

2022 SUSTAINABILITY REPORT



First Financial Holding

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Exterior wall painting of Ximen Branch

Report information

First Financial Holding Co., Ltd. (hereinafter referred to as "FFHC" or "the Company") issued the first Corporate Social Responsibility Report (2011, hereinafter referred to as "the Report") in 2012, and has been continuously preparing and issuing the Report for 12 consecutive years. The last issue was in June 2022, The Report has been revised in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", amended the name to "Sustainability Report". Furthermore, the English version of the Report (2014) has been issued since 2015. The Report transparently disclose the sustainable development strategies, actions, performance and future plans of FFHC and its subsidiaries (the Group), and collect opinions and feedbacks from major stakeholders to adjust the sustainable management policy.

Reporting period

First Financial Holdings' 2022 Report complies with 2022 GRI reporting standards in disclosing the Company's performance and execution in terms of social, environmental, and governance ("ESG") aspects in 2022 (January 1, 2022 to December 31, 2022). The information has been approved by the Chairman prior to disclosure and contains information, which has not been reorganized, relevant to differences or growth from 2019-2021.

Scope and boundary

The contents of this Report encompass First Financial Holding Company and its seven subsidiaries: First Bank, First Securities, First Securities Investment Trust, First Life Insurance, First Financial Asset Management (hereinafter referred to as "First Financial AMC"), First Consulting, and First Venture. All related statistics are calculated based on the general international standard indices, and all financial numbers are denominated in New Taiwan Dollars (NTD).

Sustainability Reports from past years



Reporting principles

The Global Reporting Initiative, GRI	2021 GRI Sustainability Reporting Standards
	GRI guidelines and financial services sector disclosure standards
Taiwan Stock Exchange Corporation	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Sustainability Accounting Standards Board, SASB	Commercial Banks Accounting Standard ,Consumer Finance Accounting Standard
Task Force on Climate-Related Financial Disclosures, TCFD	TCFD Recommendations
	ISO 26000 Social Responsibilities Guidance
	Equator Principles, EPs
	United Nations Global Compact
	Sustainable Development Goals, SDGs
	Principles for Responsible Banking, PRB
	Principles for Responsible Investment, PRI
	Principles for Sustainable Insurance, PSI
	Green Bond Principles, GBP
	Social Bond Principles, SBP
International Advocacy	Sustainability Bond Guidelines, SBG
	Responsible Tax Principles

External assurance of report

Standard	Certification Bodies
Environmental Education Site	Environmental Protection Administration, Executive Yuan
Product Carbon Footprint Label (First Bank Counter Service/Credit Card)	
Product Carbon Footprint Reduction Label (First Bank Counter Service)	
AA 1000 Assurance Standard application type 2 high level of assurance.	British Standards Institution, BSI
ISO 45001 Safety and Health Management System.	
ISO 20000 IT Service Management System	SGS Taiwan
Task Force on Climate-related Financial Disclosures (TCFD) Report (Conformity) Verification Statement	
ISO 27001 Information Security Management System	
SAES No. 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (SASB-Commercial Bank、SASB-Consumer Finance)	
Accounting Research and Development Foundation of Taiwan, Statement of Auditing Standard No. 34 "Implementation of Financial Information Agreement Procedures"	
SAES No. 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information (Taipei Exchange Operation Directions for Sustainable Bonds,GBP,SBP,SBG.)	
ISO 14064-1 Greenhouse Gas Inventory	
ISO 50001 Energy Management System	
ISO 14001 Environmental Management System	
ISO 20400 Sustainable Procurement - Guideline	
ISO 46001 Water Efficiency Management Systems	SGS Taiwan
ISO 14064-1 Scope 3 (Indirect greenhouse gas emissions in transportation - Business travel)	
ISO 14064-1 Scope 3 (Indirect greenhouse gas emissions from products used by organization - Disposal of waste generated in operations)	
BS 10012 Personal Data Management System	
Carbon Footprint Verification Statement (First Bank Counter Service)	Environment and Development Foundation
Product Carbon Footprint Criticality Verification Statement (First Bank Credit Card)	

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In 2022, as the world gradually decided to coexist with Covid, prevailing factors including geopolitical risk, the global spread of inflation, and sagging international trade volumes set the stage for the global economy to enter a prolonged post-Covid recuperation period. The Group has nevertheless sought to strengthen its operating resilience on its solid foundation by actively creating new post-pandemic growth momentum; internally, the Group will combine core business with ESG factors, and continue to focus on innovation in financial technology and manpower training; externally, it will actively comply with government policy, and influence customers and industry to reduce carbon emissions and pursue sustainable development. Thanks to the concerted efforts of the Group's employees, our assets surpassed NT\$4.16 trillion in 2022, and consolidated earnings reached NT\$67.756 billion; net earnings after tax totaled NT\$20.596 billion, which represented annual growth of 4.34% and set a new record, while consolidated ROE and ROA were 9.18% and 0.52%, respectively, and the earnings per share after tax was NT\$1.56.

