmental and social factors incorporated into relevant ESG data investigations include whether collateral for loans are located in legally restricted areas or areas prone to flooding, and whether clients are involved in environmental pollution penalties, money laundering, terrorism financing, sanctions, or illegal fundraising schemes.

Considering sustainability risks in the credit investigation and review process of the retail finance

- In the mortgage review process, if the property is located in a restricted area or an area prone to flooding, debris flow, or soil liquefaction (areas with high physical climate risks), the application should be avoided during the appraisal review if the collateral does not meet the target property criteria. If the case is to be accepted due to special considerations, the loan-to-value ratio should be lowered and the approval authority should be escalated.
- Major earthquakes and natural disasters are taken into consideration when dividing the area where the property is located into grades A, B, and C, which are then used as factors in the valuation process.
- In the process of reviewing corporate motor vehicle loan applications, the Bank checks clients' records and information on major environmental violation penalties. If the client is involved in such cases, Bank SinoPac requires the client to provide a reasonable explanation and improvement measures, and will adjust lending terms on a case-by-case basis.

4.3 Management of Operational Risks

Apart from the physical and transition risks faced by investment and financing businesses, Bank SinoPac also reviews potential physical risks in own operations and adopts related mitigation and response actions to reduce possible losses in own operations from physical risks.

Management of physical risks in own operations for Bank SinoPac

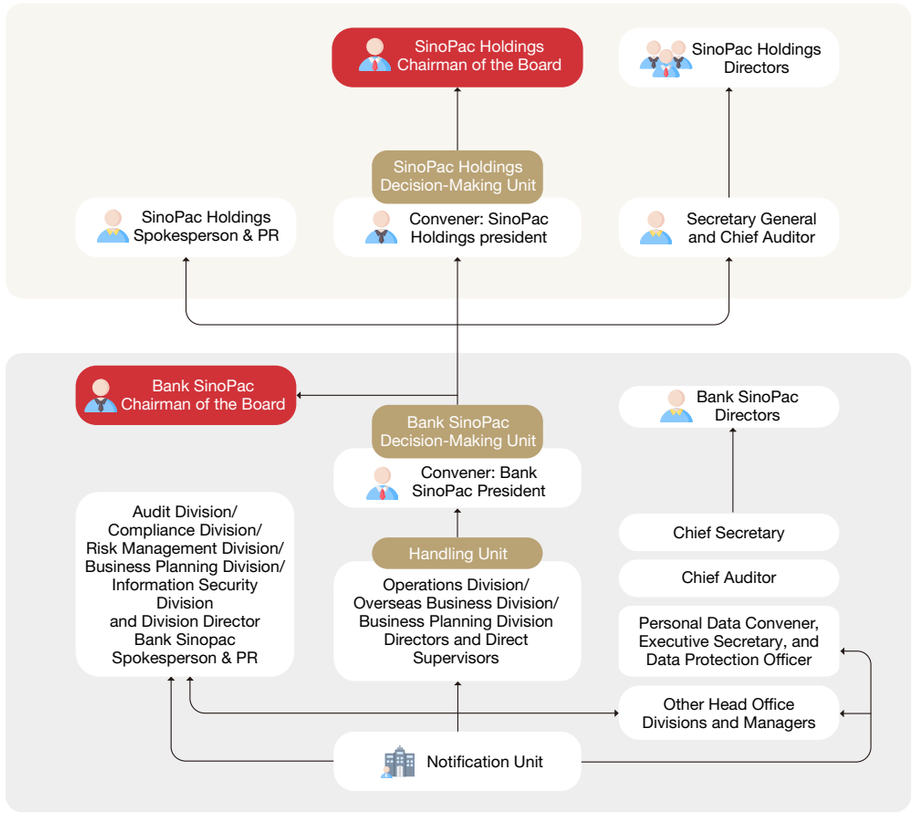
Indicator	Implementations
Business locations and real estate for self use	1. We obtained "commercial fire insurance" and "comprehensive electronics insurance" (including typhoon and flood insurance) to transfer losses. 2. We identified offices in high-risk areas. In addition to strengthening dredging pipes, we also inventoried waterproofing and electrical facilities (including wicket gates, uninterruptible power equipment, emergency generators, and machine room locations) to assess their resilience for disaster prevention. We have currently completed inventory of waterproofing and electrical facilities.
Locations of upstream supplier operations	1. Maintain signing rates of Supplier Sustainability Commitment at 100% for domestic suppliers. 2. Enhance ESG engagement across the supply chain: In June and November 2025, two external supplier training sessions were held with the themes of “Low Carbon Transition and Greenhouse Gas Inventory” and “Trends and Preparation of Corporate Sustainability Disclosure.” In addition, the third Supplier Conference was held in September, with 109 suppliers in attendance, to strengthen suppliers’ understanding of SinoPac Holdings’ supply chain management strategies and objectives. 3. Continue to strengthen sustainable supply chain management and refine management mechanisms: On-site audits of seven suppliers with high ESG risks were completed in 2024. In 2025, the Bank provided tailored improvement recommendations to audited suppliers based on the results of on-site interviews.

Bank SinoPac Management of physical risks

Business Continuity Plan, BCP

Potential risks to corporate operations at Bank SinoPac from climate change include operational interruptions or personnel injury from physical risks and hazards. In order to reduce possible safety concerns and property losses from physical risks, we established the " Business Crisis Contingency Plan " in accordance with Article 6 of the Financial Supervisory Commission "Key Attributes for Handling Operational Crises at Financial Institutes." We have also established " Directives for Response to Emergency Event " in accordance with the SinoPac Holdings "Natural Disaster Emergency Response Directives," which sets out the responsibilities, emergency notification procedures, and response and handling guidelines for deploying various personnel, materials, and resources at key moments for emergency major incidents that may cause business crises. We adopt active and effective response and rescue actions to prevent the scope of damages from expanding, eliminate disaster crises, and speed return to normal operations.

Emergency Incident Response Structure and Reporting Guidelines



Metrics And Targets

We at Bank SinoPac are aware of our responsibilities to local and global environments: We not only actively promote sustainable strategies and related targets, regularly review progress, and make rolling adjustments according to external environmental trends, but also implement climate change mitigation and adaptation processes as well as maintain normal and stable operations by setting climate-related metrics and targets. We further strengthened links between incentives and climate performance to encourage contributions to climate commitments by our senior managers.

5.1 Targets Achieved in 2025

Climate-Related Indicators		2025	Achievement Status
Climate Governance	Establishment of performance/ remuneration linkage mechanisms	Expand the scope of implementation of sustainability performance linkage to include department-level supervisory personnel.	Achieved
	Climate-related education and training for Board members	Require Board members to undergo at least 3 hours of annual climate education and training each year.	Achieved
Capital Allocation	Issue Green, Social and Sustainability (GSS) Bonds	Continue to issue GSS Bonds aiming to increase issuance by NT$1 billion each year.	Achieved
Climate Opportunities	Balance of renewable energy financing loans	NT$162 billion	Achieved
	Installed capacity of green energy trading trust platform	Cumulative capacity of 400MW	Achieved
	Develop financing services for renewable energy	1. Continue to develop financing business for solar photovoltaic (PV) energy, including solar power plants for rooftop installations, ground installations, and fishery and electricity symbiosis projects. 2. Adhere to the government's emerging renewable energy promotion policies and continue to develop financing services and guidance for small hydropower, geothermal power, etc. 3. Continue to track on-site energy storage policy developments and behind-the-meter energy storage market development, and accumulate project execution experience. 4. Promote the development of green energy trading trust business.	Achieved
Green Procurement		1. Expand green procurement items such that 95% of procured items are government-certified green procurement and finance items. 2. Increase usage ratios of green building materials for renovation and decoration to more than 70%.	Achieved
Green Operations	Carbon reduction goal	1. Using 2021 as the base year, reduce annual Scope 1 + Scope 2 emissions by 4.2% to achieve combined carbon reductions of 21% by 2025 in adherence to the SinoPac Holdings SBT carbon reduction pathway. 2. Decrease Scope 3 fuel and energy related activities by 20% compared to the base year of 2021.	Achieved
	The number of Scope 3 inventory items verified by a third party	Complete verification of 10 Scope 3 inventory items and perform completeness and materiality assessments for Scope 3 categories	Achieved
Climate Risk Management	Introduce and continue to strengthen management of climate/nature risks	Continuously enhance the report content across the TCFD pillars of governance, strategy, risk management, and metrics and targets, and disclose such information publicly.	Achieved
	Enhance decarbonization policies	Expand the scope of divestment for investments and financing exposures associated with stranded assets or entities lacking transition plans, in accordance with SinoPac Holdings' plan.	Achieved
	Physical Risks – Operation sites and real estate for self use	Flood barrier installation rate for self-owned operational sites in high-risk areas: 100%	Achieved
	Physical Risks – Loan collateral	Plan to integrate relevant physical risk information into the collateral real estate valuation process in conjunction with the completed physical risk database developed by SinoPac Holdings, disclose analyses of physical risk impacts at the locations of borrowers' real estate collateral, and use such information to support credit investigation and enhance the Bank's management of physical risks related to collateral assets.	Achieved
	Physical Risks – Factory locations of investees and borrowers	Plan to integrate relevant physical risk information into the credit limit application process in conjunction with the completed physical risk database developed by SinoPac Holdings, to support evaluation.	Achieved
Climate Risk Management	Transition Risks – High-emission industries and high-emission enterprises listed by the Ministry of Environment	• Continuously promote the Financial Supervisory Commission's "Taiwan Sustainable Taxonomy," and provide green credit products and services to high-emission (priority) industries to support corporate transition, while implementing sector specific decarbonization credit policies to concretely advance net zero and transition finance. • Continuously track the investment balances in high-emission industries and green bonds to monitor changes in the Bank's exposure to green bonds and high-emission investments.	Achieved

