



CTBC Financial Holding Co., Ltd.

Sustainable Finance Policy

V 3.0

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Document history

Version	Author	Details	Date
1.0	Corporate Sustainability Office	Policy established	Dec. 30, 2020
2.0	Corporate Sustainability Department	Added and amended provisions on the group's net-zero emissions goal and implementation principles	June 30, 2023
3.0	Corporate Sustainability Department	Integrated the thermal coal and unconventional oil and gas divestment commitment and engagement actions from the CTBC Holding Sustainable Finance Statement, with revisions and additions to certain provisions.	Sept. 24, 2026



CTBC Financial Holding Co., Ltd.

Sustainable Finance Policy

Article 1 Basis and purpose

CTBC Financial Holding Co., Ltd. (hereinafter, “CTBC Holding” or “the Company”) commits to complying with international sustainable finance initiatives and relevant policies of the competent authorities in order to pursue business growth and to advance the U.N.’s Sustainable Development Goals (SDGs). The Company shall actively leverage its core businesses to realize a positive impact on global sustainable development, including supporting financial inclusion and driving the development of a low-carbon economy in order to work toward net-zero emissions by 2050. In accordance with CTBC Holding’s Sustainability Management Policy, the CTBC Holding Sustainable Finance Policy (hereinafter, “the Policy”) is hereby formulated.

Article 2 Scope

The applicable scope of the Policy is the Company and its subsidiaries.

Article 3 Implementation principles

The implementation principles of the Policy are as follows:

I. Actively support and advocate for sustainable finance

The Company shall stay informed on the latest international sustainable finance initiatives and trends in



the development of sustainable policies by the competent authorities. Where doing so is practical in terms of the Company's business interests and resources, the Company or subsidiaries with relevant business shall proactively and publicly support relevant initiatives.

II. Focus on creating positive impacts related to the SDGs, the climate, and the environment

In support of the SDGs, the Company's sustainable finance actions shall take into consideration ESG-related risks and whether any controversies surround the products, services, or operations of transaction counterparties or targets. In addition, the Company shall assess risks and opportunities related to SDG issues including the climate, forests, water, biodiversity, and human rights as well as exert a positive impact in order to effectively promote sustainable development.

III. Drive the low-carbon economy and work toward net-zero emissions by 2050

To achieve its Science Based Targets (SBTs) and 2050 net-zero emissions goal, the Company shall continue to develop green financial products and services and to actively engage with customers to facilitate their low-carbon transition. During business development, the Company shall pay close attention to the impact of its



investing and financing activities on the climate and shall actively assess relevant risks and opportunities.

IV. Integrate group resources and expand business synergies

Subsidiaries shall, according to their individual business characteristics, establish policies and management methods that incorporate the aforementioned ESG and SDG considerations, and shall conduct internal awareness raising, provide education and training, and implement relevant processes. In addition, subsidiaries shall actively provide resources including sales channels in order to enhance the group's business and sustainability synergies.

Article 4 Divestment commitment for the thermal coal and unconventional oil and gas industries

I. Commitment and vision

Facing the severe challenges posed by global climate change to environmental, economic, and social development, CTBC Holding actively supports international initiatives such as the carbon reduction targets of the Paris Agreement, the SBTi, and the SDGs. It commits to gradually reducing its portfolio exposure to the thermal coal and unconventional oil and gas industries, and shall continue to assist industries in achieving an orderly low-carbon transition through asset portfolio adjustments, business management and



controls, and engagement with investment and financing targets, jointly advancing toward a net-zero future by 2050.

II. Scope

This Policy applies to CTBC Holding and five of its subsidiaries, namely CTBC Bank Co., Ltd.; Taiwan Life Insurance Co., Ltd.; CTBC Securities Co., Ltd.; CTBC Venture Capital Co., Ltd.; and CTBC Finance Co., Ltd. It covers all operations in Taiwan and those of the companies' respective offshore branches. Overseas subsidiaries shall in principle comply with the laws and regulations of their respective local competent authorities.

