

SinoPac Financial Holdings Company Limited
Sustainable Finance Policy

Enacted Unit: President Office

Approved by: Board of Directors

Article 1 Purpose

To comply with the policies of the competent authorities and support international sustainable finance initiatives, the Company proactively develops sustainable financial products and services such as green and low-carbon transition and adopts this policy as its guidelines of sustainable financial business.

Article 2 Scope of Application

This policy applies to the Company and its subsidiaries.

The scope of sustainable financial business mentioned in this policy includes the financial products and services of corporate banking, retail banking, asset management and investment, wealth management or private banking, investment banking and brokerage.

Article 3 The development of sustainable financial business of the Company is overseen by the Board of Directors.

Article 4 Support and comply with domestic and international sustainable financial initiatives

The Company supports international sustainable finance initiatives and comply with the policies of competent authorities, such as the Equator Principles, the Principles for Responsible Investment, the Stewardship Principles for Institutional Investors and domestic or international sustainable finance related principals. When developing businesses, the Company shall support the companies that have positive development in environmental protection, climate change or sustainable governance to implement sustainable finance.

Article 5 Development of sustainable financial products and services

To grasp sustainable business opportunities, the Company shall identify key sustainable issues and incorporate sustainable concept into sustainable products and services, proactively promote sustainable investment and financing to improve sustainable business performance.

Article 6 Incorporate ESG risk assessment into sustainable financial business

All subsidiaries shall assess ESG risk based on their business scope and products characters.

1. To evaluate ESG risk, all subsidiaries shall incorporate ESG factors into Know Your Customer and Customer Due Diligence processes to review customers' ESG rating or performance.
2. High ESG risk corporate check
In accordance with the guidelines or standards of international financial initiatives such as International Finance Corporation or The World Bank, the Company formulate the management mechanism for controversial or sensitive industries or economic activities.
 - i. Prohibit to undertake controversial industries or economic activities (such as pornography and controversial arms, etc.)
 - ii. For sensitive industries or economic activities (such as gambling, those with issues in food safety, toxic radioactive substance, oil and gas industry, etc.), it is necessary to carefully evaluate whether to undertake or escalate the approval level.

Article 7 Enterprise Engagement

1. The Company and its subsidiaries shall proactively engage with investee or financing companies on sustainable issues to understand their ESG achievements and plans in various aspects of ESG and cooperate with a third party when necessary to encourage or assist them to take sustainable issues seriously. The results of engagement will be disclosed in the sustainability reports or stewardship reports of the Company or its subsidiaries.
2. If the ESG performance of the engaging object has not improved positively for a long time, the Company and its subsidiaries shall respond by exercising shareholder activism, or gradually reducing investment and financing positions, or evaluating whether to continue dealings.

Article 8 This policy is implemented with the resolution of the Board of Directors; the same applies to subsequent amendments.

The third meeting of the eighth session of the Board of Directors in 2023 adopted the policy on July 21, 2023.