Climate-Related Indicators			2025	Achievement Status
Climate Engagement	Enhance climate awareness (employees)	Encouragement of company wide sustainability commitment	Promote the " Sustainability I DO commitment" activity and achieve a 100% employee signature rate	Achieved
		Acquisition of sustainability finance related certifications	Cumulatively obtain 400 sustainability finance related certifications.	Achieved
		ESG programs and climate/ net zero target courses	Include ESG /net zero/climate themed courses in new employee orientation training and manager training.	Achieved
		Establish carbon reduction goal related incentive mechanisms	Integrate energy-saving initiatives, streamline processes, and continue to implement carbon reduction incentives to enhance employee awareness and participation in energy conservation	Achieved
	Enhance climate awareness (clients)	Engagement with investee companies on carbon reduction	12 times a year	Achieved
		Organize seminars or events on net-zero transition trends or sustainability for existing and potential financing clients.	2 events held annually and a target outreach of 200–300 companies.	Achieved
		Promotion of sustainable finance solutions to enhance clients' climate awareness and market visibility	Collaborate with third-party cross-industry partners (such as carbon reduction consultants, energy management service providers, and green power retailers) to promote sustainable finance solutions, issuing 4–6 press releases.	Achieved
		Promotion through the Sustainable Financial Products section on the Bank' s official website	Reach at least 5 million contacts through EDM and LINE communications.	Achieved
		Promote green loans	Support corporate transition through funding, services, and engagement.	Achieved
		Promote the "carbon footprint calculators" feature	• Integrate the feature into the cash back Green Card. • Active users include approximately 80,000 debit cardholders, 65,000 SPORT Cardholders, and 5,000 cash back Green Cardholders.	Achieved
Climate Engagement	Enhance climate awareness (clients)	Issue (including reissuance of) credit cards bearing an "eco-label certification"	80,000 cards.	Achieved
		Enhance ESG knowledge of retail customers	Strengthen the promotion of sustainable/green products, such as carbon calculators, green deposits, and green building mortgages, and marketing activities for retail customers.	Achieved
		Number of participants in climate awareness investment seminars for wealth management clients	331 participants.	Achieved
Greenhouse Gas Emissions	Inclusion of domestic and overseas locations in the scope of greenhouse gas inventory and verification.		Completion of the greenhouse gas inventory for Amret's locations, maintaining 100% coverage of domestic and overseas sites.	Achieved
	Establish and enhance the mechanisms for the inventory, monitoring, and disclosure of Scope 3 financed emissions under the PCAF framework for the Bank's investment and financing portfolio.		Continue to complete Scope 3 financed emissions accounting for the investment and financing portfolio in accordance with PCAF, and monitor carbon emissions and target-setting progress under SBTs (SDA approach and absolute SBT approach), thereby improving data quality and disclosing relevant information externally through the Sustainability Report or TCFD Report.	Achieved
Energy Usage			Increased the proportion of renewable energy usage to 25% based on total energy consumption after the consolidation of Amret.	Achieved

Note: As the greenhouse gas emissions data for the 2021 base year did not include emissions from Amret, a subsidiary consolidated in 2025, all of the Bank's emission reduction targets have been achieved after excluding the impact of Amret

Achievements on Science Based Targets (SBTs) in 2025

The Board of Directors at Bank SinoPac parent company SinoPac Holdings approved the "2030 Operational Net Zero Emissions and 2050 Portfolio Net Zero Emissions" targets on March 15, 2022. SinoPac Holdings joined the SBTi in August 2022 and its science based reduction targets were verified in January 2024. Bank SinoPac follows the sustainability vision and development blueprint of SinoPac Holdings, and continuously assesses progress on the science based reduction targets. For more information on our SBT target achievements in 2025, please refer to the SinoPac Holdings Climate and Nature-Related Financial Disclosures Report.

5.2 Metrics and Targets

Faced with challenges from climate-related risks and opportunities, we adopted a pragmatic and progressive approach, gradually incorporating relevant considerations into capital allocation and investment and financing decisions. Specific actions include beginning with lowering our own carbon emissions, continuously increasing the use of green electricity; guiding industrial development through financial instruments to expand financing for alternative energies and low-carbon initiatives; and leveraging market mechanisms to support the scaling-up of green energy development as well as energy-saving and carbon-reduction related products and services.

In terms of investment and financing operations, we continue to adjust our strategies, including focusing on and tracking financing exposure to industries with high carbon emissions, prioritizing support for projects related to clean energy, low-carbon and innovative technology, and assisting clients in facilitating carbon reduction, energy efficiency, and low-carbon transition. These investment and financing strategies respond to climate-related risks while capturing transition opportunities, and also reflect the Bank's direction for resource allocation in addressing climate issues.

In addition, we conduct climate-related capital expenditure and fund allocation planning through financing channels such as the issuance of sustainability bonds, allocating funds to renewable energy and energy-related technology development as a key source of funding to support climate action and sustainable transition. The allocation and implementation of related resources are continuously monitored and managed in accordance with the indicators and targets established in this section.

We have also established short-, medium-, and long-term action targets together with regular review mechanisms to progressively advance low-carbon transition throughout our value chain, with the aim of achieving our long-term goals of "2030 Operational Net Zero Emissions" and "2050 Portfolio Net Zero Emissions."

Climate-Related Indicators		Short-Term Targets (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Climate Governance	Establishment of remuneration linkage mechanisms	Establish links between sustainability targets and performance for managerial personnel.		
	Climate-related education and training for Board members	Require Board members to complete at least 6 hours of continuing education annually, including a minimum of 3 hours of climate-related education and training.		
Capital Allocation	Issue Green, Social and Sustainability (GSS) Bonds	Issue sustainability bonds totaling NT$1 billion, and develop 5 underwriting business of GSS bonds.	Issue sustainability bonds totaling NT$1 billion, and develop 6 underwriting business of GSS bonds.	Continue to promote the issuance of sustainability bonds to help SinoPac Holdings maintain a leading position among peers.
Climate Opportunities	Balance of renewable energy financing loans	Increase of NT$15 billion each year.		
	Installed capacity of green energy trading	Installed capacity of 700MW	Installed capacity of 800MW	Installed capacity of 900MW

Climate-Related Indicators			Short-Term Targets (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Green Procurement			1. Expand green procurement items such that 100% of procured items are government-certified green procurement and finance items. 2. Participate in the Green Procurement Excellence Awards competition and secure at least one award. 3. Increase usage ratios of green building materials for renovation and decoration to more than 80%.	1. Expand green procurement items such that 100% of procured items are government-certified green procurement and finance items. 2. Participate in the Green Procurement Excellence Awards competition and secure at least two awards. 3. Increase usage ratios of green building materials for renovation and decoration to more than 85%.	1. Expand green procurement items such that 100% of procured items are government-certified green procurement and finance items. 2. Participate in the Green Procurement Excellence Awards competition and secure at least two awards. 3. Increase usage ratios of green building materials for renovation and decoration to more than 90%.
Green Operations	Carbon reduction goal (2021 as the base year)		Reduce Scope 1+Scope 2 emissions by 25.2%.	Reduce Scope 1+Scope 2 emissions by 29.4%.	Reduce Scope 1+Scope 2 emissions by 33.6%.
	The number of Scope 3 inventory items verified by a third party		Complete verification of 11 Scope 3 inventory items and review completeness and materiality assessments for Scope 3 categories	Set goals for inventory items based on the results of the Scope 3 completeness and materiality assessments conducted in 2026.	Set goals for inventory items based on the results of the Scope 3 completeness and materiality assessments conducted in the previous year.
	Energy, water, and carbon reduction targets (2021 as the base year)		1. Decrease Scope 3 fuel and energy related activities by 30%. 2. Reduce per-capita electricity consumption by 6% and per-capita water consumption by 4% across domestic locations.	1. Decrease Scope 3 fuel and energy related activities by 50%. 2. Reduce per-capita electricity consumption by 8% and per-capita water consumption by 5% across domestic locations.	1. Decrease Scope 3 fuel and energy related activities by 90%. 2. Reduce per-capita electricity consumption by 10% and per-capita water consumption by 6% across domestic locations.
Climate Risk Management	Enhance risk management mechanisms		1. Continue to develop climate change database and automated systems, and establish an integrated climate dashboard, in alignment with SinoPac Holdings. 2. Continue to enhance nature-related financial disclosures.		
	Physical Risks	Flood barrier installation rate for self-owned operational sites in high-risk areas	100%		100% Continue to refine methods for identifying high-risk offices, track risk transmission processes, and complete installation of flood barrier for operational sites in high-risk areas.
	Transition Risks	High-emission industries and high-emission enterprises listed by the Ministry of Environment	Continue to revise credit policies in alignment with the Financial Supervisory Commission's "Green and Transition Finance Action Plan" and the "Taiwan Sustainable Taxonomy," and promote transition finance for clients in high-emission industries. In addition, assess climate-related risks and opportunities in accordance with the project implementation progress of IFRS S2 Sustainability Disclosure Standards.	In line with the data-oriented measures outlined in the Financial Supervisory Commission's "Green and Transition Finance Action Plan", we continue to support the SinoPac Holdings in development of its climate risk database by incorporating corporate carbon emissions data. For high-emission (watch-listed) industries, we encourage clients to disclose their carbon emissions and carbon intensity, as well as whether they have signed up to the Science-based Targets initiative (SBTi) or have established low-carbon transition strategies, which will be considered in credit assessments.	We will continue to monitor the transition risk response measures and low-carbon transition strategies of clients in high-emission (watch-listed) industries, and strengthen engagement on decarbonization actions, including with small and medium-sized enterprises (SMEs).