III. Divestment plan

(I) Lending

1. CTBC Holding shall completely end corporate financing, project finance, and underwriting for fixed-income products in the thermal coal extraction, thermal coal power generation, and unconventional oil and gas extraction industries by 2035.
2. Effective immediately, no corporate financing or project finance shall be provided to new clients in the thermal coal extraction, thermal coal power generation, or unconventional oil and gas extraction



industries, unless the new client has a transition plan and meets one of the following conditions:

- (1) Complies with the carbon reduction targets of the Paris Agreement.
 - (2) Has established SBTs and had them approved by the Science Based Targets initiative (SBTi).
 - (3) Complies with the net-zero or carbon-neutrality targets of the relevant country, including but not limited to setting net-zero or carbon-neutrality targets no later than the target year set by the country or aligning with the country's transition pathway.
 - (4) The funds will be used for purposes that qualify as green or transition financing.
3. The above exemption conditions for corporate financing and project finance shall take effect one year from the effective date of this Policy revision.

(II) Investment

1. Active, passive, and externally managed investments in thermal coal extraction and thermal coal infrastructure shall be completely phased out by 2035.



2. Effective immediately, no new active, passive, or externally managed investments in thermal coal extraction shall be undertaken. No additions shall be made to existing investment positions starting from the effective date of this Policy revision.
 3. Effective immediately, no new active, passive, or externally managed investments in thermal coal infrastructure shall be undertaken, unless the investment target has a transition plan and meets one of the following conditions:
 - (1) Complies with the carbon reduction targets of the Paris Agreement.
 - (2) Has established SBTs and had them approved by the SBTi.
 - (3) Complies with the net-zero or carbon-neutrality targets of the relevant country, including but not limited to setting net-zero or carbon-neutrality targets no later than the target year set by the country or aligning with the country's transition pathway.
- (III) Definition of thermal coal and unconventional oil and gas industries



1. Thermal coal extraction: Companies that derive more than 25% of their revenue from thermal coal extraction.
2. Thermal coal power generation: Companies for which more than 25% of total power generation capacity comes from thermal coal power generation.
3. Thermal coal infrastructure: Companies that derive more than 25% of their revenue from infrastructure involving coal pipelines and receiving terminals.
4. Unconventional oil and gas extraction: Companies that derive more than 10% of their revenue from unconventional oil and gas extraction. Unconventional oil and gas includes oil sands, shale oil and gas, Arctic oil and gas, and ultra-deep-water oil and gas.

Whether an investment or financing target falls within the aforementioned industries may be determined by referencing Urgewald's Global Coal Exit List and Global Oil & Gas Exit List, or each subsidiary may, based on its business characteristics, make this determination using the latest revenue or capacity information on the target obtained through reasonable methods.



If the investment target is a mutual fund or exchange-traded fund, the determination may be made by reviewing the responsible investment policies and management mechanisms of its issuing institution or asset manager, including whether it is a signatory to or complies with the U.N. Principles for Responsible Investment, Stewardship Principles for Institutional Investors, or ESG implementation practices.

IV. Engagement actions

Prior to 2035, CTBC Holding and its subsidiaries shall actively engage with investment and financing targets in the thermal coal and unconventional oil and gas industries covered by this Policy, urging them to pursue sustainable transitions and provide concrete transition plans. Each subsidiary shall periodically review the implementation progress of these transition plans. If engagement fails to yield effective improvements, subsidiaries shall evaluate measures including ceasing to add new investment and financing positions, progressively reducing exposure, or divesting.

Article 5 Disclosure

The implementation plans and progress of this Policy shall be disclosed in accordance with applicable international standards in the Chinese and English versions of the Company's annual Sustainability Report, on the Corporate Sustainability section of the Company's website, in relevant



Company and subsidiary publications, and as required by the competent authorities.

Article 6 This Policy is a first-tier document and shall take effect upon approval by the Board of Directors; the same shall apply to any subsequent amendments.

In the case of any discrepancy or inconsistency between the Chinese version and its English translation, the Chinese version shall prevail.