The use of the power of financial markets to promote corporate sustainable development has become a core value in international financial development policies. To incorporate ESG (environmental, social and governance) into its corporate culture with the management philosophy of "Building Ethical Governance for a Sustainable Future," FFHC established the CSR Committee in 2011, but this committee was renamed the ESG Committee in 2022. The ESG Committee has six trans-company groups working under it, namely, "Corporate Governance", "Responsible Finance", "Sustainable Financial Products and Services", "Employee Care", "Environmental Sustainability", and "Community Engagement". ESG performance indicators were incorporated into the performance evaluation of subsidiaries to accelerate our progress in promoting sustainable development.

FFHC continued to strengthen climate change governance in response to business risks in the finance industry brought forth by climate change. The Responsible Finance, Sustainable Financial Products and Services, and Environmental Sustainability Working Groups of the ESG Committee are tasked with identifying potential climate change risks and opportunities. The groups use the Climate-Related Financial Disclosures Recommendations published by the Task Force on Climate-Related Financial Disclosures (TCFD) to check and identify the operation risks and opportunities of the Company due to climate change, establish mitigation measures, set short-, medium- and long-term goals, follow up on KPI results, and report implementation results to the Board of Directors. The Group has also performed scenario analysis of climate risk cases, has quantified the financial impact of climate-related risks, and continues to publish reports in accordance with the 2021 recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The Group further received a Level-5+ audit statement—the highest grade—from the British Standards Institution (BSI), and presented a report concerning the results of climate change risk assessment, mitigation measures, and state of implementation to the Group's highest management level, the Financial Holding Board of Directors. We have submitted action plans on the basis of risk impact and opportunity assessment for different industries and assets types, performed scenario analysis for major carbon emitters, incorporate climate risk management in business processes, and rely on control of risk indicators and targets to constantly adjust business strategies and strengthen climate governance. Our subsidiary First Bank is a signatory to the Equator Principles (EPs) In addition, four taskforces under the Green Finance Committee: "Sustainable Lending," "Sustainable Investment," "Climate-related Financial Disclosure (TCFD)" and "Carbon Disclosure," incorporate climate-related risks into the company's overall risk assessment framework and convene quarterly meetings to give the Committee a report on implementation progress.

Responding to the net zero carbon trend, First Financial Holdings was selected as a member of the Financial Supervisory Commission's "Coalition of Movers and Shakers on Sustainable Finance" in 2022, and adopted the Partnership for Carbon Accounting Financials' (PCAF) financial carbon inventories and SBTi (Science Based Target initiative) carbon reduction pathways. First Financial Holdings and its subsidiaries have completed greenhouse gas inventories of all business locations in Taiwan and abroad, and since 2023 has complied with the Science Based Targets (SBT) for carbon reduction, which seek to control warming to under 1.5°C. Annual reduction targets of 4.2% of emissions during the baseline year (2021) have been set for the Group's Scope 1 and Scope 2 emissions, and the proposals of the Partnership for Carbon Accounting and Financials (PCAF) and SBTi have been adopted. Carbon emissions inventories employing the PCAF's methodology have been conducted of investment financing positions, and short-, mid-, and long-term carbon reduction targets for major investment financing business have been set on the basis of inventory results. It is expected that we will issue science-based targets (SBT) for carbon reduction at the end of 2024.

In addition, since 2009, the Group has introduced many green financing programs, promoted sustainable development, and supported industries in transitioning into a low-carbon economy. As of the end of 2022, cumulative approved domestic and foreign green financing projects reached NT\$193.07 billion. The Group also launched sustainability-linked loans offering preferential interest rates to

companies whose environmental performance indicators had improved compared with the previous year. As of the end of 2022, a cumulative total of NT\$106.5 billion in approved sustainability-linked loans had been granted to 69 clients. We also provide funds needed for programs to improve the environmental effectiveness of pollution controls, green transportation, green building/green factory, and energy and resource conservation. By steering companies' and investors' investments into green, sustainable industries, we are helping Taiwan's industry speed up its progress toward the goal of net zero emissions. We have also introduced ESG-concept funds and sustainable development bonds, which are used to help companies develop renewable energy, such through development of solar and wind power generating facilities. We are encouraging companies and investors to invest in clean energy industries, which will promote progress toward the goal of net zero carbon emissions; Additionally, First Consulting raised and managed a green energy fund of NT\$780 million and First Venture Capital also invested NT\$333 million in the construction of solar power plants with a total installed capacity of approximately 66.5MW. Once the power plants are completed, they are expected to reduce carbon emissions by 66,500 tons CO₂e each year.