Climate-Related Indicators			Short-Term Targets (2026)	Mid-Term Goals (2027-2028)	Long-Term Goals (2028-2030)
Climate Engagement	Enhance climate awareness (employees)	Enhancement of company wide climate awareness	1. Promote the " Sustainability I DO commitment" activity and achieve a 100% employee signature rate. 2. Organize sustainability (including net-zero-related topics) knowledge quiz to enhance employees' sustainability awareness.		
		Cultivate professionals with expertise in sustainable transition.	1. Promote advanced training programs for personnel engaged in sustainability-related businesses. 2. Obtain a cumulative total of 1,200 sustainable finance related basic and advanced certificates.	1. Develop advanced training enhancement plans based on regulatory requirements and market trends. 2. Obtain a cumulative total of 1,300 sustainable finance related basic and advanced certificates.	1. Implement advanced training enhancement plans. 2. Obtain a cumulative total of 1,400 sustainable finance related basic and advanced certificates.
Climate Engagement	Enhance climate awareness (clients)	Enhance net-zero and climate awareness of retail customers	Reach at least 5 million people annually through EDM and LINE communications, with a customer click-through rate of 10%.	Enhance net-zero and climate awareness of retail customers	
		Engage and communicate with investees on carbon reduction	Strengthen engagement with investee companies and promote corporate sustainable finance solutions, achieving engagement with 14 investee companies.		
		Number of sustainability/climate-related lectures/forums	Host at least 2 events a year.		
		Promote "Carbon footprint calculators" feature	"Carbon footprint calculators" feature used by a cumulative total of 210,000 cards users, with active cards accounting for 54%.	"Carbon footprint calculators" feature used by a cumulative total of 230,000 cards users, with active cards accounting for 56%.	"Carbon footprint calculators" feature used by a cumulative total of 250,000 cards users, with active cards accounting for 58%.
		Issue (including reissuance of) credit cards bearing an " eco-label certification"	Achieve a cumulative issuance of 200,000 eco label certified debit and credit cards (including reissuance), with the proportion of active cards reaching 21%.	Achieve a cumulative issuance of 250,000 eco label certified debit and credit cards (including reissuance), with the proportion of active cards reaching 23%.	Achieve a cumulative issuance of 300,000 eco label certified debit and credit cards (including reissuance), with the proportion of active cards reaching 25%.
		Number of attendees at wealth management lectures related to climate awareness investments	Increase the number of attendees by 10%.		
Greenhouse Gas Emissions	Incorporate greenhouse gas inventories and verification scope into domestic and overseas locations		Maintain 100% greenhouse gas inventory and verification coverage rate at domestic and overseas locations.		
Energy Usage			Increase the proportion of renewable energy use in the Bank's own operations to 35%.	Increase the proportion of renewable energy use in the Bank's own operations to 55%.	Increase the proportion of renewable energy use in the Bank's own operations to 100%.

5.3 Performance and Remuneration Systems

Apart from a focus on financial performance, incorporating climate performance into corporate operations is also an important way to enhance corporate values. Hence, Bank SinoPac has incorporated the management of climate risks and the advancement of climate targets into the performance evaluation criteria for senior management, and in accordance with the "Employee Evaluation Guidelines," the results of the performance evaluations serve as an important basis for determining bonus compensation for senior executives. This mechanism ensures a high degree of alignment between senior executives' individual performance and remuneration in the promotion of climate-related initiatives, thereby further strengthening the integration of climate governance, sustainable development objectives, and corporate governance. It also demonstrates the Bank's strong commitment to corporate social responsibility and sustainable operations.

To ensure the effectiveness of climate related initiatives over the medium to long term, Bank SinoPac has set specific short, medium, and long-term targets and regularly reviews and tracks the implementations of various indicators. The Bank also continuously assesses the appropriateness of the targets and their implementation progress to support the effective execution of its overall sustainable development strategy.

We implement various climate change mitigation and adaptation measures by including climate-related performance indicators in the Key Performance Indicator (KPI) of executives with corresponding responsibilities. These performance indicators were linked to annual rewards and were tracked and managed after obtaining approval from the Bank SinoPac President. Climate-related indicators that were not included in executive KPIs are regularly tracked and reported by relevant working groups.

Proportions for management departments and the indicator of climate/sustainability

Executives	Climate and sustainability management indicator	Weight ratio [Note]
President	Establishment of strategies for net zero economics and achievement ratios of green energy financing	10%
Head of Corporate Banking Division	Target achievement rate for green energy project financing balance	5%
Corporate Banking Managers from Domestic Channels		5%
Head of Overseas Business Division	Target achievement rate on ESG-related investment and financing businesses and financial services	5%
Head of Risk Management Division	Progress on sustainability and climate risk management projects	12%
Head of Administration Division	Increases in renewable energy usage and target achievement rate on certification coverage	10%

Note: Ratio of climate and sustainability related indicators to total KPI score.

5.4 Greenhouse Gas Emissions

Our parent company SinoPac Holdings has committed to lower environmental impacts from own operations. Bank SinoPac adheres to this commitment and strives to promote various carbon reduction actions while also working with other stakeholders in our value chain to initiate low-carbon transformations and achieve net zero targets. In March 2022, our parent company SinoPac Holdings officially committed to science based targets (SBTs) that stipulated net zero emissions in own operations by 2030 and net zero emissions across entire asset portfolio by 2050; these SBTs were approved by the Science Based Targets initiative (SBTi) in January 2024. In operational terms, Bank SinoPac has pledged to protect the environment, enhance employee and supplier environmental awareness, incorporate environmental management systems, and reduce carbon emissions and waste. Bank SinoPac's Sustainable Development Taskforce tracks the short, medium, and long-term targets set by the environmental sustainability team and reports on achievements at least once every quarter.

For our base year of 2021, Scope 1 emissions amounted to 835.51 tCO_2e and Scope 2 emissions amounted to 13,196.85 tCO_2e, with a total emission amounting to 14,032.36 tCO_2e. Scope 1 carbon intensity was 0.03 tCO_2e/per million of revenue and Scope 2 carbon intensity was 0.43 tCO_2e/per million of revenue.

Carbon reduction achievements in 2025: Scope 1 emissions amounted to 1,143.07 tCO_2e and Scope 2 emissions amounted to 8,206.25 tCO_2e, with a total emission amounting to 9,349.32 tCO_2e. Scope 1 carbon intensity was 0.020 tCO_2e/per million of revenue and Scope 2 carbon intensity was 0.16 tCO_2e/per million of revenue. Our greenhouse gas emissions were reduced by 4,683.04 tCO_2e (33%)[Note1] compared to the base year of 2021.

Category		2023		2024		2025	
		Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
Greenhouse gas emissions (tCO_2e)	Location-based	918.20	12,179.05	924.56	12,415.33	1,143.07	11,864.56
	Market-based	918.20	10,791.96	924.56	9,874.49	1,143.07	8,206.25
Intensity (tCO_2e/per million TWD of revenue)[Note2]		0.022	0.023	0.267	0.020	0.020	0.160

Note1: As the greenhouse gas emissions data for the 2021 base year did not include emissions from Amret, a subsidiary consolidated in 2025, the Bank calculates carbon reduction progress after excluding the impact of Amret.

Note2: Intensities were calculated using the market-based approach.

Scope 3 / Self Operation site or branches (Category 3~6) GHG Emissions in 2025[Note8]

ISO 14064-1: 2018	GHG Protocol Scope3 Category	Subcategory	Unit	Volume	GHG emissions (tCO2e)
Category 3: Indirect GHG emissions from transportation	4. Upstream Transportation and Distribution[Note 1]	Upstream transportation and distributionof goods (credit card to customers)	gram	13,320,048.80	2,730.61
	6. Business Travel	Business travel—airplane[Note 2]	kilometers	3,888,048.00	276.59
		Business travel—High-speed rail[Note 3]	passenger-kilometer	864,717.19	27.67
	7. Employee Commuting[Note 4]	Employee commuting (Motorcycle, car, Taxi, Hybrid (gasoline and electric))	kiloliter	593.53	1,506.88
		Employee commuting (Electric motorcycle, Electric car)	MWh	42.66	
		Employee Commuting (Metro, Railways, High-speed rail)	passenger-kilometer	16,344,603.69	
	9. Downstream Transportation and Distribution[Note 5]	Downstream transportation and distribution		N/A	

ISO 14064-1: 2018	GHG Protocol Scope3 Category	Subcategory	Unit	Volume	GHG emissions (tCO2e)
Category 4: Indirect from products an organization uses	1. Purchased Goods and Services	Purchased products (tap water)	cubic meter	133,080.68	21.52
		Purchased Goods and Services (credit card)	cards	1,048,000.00	235.53
		Purchased Goods and Services (A4 photocopy paper)	(500 sheets/ package)	72,374.00	218.57
		Purchased Goods and Services (A3 photocopy paper)	(500 sheets/ package)	217.00	1.52
	2. Capital Goods	Purchased products (PC)	sets	320.00	108.92
		Capital Goods (NB)	sets	72.00	
		Capital Goods (LCD)	sets	764.00	
	3. Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	Fuel- and Energy-Related Activities (Electricity)	MWh	24,858.29	1,935.06
		Fuel- and Energy-Related Activities (Gasoline and diesel / LPG)	kiloliter	62.43	44.60
		Fuel- and Energy-Related Activities (natural gas)	Thousand cubic meter	0.13	0.07
	5. Waste Generated in Operations[Note 6]	Treatment of solid and liquid waste	tons	280.73	101.06

ISO 14064-1: 2018	GHG Protocol Scope3 Category	Subcategory	Unit	Volume	GHG emissions (tCO2e)
Category 4: Indirect from products an organization uses	8. Upstream Leased Assets	Upstream leased assets (electricity consumption of IDC computer rooms)	MWh	2,160.55	1,010.14
	10. Processing of sold products[Note 5]	Processing of Sold Products		N/A	
Category 5: Indirect GHG emissions (use of products from the organization)	11. Use of sold products	Use stage of the product (credit card)	cards	1,048,000.00	642.98
	12. End-of-Life Treatment of Sold Products	End-of-life of the product (credit card)	cards	1,048,000.00	88.19
Category 5: Indirect GHG emissions (use of products from the organization)	13. Downstream Leased Assets	Downstream Leased Assets	MWh	486.95	295.00
Category 6: Indirect emissions (other sources)	14. Franchises[Note 5]			N/A	
Total[Note 7]					9,245

Note1: For the transportation emissions from product procurement, emissions are calculated based on the distance from the manufacturer to the actual delivery locations and the weight of goods.

Note2: GHG emissions from overseas business travel per flight were calculated based on the Carbon Emissions Calculator developed by the International Civil Aviation Organization (ICAO).

Note3: GHG emissions from domestic business travel by High-Speed Rail per trip = Travel data retrieved from the corporate member system of Taiwan High Speed Rail Corporation x Carbon footprint of passenger transport between stations provided by Taiwan High-Speed Rail Corporation.