To create a low-carbon city in response to the government's green energy policy, FFHC led by example by establishing a "Green Building Certification Program" team in 2010. As of the end of 2022, we have refurbished 31 existing buildings, which have all received the Green Building Mark from the Ministry of the Interior (including Diamond class for 28 buildings, Bronze class for one building, and Certified for two buildings). Two newly constructed buildings have obtained the Gold-class Green Building Mark. Our London branch passed green building mark certification conducted by Britain's Building Research Establishment in 2021. Through these green buildings, we reduced annual carbon emissions by 2,878 tons CO₂e in 2022.

In addition, FFHC has constructed 20 solar-powered branches yielding an annual carbon reduction of 130.68 tons CO₂e; Between 2015 and 2022, we purchased green electricity and carbon credits, reducing carbon-generated power consumption by a total of 5,060,900 kWh, and set a target of producing and using 210 MWh of renewable energy in 2022. We are continuously increasing our use of renewable energy and have implemented environmental sustainability policies. We have installed solar power facilities and ecological hydroponic green roofs with rainwater harvesting on our Wanhua, Huashan, and Changan branch buildings, creating zero carbon aquaponic farms that generate solar power, harvest rainwater, and grow fish and vegetables. These branches tangibly support the three concepts of production, life, and ecology, and generated 4,476 kWh of power in 2022, which was equivalent to a reduction in carbon emissions of 2.28 tons CO₂e. Our Wanhua Branch has been certified by the Environmental Protection Administration as an "Environmental Education Facility." We have also introduced environmental financial education courses in the four core areas of energy conservation and carbon reduction in green buildings, climate change risk management, green loans and loan review, and green consumer finance. We held 27 environmental education sessions for enterprises, government agencies, and schools in 2022, with a total of 718 people participating; We are actively promoting urban renewal and the accelerated rebuilding of hazardous old buildings by providing "Preferential Loans for Accelerating the Reconstruction of Dangerous and Old Urban Buildings," and have also introduced a self-renewal reconstruction program for a sea sand building in Taipei's Beitou District. After nearly a decade of active coordination, the building was finally demolished in September 2022, which was followed by the start of construction of a new building. The new building will have four underground floors and 15 aboveground floors, and the 65 landlords do not need to provide reconstruction funds. Because First Bank has approved full financing for the project, it will provide the funds needed for reconstruction, which will create NT\$2.69 billion in value for the landlords, beautify the area, and improve the living environment. We had completed a cumulative total of 203 urban renewal financing cases as of the end of 2022, and the total approved amount reached NT\$147.46 billion. In particular, 105 of these projects involved silver-class Green Building Mark certification or above. The projects benefited 3,157 households, and furthered the government's goal of environmentally-friendly cities with low carbon emissions.

We have responded to the United Nations' sustainable development goals by providing financial services to disadvantaged groups and remote areas. FFHC actively promotes inclusive finance and has expanded financing services for domestic small and medium enterprises. As of the end of 2022, outstanding loans to SMEs reached NT\$930 billion, and our market share has topped all domestic banks for 13 consecutive years. We continue to support loans for small and micro enterprise, loans for young entrepreneurs and start-ups, micro entrepreneur loans, and micro loans for female entrepreneurs, and a total of 6,498 beneficiaries have received NT\$12.92 billion in loans via these programs; We also launched the "Micro Enterprise e-Services" online loan application platform enabling small and micro enterprises to quickly obtain start-up loans and operating capital; 6,059 applications were made in 2022. We have responded to our aging society by launching a "LOHAS retirement section" providing the "e-First Smart Wealth Management" retirement financial management service.



CHAIRMAN'S MESSAGE

Through this service, the cumulative trust assets of elderly customers and persons with disabilities reached NT\$18.51 billion. We provided a cumulative total of 213 "Comfort Loan" reverse mortgage loans up to the end of 2022, and these loans had a total approved amount of approximately NT\$1.393 billion.