Note4: The domestic employee commuting survey was conducted in the form of a questionnaire, and the energy consumption was converted based on the energy consumed by the transportation used by the employees. For example, the energy consumption of gasoline vehicles was calculated based on the average energy consumption of each energy consumption form published on the vehicle energy consumption survey website of the Energy administration of the Ministry of Economic Affairs, and the corresponding energy emission coefficient was calculated, and then the emissions were calculated based on the estimated round-trip distance. In 2024, SinoPac Holdings collected a total of 2,146 valid questionnaires in this survey and used the number of people on December 31 as the basis for expanding the emissions.

Note5: The inventory standard is based on ISO 14064-1. The quantification scope and method of categories 3 to 6 (Scope 3) in 2025 are synchronized with the specifications of the GHG Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" to complete the inventory completeness and materiality identification; the number N/A means that the item is a non-existent business activity of the Bank.

Note6: In 2019, we started to weigh the total waste produced from each operating location, and calculate the GHG emissions from incineration of general industrial waste. The calculation method is to multiply the amount of general business waste generated by each site by the currently publicly available and verified incineration plant treatment emission coefficient in the country. This coefficient is disclosed on the Ministry of Environment's carbon footprint calculation service platform, so the emissions are calculated using the coefficient established by the Gangshan Refuse Incineration Plant for the treatment of domestic waste in the latest announcement.

Note7: Scope 3 GHG emissions are calculated based on the nature of the activity, using verified emissions and coefficient data provided by the product or service providers. If there is no emission data or emission factor, it adopted an emission factor from Ministry of Environment on the Carbon Footprint Calculation Platform, related international industrial standards, or carbon footprint calculation platforms.

Note8: As the data for the 2021 base year did not include emissions from Amret, a subsidiary consolidated in 2025, the Bank calculates the emissions after excluding the impact of Amret.

5.4.1 Carbon Credits

In December 2023, SinoPac Bank purchased a total of 4,000 metric tons of carbon credits from the Taiwan Carbon Solution Exchange (TCX) as a preparatory measure toward achieving carbon neutrality.

Information on carbon credits used by year is presented in the table below.

Transaction Date	Source of Carbon Credits	Total Volume Purchased (tCO_2e)	Remaining Balance Available for Retirement / Transfer (tCO_2e)
2023/12	India – Maharashtra – Onshore Wind Power Project	4,000	4,000

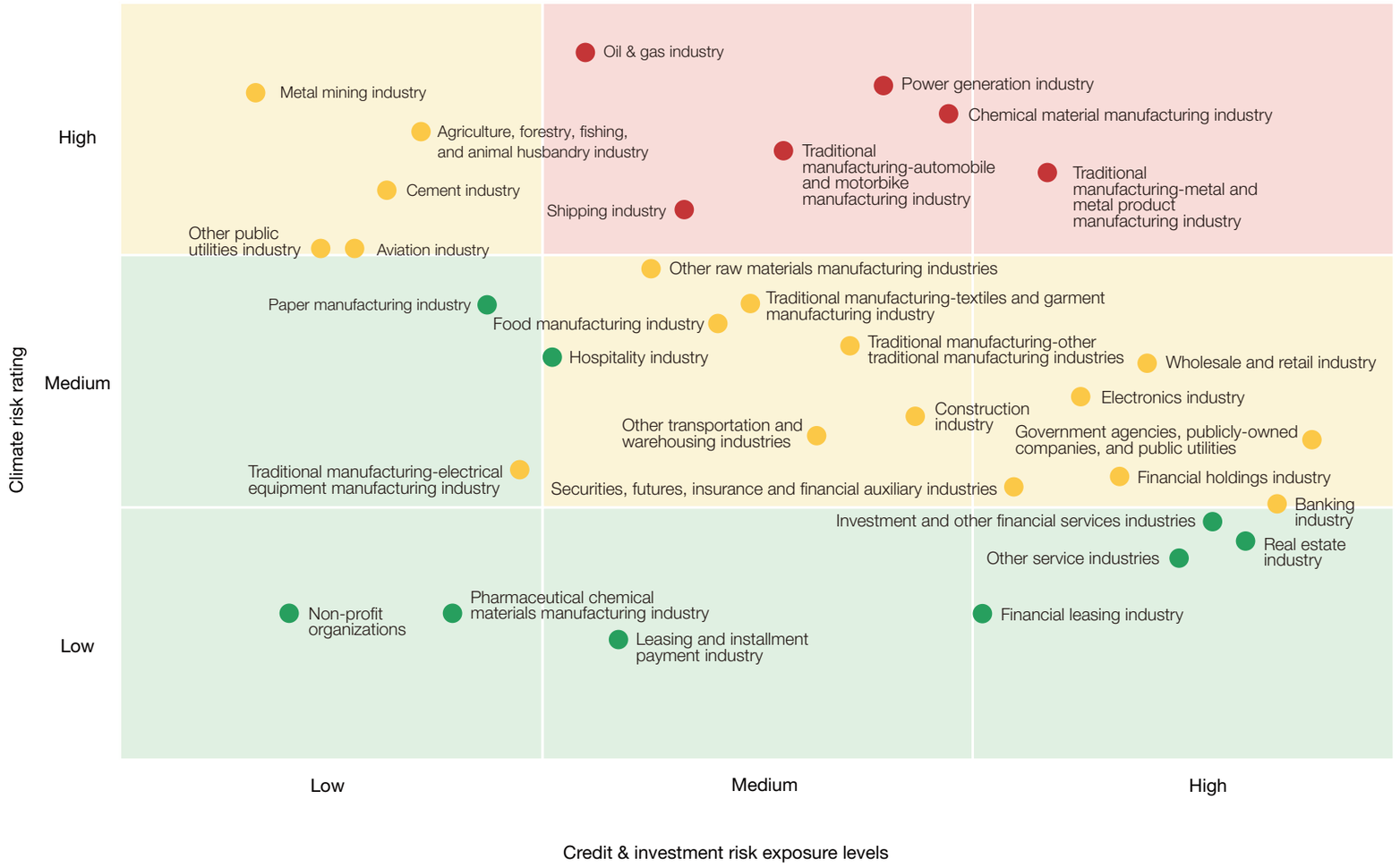
5.5 Exposure to Industries with High Climate Risks

Bank SinoPac followed the climate risk heatmap methodology of the SinoPac Holdings TCFD scenario simulation project to inventory credit and investment businesses of subsidiaries and, after excluding green energy related exposure, assess the balance of risk exposures for industries with high climate risks. We compiled individual climate risk assessment reports released by Moody's and SASB, and referenced TCFD and government regulations to evaluate the impacts of transition and physical risks on individual industries, classify industrial climate risk levels, and establish a climate risk heatmap (as shown in the following figure).

The industrial climate risk heatmap established by SinoPac Holdings includes 11 industries with high climate risks, 9 of which were high-emission industries (oil & gas, power generation, metal mining, chemical material manufacturing, industrial manufacturing-motor vehicle manufacturing, industrial manufacturing-manufacturing of basic metals and fabricated metal products, cement, shipping, and aviation), and 2 of which were industries with high physical risks (agriculture, forestry, fishing, and animal husbandry; and other public utility services). Additionally, we also analyzed the balance of industrial exposures for high-emission enterprises listed by the Ministry of Environment. Exposures for heatmap industries and high-emission enterprises listed by the Ministry of Environment are disclosed as follows.

SinoPac Bank, through SinoPac Holdings' continuous refinement of its decarbonization statement (see the "Climate and Nature Progress" section of this report), adherence to the Bank's guidelines on responsible investment and lending (see Section 4.2, "Management of Investment and Financing Risks," of this report), and alignment with the science based targets (SBTs) established by SinoPac Holdings (see Section 5.1 of this report and SinoPac Holdings' TCFD Report), continuously monitors progress toward achieving these targets to track emission reduction performance, with the aim of contributing to the fulfillment of SinoPac Holdings' net-zero goal of "achieving net-zero emissions across the entire asset portfolio by 2050."

Industry Climate Risk Heatmap



Exposures for loans and investments associated with heatmap industries and high-emission enterprises listed by the Ministry of Environment were inventoried as follows. Exposures and ratios for each industry are shown in the table below.

Heatmap Industries with High Climate Risks

According to the industrial climate risk heatmap formulated by SinoPac Holdings, overall investment and financing amounts in the 11 industries with high climate risks at year-end 2025 was NT$128,312 million, around 8.60% of overall investment and financing amounts at Bank SinoPac (not including green energy loans/Green Bonds/Sustainability Bonds/Social Bonds/power supply industries where all generated power comes from renewable energy).

In 2025, our overall exposure to industries with high climate risks was decreased by NT$13,900 million compared to 2024 and the proportion of total investment and financing at Bank SinoPac also decreased, with the most decreases in exposures coming from the industrial manufacturing-manufacturing of basic metals and fabricated metal products, and power generation industries.

Unit: Million TWD

Industry	Amount of investment and financing exposure	
	2024	2025
Oil & gas	11,145	7,180
Power generation	30,758	22,426
Metal mining	151	111
Chemical material manufacturing	21,149	25,428
Agriculture, forestry, fishing, and animal husbandry	1,314	3,098
Industrial manufacturing-motor vehicle manufacturing	18,141	18,942
Industrial manufacturing-manufacturing of basic metals and fabricated metal products	39,037	29,045
Cement	2,717	2,256
Shipping	12,920	16,974
Aviation	3,377	1,720
Other public utility services	1,549	1,131
Total exposures	142,257	128,312
Proportion of overall investment and financing amounts	10.01%	8.60%

High-Emission Enterprises Listed by the Ministry of Environment

Overall investment and financing amounts in the high-emission enterprises listed by the Ministry of Environment at year-end 2025 was NT$ 42,561 million, around 2.45 % of overall investment and financing amounts at Bank SinoPac.

In 2025, our overall exposure to high-risk industries listed by the Ministry of Environment decreased by NT$ 14,700 million compared to 2024 and the proportion of total investment and financing at Bank SinoPac also decreased. According to corporation inventory information data for 2024 released by the Ministry of Environment in November 2025, the number of heavy carbon emitters remains at 301 companies. The main differences in exposures for 2025 were due to decreases in exposures to the power generation and Industrial manufacturing-manufacturing of basic metals and fabricated metal products industries.

Unit: Million TWD

Industry	Amount of investment and financing exposure	
	2024	2025
Real Estate Industry	197	97
Chemical Materials Manufacturing Industry	3,082	4,675
Cement Industry	1,871	1,341
Wholesale and Retail Trade	363	205
Other Raw Materials Manufacturing	1,735	1,742
Oil and Gas Industry	5,000	200
Food Manufacturing	499	1,496
Power Generation	17,116	8,802
Traditional Manufacturing – Motor Vehicle and Motorcycle Manufacturing	67	823
Traditional Manufacturing – Other Traditional Manufacturing	6	0
Traditional Manufacturing – Metal and Metal Products Manufacturing	8,411	1,570
Traditional Manufacturing – Textile and Apparel Manufacturing	3,087	4,406
Traditional Manufacturing – Electrical Equipment Manufacturing	85	85
Agriculture, Forestry, Fishing and Animal Husbandry	300	300
Electronics Industry	15,375	16,819
Pharmaceutical Chemical Materials Manufacturing	100	0
Total exposures	57,295	42,561
Proportion of overall investment and financing amounts	3.51%	2.45%

5.6 Financed/Facilitated Emissions

Bank SinoPac follows the "Financed Emissions: The Global GHG Accounting and Reporting Standard Part A", released in December 2025, and the "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B", released in December 2023, by the "Partnership for Carbon Accounting Financials" (PCAF); and the "Practical Handbook on Financial Carbon Emissions (Scope 3) for Investment and Financing Portfolios of Domestic Banks" released by the Bankers Association in October 2023. Based on these guidelines, we conducted a carbon inventory of investment and finance positions on December 31, 2025 and capital market facilitated amounts for 2024 which passed GHG Protocol greenhouse gas emissions inventory verification[Note]. The inventory scope encompassed a number of asset categories including mortgages, business loans, corporate bond investments, sovereign debt, sub-sovereign debt, project financing, commercial real estate financing, investments in listed/unlisted equities, and motor vehicle loans.

Mortgages

Business loans

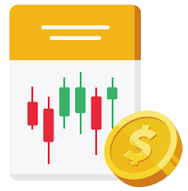
Corporate bonds

Sovereign debt

sub-sovereign debt

Project investment and financing

Commercial real estate



Investments in listed/ unlisted equities

Motor vehicle loans

Note: Bank SinoPac's inventories of Scope 3 greenhouse gas emissions for investment and financing (including facilitated and financed emissions) were conducted in accordance with SinoPac Holdings plans and were verified in accordance with Greenhouse Gas Protocol (GHG Protocol). Our verification agency BSI verified our greenhouse gas emissions using the GHG Protocol and issued a limited assurance statement adhering to the standards in Chapter Six-Assurance (Verification) of "Practical Manual on Financed Emissions (Scope 3) for Investment and Financing Portfolios of Domestic Banks."

5.6.1 Financed Emissions from Investment and Financing Portfolio

The coverage rate for Bank SinoPac's financed emissions (ratio of inventoried amounts to overall investment and financing amounts) was 64.55%, and the coverage rate applicable under the PCAF methodology (ratio of inventoried amounts to the amounts applicable under the PCAF methodology) was 99.46%. Financed emissions amounted to 4.77 million tCO_2e and overall economic emission intensity was 2.9 tCO_2e /per million of investment and financing in NTD.

Scope 3 financed emissions coverage rate

Unit: Million NTD

Asset Class	Investment and financing amounts included in calculations	Proportion of overall investment and financing amounts	Coverage rate applicable under the PCAF methodology
Business loans	670,843	26.36%	99.14%
Mortgages	373,919	14.69%	99.29%
Corporate bonds	246,069	9.67%	100%
Sovereign debt	121,162	4.76%	99.61%
Project investment and financing	161,066	6.33%	100%
Commercial real estate	31,101	1.22%	100%
Sub-sovereign debt	22,998	0.90%	100%
Listed equity	9,749	0.31%	100%
Motor vehicle loans	5,993	0.24%	100%
Unlisted equity	1,895	0.07%	100%
Inventoried positions	1,642,900	64.55%	99.46%
Positions that could not be inventoried[Note]	902,288	35.45%	
Total	2,545,188	100%	

Note: Positions that could not be inventoried mainly comprise four categories: (1) use-of-proceeds financing, securitizations and structured products as defined in the latest version of the PCAF Standard. As the calculation requires access to information on the underlying assets, complete data are not yet available; therefore, a comprehensive assessment cannot be performed at this stage. (2) Categories for which PCAF has not released related technical documents (such as for personal loans, derivatives, ETFs, etc.) (3) Categories that are explicitly excluded from calculation under the practical manual released by the Bankers Association of the Republic of China (such as for mortgages for repairs and construction, commercial bills, central bank negotiable certificates of deposit, and fixed rate commercial paper) (4) Categories with minor gaps in inventory data.

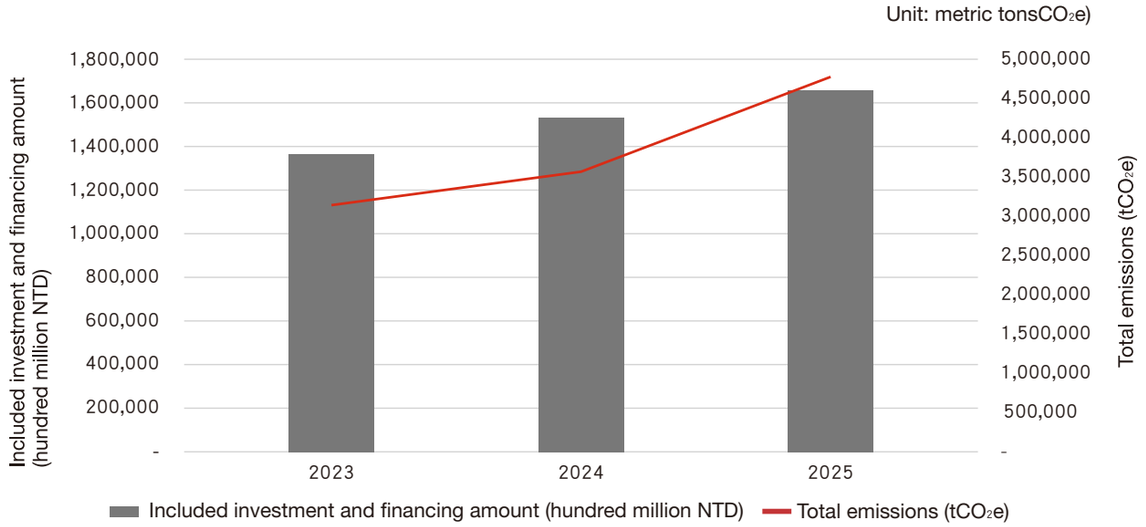
Scope 3 Financed Emissions from Investment and Financing in 2025

Unit: Investment and financing amounts (Million NTD); Financed emissions (tCO_2e); Economic emissions intensity (tCO_2e/per million of investment and financing in NTD); Data quality score (1: best, 5: worst)

Asset class	Investment and financing amounts	Financed missions	Proportion of financed emissions	Economic emissions intensity	Data quality score
Business loans	670,843	3,179,882	66.60%	4.7	3.9
Sovereign debt (excluding LULUCF)[Note]	121,162	589,019	12.34%	4.9	1.9
Project investment and financing	161,066	290,317	6.08%	1.8	3.0
Sub-sovereign debt	22,998	247,216	5.18%	10.7	2.2
Corporate bonds	246,069	208,869	4.37%	0.8	1.7
Motor vehicle loans	5,993	126,368	2.65%	21.1	3.8
Mortgages	373,919	84,331	1.77%	0.2	4.0
Commercial real estate	31,101	36,380	0.76%	1.2	4.0
Listed equity	7,854	11,268	0.24%	1.4	1.2
Unlisted equity	1,895	1,281	0.03%	0.7	2.2
Total	1,642,900	4,774,931	100%	2.9	3.3

Note: Land Use, Land Use Change, and Forestry (LULUCF) refers to activities related to land use, land-use change, and forestry, such as the conversion of forests into agricultural or pasture land. Sovereign debt for 2025 excluding financed emissions for LULUCF amounted to 589,019 tCO_2e, while sovereign debt for 2025 including LULUCF amounted to 566,665 tCO_2e.

Financial Emission Trends of Investment and Financing



Note1: From 2023 onwards, the scope was defined in accordance with the "Practical Handbook on Financial Carbon Emissions (Scope 3) for Investment and Financing Portfolios of Domestic Banks" released by the Bankers Association in October 2023, which explicitly specifies certain asset classes to be excluded from calculation. In 2025, the inventory scope was updated based on the latest version of the PCAF Standard.

Note2: Starting from 2025, Amret has been included in the scope.

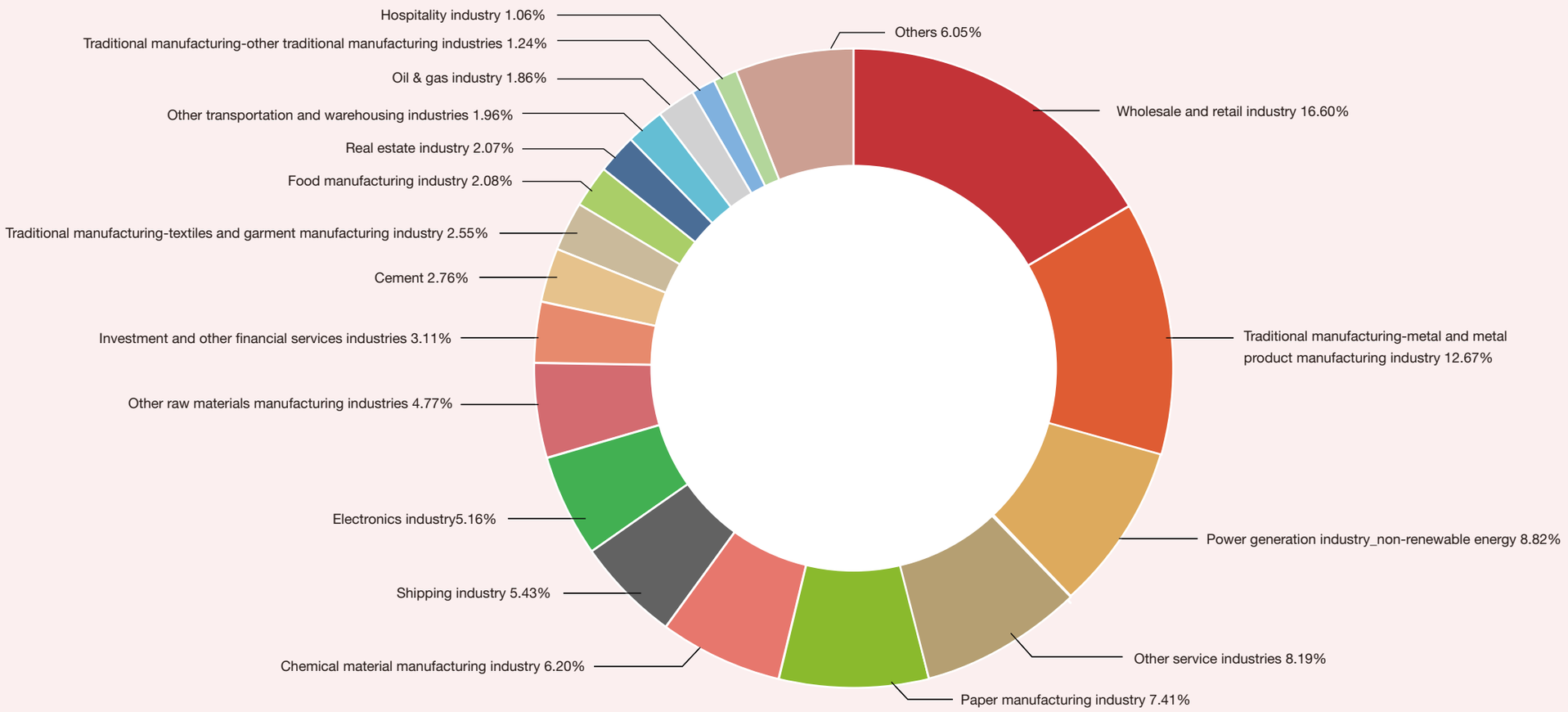
Financed Emissions for Specific Assets (tCO_2e)

Categorized by industry (business loans, corporate bonds, listed equity, and unlisted equity)

Industries with high climate risk as defined by SinoPac	Financed emissions (tCO2e)	Proportion of financed emissions
Wholesale and retail industry	563,323	16.60%
Traditional manufacturing-metal and metal product manufacturing industry	430,020	12.67%
Power generation industry non-renewable energy	299,310	8.82%
Other service industries	277,844	8.19%
Paper manufacturing industry	251,502	7.41%
Chemical material manufacturing industry	210,438	6.20%
Shipping industry	184,072	5.43%
Electronics industry	175,067	5.16%
Other raw materials manufacturing industries	161,885	4.77%
Investment and other financial services industries	105,515	3.11%
Cement industry	93,625	2.76%
Traditional manufacturing-textiles and garment manufacturing industry	86,510	2.55%
Food manufacturing industry	70,574	2.08%
Real estate industry	70,149	2.07%
Other transportation and warehousing industries	66,516	1.96%
Oil & gas industry	63,171	1.86%
Traditional manufacturing-other traditional manufacturing industries	42,076	1.24%
Hospitality industry	35,921	1.06%
Others	205,233	6.05%
Total	3,392,753	100%

Financed Emissions for Specific Assets (tCO_2e)

Categorized by industry (business loans, corporate bonds, listed equity, and unlisted equity)



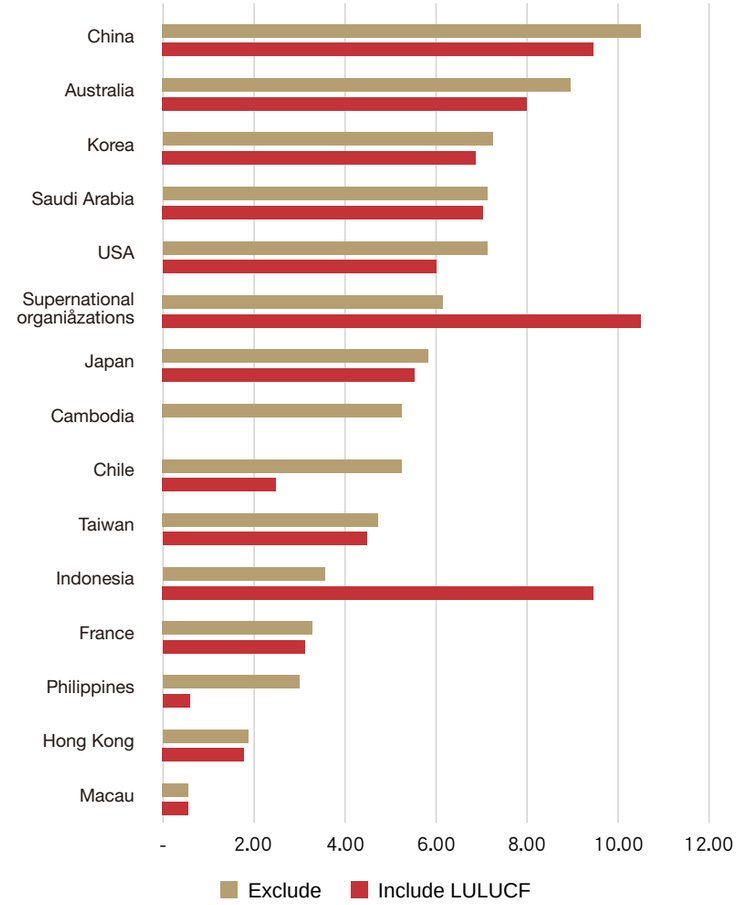
Economic Emission Intensities for Specific Assets (tCO_2e/per million of investment and financing in NTD)

tegorized by industry (business loans, corporate bonds, listed equity, and unlisted equity) based on loan/investment type

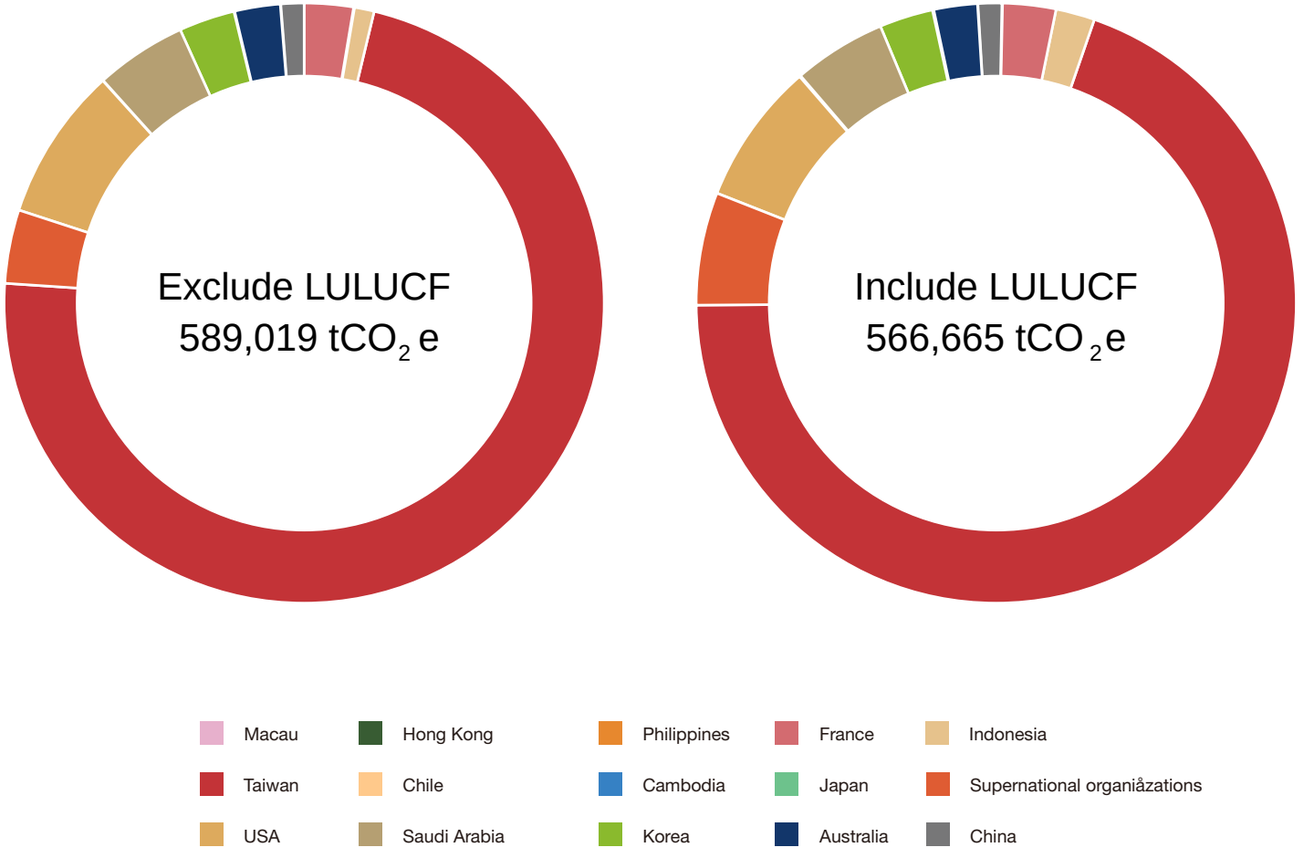
Industries with high climate risk as defined by SinoPac	Economic emission intensity of loans and investments	Economic emission intensity of loans	Economic emission intensity of investments
Cement industry	44.14	44.14	
Paper manufacturing industry	43.66	43.66	
Power generation industry_non-renewable energy	20.03	20.58	18.84
Aviation industry	17.83	17.83	
Traditional manufacturing-metal and metal product manufacturing industry	17.00	17.29	11.71
Other public utilities industry	16.94	16.94	
Other raw materials manufacturing industries	13.38	13.83	1.19
Metal mining industry	12.30	12.30	
Oil & gas industry	11.25	4.98	15.82
Shipping industry	10.84	10.88	1.15
Chemical material manufacturing industry	9.27	9.23	10.94
Wholesale and retail industry	8.67	8.75	0.18
Hospitality industry	7.06	7.11	0.04
Traditional manufacturing-textiles and garment manufacturing industry	5.22	5.05	
Agriculture, forestry, fishing, and animal husbandry industry	5.19	5.19	
Traditional manufacturing-electrical equipment manufacturing industry	5.19	6.09	0.33
Food manufacturing industry	4.60	5.16	1.87
Other transportation and warehousing industries	3.99	4.40	0.80
Electronics industry	3.67	4.25	0.97

Industries with high climate risk as defined by SinoPac	Economic emission intensity of loans and investments	Economic emission intensity of loans	Economic emission intensity of investments
Construction industry	3.10	3.11	1.37
Leasing and installment payment industry	3.05	3.51	0.07
Traditional manufacturing-other traditional manufacturing industries	2.72	2.74	1.55
Other service industries	2.58	3.12	0.81
Traditional manufacturing-automobile and motorbike manufacturing industry	1.78	2.55	0.85
Power generation industry renewable energy	1.74	1.74	
Pharmaceutical chemical materials manufacturing industry	1.58	1.84	0.27
Investment and other financial services industries	1.30	1.35	0.88
Securities, futures, insurance and financial auxiliary industries	0.91	1.04	0.03
Non-profit organizations	0.70	0.70	
Real estate industry	0.44	0.44	0.32
Financial leasing industry	0.31	0.30	0.43
Financial holdings	0.09	0.50	0.05
Government agencies, publicly-owned companies, and public utilities	0.08	0.01	0.20
Banking	0.04	0.35	0.02
Total	3.72	4.77	0.90

Emissions Intensity by Country (Sovereign Exposure)



Financed Emissions by Country (Sovereign Exposure)



Avoided Emissions

Avoided emissions refer to reductions in emissions from projects associated with renewable energy, i.e., reductions in emissions with renewable energy projects compared to without said projects (base emissions). Calculations of avoided emissions from investment and financing in renewable energy projects assumed that power generated from renewable energy was used to replace a portion of the fossil fuels used by power plants during the reporting period. The power generated within the (estimated) project reporting period was compared with the national power mix, and the reduction in emissions was considered to be the avoided emissions from investment and financing in renewable energy projects. Avoided emissions from investment and financing in renewable energy projects amounted to 1.92 million tCO_2e.

5.6.2 Proportion of Facilitated Emissions

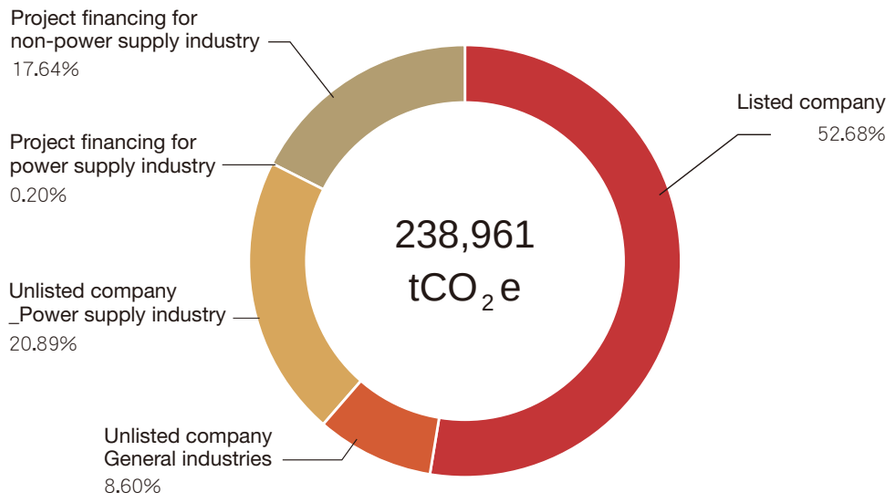
The capital market plays a vital role in promoting economic activities and providing required funds. We therefore inventoried underwriting/syndicated loan cases led by Bank SinoPac in accordance with the methodology and recommended inventory scope described in the latest "Facilitated Emissions: The Global GHG Accounting and Reporting Standard Part B" released by PCAF in December 2023, calculating greenhouse gas emissions associated with capital market issuances/transactions[Note 1], achieving an overall coverage rate of 100%, with facilitated emissions amounting to 240,000 tCO_2e.

Facilitated capital markets activities		Facilitated amounts included in calculations	Proportion of total facilitated amounts	Coverage rate applicable under the PCAF methodology Note 2	Facilitated emissions	Proportion of facilitated emissions	Economic emissions intensity	Data Quality Score
Listed company		385,760	35.81%	100%	125,889	52.68%	0.33	1.0
Unlisted company	General industries	669,441	62.14%	100%	20,541	8.60%	0.03	1.1
	Power supply industry	6,775	0.63%	100%	49,912	20.89%	7.37	1.2
Project financing for power supply industry		9,963	0.92%	100%	469	0.20%	0.05	3.0
Project financing for non-power supply industry		5,400	0.50%	100%	42,150	17.64%	7.81	5.0
Inventoried facilitated activities		1,077,339	100%	100%	238,961	100%	0.22	1.1
Total		1,077,339	100%					

Note1: According to PCAF methodology, calculation of facilitated emissions should be multiplied by an additional weighting factor of 33% which is used to assess the responsibility of financial institutes on facilitated emissions. Therefore, the formula for calculation is: Attribution factor x Weighting factor (33%) x Company emissions. Facilitated emissions and financed emissions should not be aggregated, and one unit of financed emissions is not equal to one unit of facilitated emissions.

Note2: The coverage rate here is calculated only using the facilitated amounts from underwriting/syndicated loans led by Bank SinoPac, and not overall funds raised from organized and co-organized projects.

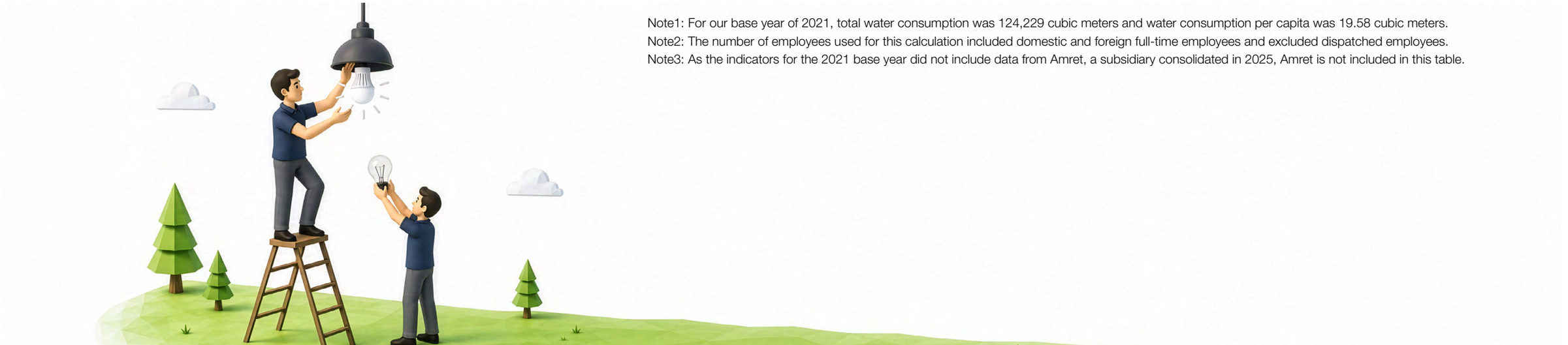
Facilitated Emissions



5.7 Internal Carbon Pricing

Bank SinoPac adheres to the SinoPac Holdings principle of "enhancing climate awareness and promoting low-carbon transition." We began implementing internal carbon pricing mechanism in 2022 to achieve our three policy aims of compliance with greenhouse gas regulations, increased energy efficiency, and promotion of low-carbon investments, using these carbon reduction actions to strengthen our awareness and change internal corporate behaviors.

SinoPac Holdings referenced internal carbon pricing of domestic/overseas companies to benchmark Scope 2 emission prices, using shadow prices to assess effectiveness of energy and carbon reduction activities at all operating sites on an annual basis, while also incorporating hidden carbon costs and benefits in promotions of corresponding low-carbon investments. For example, in 2025, Bank SinoPac spent NT$42.01 million purchasing renewable energies and NT$12.19 million upgrading aged equipment, replacing old lights with LED lights, and using/building solar power generation equipment. In 2025, our average cost to reduce 1 ton of carbon emissions was still NT$5,000/t$CO_2$e, so we continued to use this price as a reference for internal carbon pricing, and used achievements on carbon reduction targets to calculate carbon costs/carbon income. We calculated carbon costs for items that were not achieved and carbon income for achieved items to analyze substantial carbon reduction effects. Bank SinoPac continues to align with the science based targets (SBT) set by SinoPac Holdings and international carbon pricing trends, makes continuous ICP adjustments, and gradually establishes links to our commitment of achieving operational net zero emissions by 2030 while expanding our scope of application.



5.8 Water Consumption and Waste Management

Water Management

The water resources consumed at Bank SinoPac were all sourced from tap water and were mainly used for drinking, air-conditioning systems, and cleaning. We used no ground water or water from other sources. In 2025, as our personnel numbers increased by 20.95% and we added multiple operational sites compared to our base year of 2021, our overall water consumption was 133,081 cubic meters, an increase of 8,852 cubic meters compared to the base year, but average water consumption per capita was 17.34 cubic meters, a reduction of 11.43% compared to the base year. Bank SinoPac will continue to replace air-conditioner cooling towers, add sensor-activated faucets, and adjust air-conditioner condensate temperatures, as well as promote water conservation measures in accordance with Group targets to reduce water consumption.

Water resource management indicators and water consumption for 2023-2025[Note3]

Water resource management indicator[Note1]	Unit	2023	2024	2025
Water consumption	cubic meters	123,817	128,577	133,081
Water consumption per capita (water consumption intensity)[Note2]	cubic meters/person	17.6	17.30	17.34
Data coverage rate	%	100%	100%	100%

Note1: For our base year of 2021, total water consumption was 124,229 cubic meters and water consumption per capita was 19.58 cubic meters.
Note2: The number of employees used for this calculation included domestic and foreign full-time employees and excluded dispatched employees.
Note3: As the indicators for the 2021 base year did not include data from Amret, a subsidiary consolidated in 2025, Amret is not included in this table.

Waste Management

The main type of waste generated by Bank SinoPac is domestic waste. Recyclable waste is divided into four categories: paper, plastic bottles, aluminum cans, and electronic waste. All general industrial waste and recyclable waste is transported to incinerators or recycling sites for disposal by qualified vendors. Waste paper is collected by responsible units and handled in accordance with document destruction rules before delivery to paper manufacturers for pulping to serve as raw materials for recycled paper. Electronic waste is handled in accordance with internal information safety rules and digital client information is handled in accordance with security and confidentiality principles before electronic waste is delivered to qualified vendors for recycling and reuse. Bank SinoPac has assessed total waste volumes for its self-owned buildings through an actual weighing mechanism since 2019. In 2020, the Xingda Food Safety Building was newly included, and in 2021, the scope was expanded to cover all domestic operational sites, achieving a 100% coverage rate. In 2024, due to an expansion in personnel and an increase in operational sites, total waste generated from operations reached 425.63 metric tons, representing a 6.8% increase compared to the 2021 base year. However, waste generated per capita was 0.062 metric tons, reflecting an 11.49% reduction compared to the base year. Bank SinoPac will continue to align with SinoPac Holdings' target of a 1% annual reduction compared to the 2021 base year and actively implement relevant waste reduction measures.

Waste management indicators and total volumes for 2023-2025

Waste items (tons)[Note 1]		2023	2024	2025
Recyclable waste[Note2]	Paper/plastic bottles/ aluminum cans	132.69	142.40	144.22
	Electronic waste (Computers/screens/ printers)	0.30	0.90	0.69
General industrial waste[Note 3]	Incineration	263.39	268.52	280.73
	Landfill	0	0	0
Total waste volumes[Note 4]		396.39	411.81	425.64
Data coverage rate (Calculated using employee numbers)[Note 5]		100%	100%	100%

Note1: For our base year of 2021, total waste volume was 398.54 tons and average waste volumes per capita was 0.070 tons.
Note2: General industrial waste was mainly collected and handled by qualified vendors for incineration by locally outsourced vendors. All incineration plants are equipped with waste heat recovery power generation devices.
Note3: Waste amounts for 2025 included total waste from all domestic operational sites.
Note4: Calculated using only domestic full-time employees for 2025; dispatched employees and overseas employees were excluded.

Future Outlook

Facing the growing structural challenges arising from climate change and the continued loss of natural capital, Bank SinoPac remains focused on its core financial business while deepening the integrated management of climate and nature-related issues. By leveraging the influence of finance, we guide capital toward low-carbon, resilient economic activities that also support nature-positive development. Looking ahead, Bank SinoPac will further enhance the involvement and application of climate- and nature-related considerations at the decision-making level, building on our existing governance and risk management frameworks. This enables timely identification and assessment of related risks and opportunities and ensures their incorporation into business strategies, thereby strengthening overall operational resilience and long-term value creation.

As international sustainability disclosure standards continue to converge, Bank SinoPac will continue to enhance the quality of our climate and nature-related disclosures and align with the TCFD, TNFD, and IFRS S2 frameworks. We aim to improve the consistency, comparability, and transparency of disclosed information in response to stakeholders' expectations for high-quality sustainability information. At the same time, we are continuously optimizing our data governance framework and internal operational processes to strengthen data collection, analysis, and the application of analytical tools, making climate and nature-related risk management more forward-looking and practical.

With respect to our own operations, Bank SinoPac continues to implement energy-saving, carbon reduction, and digitalization measures while steadily increasing the proportion of renewable energy use to advance our operational net-zero pathway. These efforts demonstrate our responsibility and commitment as a financial institution to climate action and nature conservation. In our investment and financing activities, we continue to optimize our portfolios toward low-carbon and transition-oriented directions. Through proactive engagement with corporate clients, we support the gradual development of their decarbonization and sustainable transition capabilities, while prudently managing exposures to carbon-intensive and nature-high-risk sectors to balance risk management with growth momentum.

Looking forward, Bank SinoPac will continue to expand financial support for renewable energy, energy storage, low-carbon technologies, and solutions with positive nature impacts, guiding capital toward key areas that contribute to economic transformation and environmental improvement. Through green energy trust platform, sustainability-linked loans, and a diverse range of transition finance tools, we assist enterprises in improving energy efficiency, expanding renewable energy adoption, and reducing financial and operational risks during the transition process, while promoting the sound development of Taiwan's green and transition finance markets.

To demonstrate our long-term commitment and actions in aligning with international initiatives, Bank SinoPac acts in accordance with global net-zero emission goals and responds to international trends such as TNFD. We continuously monitor global sustainability developments and regulatory policy directions and adjust our investment and financing structures accordingly to support a low-carbon economy and nature-positive development. We also actively address nature and biodiversity issues, leveraging our financial influence to amplify positive impacts and attract more enterprises and partners to participate in the sustainable transition. Bank SinoPac began working with Economic Daily News to host the Green Action Forum starting in 2022, bringing together representatives from government, industry, and the financial sector to discuss net-zero transition pathways and identify practical solutions for Taiwan's sustainable development, thereby realizing our vision of "Together, a better life." Going forward, Bank SinoPac will continue to collaborate with peers in the financial sector and stakeholders across government, industry, and academia to jointly advance global sustainability goals.

Appendix

TCFD Comparison Table

The four major TCFD aspects (according to the Task Force on Climate-Related Financial Disclosures released by the Financial Stability Board in 2017) and corresponding public disclosures are shown in the table below:

Aspect	Guidance for All Sectors	Corresponding Sections
Governance	Describe the board's oversight of climate-related risks and opportunities.	1.2
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.1, 1.3, 5.3
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2.1
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.1, 2.2, 2.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2.2, 3
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	2.1, 4.1
	Describe the organization's processes for managing climate-related risks.	2.1, 4
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	4
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	5.1, 5.2
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	5.4, 5.6
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	5

Aspect	Supplemental Guidance for Banks	Corresponding Sections
Strategy	Banks should describe significant concentrations of credit exposure to carbon-related assets. (concentrations of credit exposure)	5.5
Risk Management	Banks should consider characterizing their climate-related risks in the context of traditional banking industry risk categories such as credit risk, market risk, liquidity risk, and operational risk.	2
Metrics and Targets	Banks should provide the metrics used to assess the impact of (transition and physical) climate-related risks on their lending and other financial intermediary business activities in the short, medium, and long term.	5.1, 5.2
	Banks should disclose GHG emissions for their lending and other financial intermediary business activities where data and methodologies allow.	5.6

TNFD Comparison Table

Aspect	Guidance for All Sectors	Corresponding Sections
Governance	Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.	1.2
	Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.	1.1, 1.3, 5.3
	Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.	4.2
Strategy	Describe the nature-related dependencies, impacts, risks and opportunities the organization has identified over the short, medium and long term.	2.1, 2.3
	Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organization's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.	2
	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	2.2, 2.3
	Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	2.3

Aspect	Guidance for All Sectors	Corresponding Sections
Risk & Impact Management	(i) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its direct operations.	2.1, 2.3, 4.3
	(ii) Describe the organization's processes for identifying, assessing and prioritizing nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).	2.1, 2.3, 4
	Describe the organization's processes for managing nature-related dependencies, impacts, risks and opportunities.	2.1, 2.3, 4
	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	4
Metrics and Targets	Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	5.1, 5.2
	Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	2.3
	Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.	5

IFRS S2 Comparison Table

IFRS S2 Climate-Related Disclosures		Corresponding Sections
Governance	Paragraphs 5-7	1, 5.3
Strategy	Paragraphs 8-14	2, 5.1
	Paragraphs 15-21	3
	Paragraphs 22-23	2.2, 3
Risk Management	Paragraphs 24-26	2.1.1, 3, 4, 4.1
Metrics and Targets	Paragraphs 27-28	5
	Paragraphs 29-32	5
	Paragraphs 33-37	5

TPT Transition Plan

Principles	Disclosure Elements	Corresponding Sections
Ambition	1. Foundations	2.2
Action	2. Implementation Strategy	2.2, 2.4, 5.2
	3. Engagement Strategy	4.2
Accountability	4. Metrics and Targets	5.1, 5.2
	5. Governance	1.1, 1.2, 1.3, 5.3

TCFD Conformity Statement

Conformity Statement

Climate related Financial Disclosure

This is to conform that

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Holds Statement Number SRA-TW-822368-1

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- Bank SinoPac Co., Ltd. follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with Supplemental Guidance for the Financial sector (Banks sector) to disclose climate-related financial information which is clear, comparable and consistent its organizational risks and opportunities as well as its financial impacts. The disclosures covers the four core elements of the TCFD and is prepared based on the seven guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks sector) is **Level-5+: Excellence** grade.
- 涵蓋金融業補充指引(銀行)之氣候相關的財務揭露的成熟度模型為[**第五級 PLUS：優秀**]等級。

For and on behalf of BSI

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Latest issue: 2026-06-02 Expiry date: 2027-06-01

Statement number: SRA-TW-822368-1

Location:

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Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks sector) is **Level-5+: Excellence** grade.

涵蓋金融業補充指引(銀行)之氣候相關的財務揭露的成熟度模型為[**第五級 Plus：優秀**]等級。

Latest issue: 2026-06-02 Expiry date: 2027-06-01

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