To keep pace with the rapid evolution of FinTech, adapt to changes in economic activities caused by the pandemic, and attract young customers, First Bank's iLEO digital accounts have now been made available to minors over the age of 7 who hold an ID card. This makes First Bank the first financial institution in Taiwan to provide comprehensive online accounts to adults, minors, and sole proprietors. The iLEO digital account users had exceeded 1.15 million by the end of 2022, with an annual growth rate of 41.4% in 2022. These constitute the fifth largest digital account in Taiwan; the number of "iLEO APP" downloads reached 758,000, and had an annual growth rate of 7.6%; we have also introduced the full-function robot teller "e," which uses AI technology. As of the end of 2022, the "e" robot teller had been used 755,633 times, and had a response accuracy rate of 98.9%; in the area of corporate loans, we have also introduced "Smart (GIS) Dispatching" and the "Customer Intelligence Gathering Management Graphics Platform," which use a big data patent analysis model to present customer locations and business intelligence in visual form on mobile devices. These functions will enhance the ability of sales personnel to develop corporate customers and complete cases. We also jointly introduced the "AI Home Loan Trial Price Calculation Service" in conjunction with the Taiwan Housing Group; this service uses an API approach to transmit home data (such as address, floor area, etc.) to the bank's system, which can then perform smart price appraisal calculations allowing customers to obtain needed one-stop information with the press of a button. As of the end of 2022, the AI Home Loan Trial Price Calculation Service had been used 673 times, which resulted in the arrangement of 121 home loan consulting sessions and the approval of 3 home loans.

FFHC has relied on the Group's resources and employees to actively support public interest activities. We use the four major public interest strategies of "concern for society," "artistic and cultural creativity," "sports and competition," and "green concern" to help resolve social and environmental issues by provision of subsidies for such services as breakfast for elementary schools in remote areas, financial support for disadvantaged schoolchildren, cultivation of talented athletes, support for food banks, and free exhibition and performance platforms for disadvantaged groups and artists. We held 151 public interest activities in 2022 and provided NT\$96.58 million in support. We have also issued the World Card, Leezen Card, Living Green Card, Yilan Card, Taoyuan Card, and other green and public interest credit cards, and donate a certain amount of the spending using these cards to environmental conservation and social welfare initiatives. We encourage cardholders to engage in sustainable consumption, and the cumulative donations from these credit cards has reached NT\$773 million as we work with employees, suppliers, and customers to benefit the public interest. We introduced the ESG Podcast channel in 2023. Hosted by the well-known entertainer Ken, this channel features actor Chen Chu-sheng and the workplace illustrator "im mark" engaging in fun, illuminating conversations introducing new ESG knowledge to the public, and helping us construct a sustainable ecosystem.

To create a friendly and safe workplace, the Group has established an appealing gender-equal work system and workplace environment, which focuses on seven aspects: corporate culture, organizational structure, salary and benefits, education and training, work-life balance, child birth measures, and workplace safety. The ratio of female employees in both managerial and non-managerial roles in the Group is higher than that of men, and female managers have higher average salaries and compensation than their male counterparts. To help employees in maintaining a work-life balance, FFHC provides several benefits and leave regulations that exceed the minimum benchmark set by labor laws; these include 44 days of paid personal leave, sick leave, and family care leave, we also provide 14 days of marriage leave. To address social issues arising from the low birthrate in Taiwan, we significantly increased employees' childbirth allowances in 2017, and also increasing the marriage allowance by NT\$30,000. We subsequently further increased childbirth subsidies to NT\$100,000 for the first child and NT\$150,000 for the second child and every child thereafter. As of the end of 2022, we had provided subsidies for the birth of 1,452 babies. Starting in 2022, we have provided 58 days of maternity leave and 8 days of prenatal checkup/paternity leave. In 2023 we began offering 2 days of assisted reproduction leave allowing female colleagues to receive invasive artificial reproductive therapies while receiving their full salaries. All of these allowances and subsidies are better than what is prescribed in law, and have realized our vision of a happy workplace. We have also been included in the Bloomberg Gender-Equality Index (GEI).

FFHC delivered an outstanding ESG performance in 2022, and we won many important domestic and foreign ESG awards. Apart from receiving the National Council for Sustainable Development's (NCSD) National Sustainable Development Award-Corporate Category, we also won the "Best ESG Award-Excellence Award" in the Taiwan Banking and Finance Best Practice Awards and were also rated as a top 5% listed company in the Corporate Governance Evaluation of the Taiwan Stock Exchange Corporation for the eighth consecutive time. We have been selected as a constituent stock in the "World Index" and the "Emerging Market Index" of the Dow Jones Sustainability Indices (DJSI) for five and seven consecutive years, respectively. We received the highest grade of "A" on the CDP climate change questionnaire, and are the sole member of the domestic financial industry to have received a grade of "A" four times. We were also ranked in the Leadership Level in the CDP questionnaire for five consecutive years, and were chosen by the Financial Supervisory Commission as a member of the "Coalition of Movers and Shakers on Sustainable Finance".

Looking ahead to the future, FFHC will continue to advance its adoption of digital finance and forge alliances with companies in other industries; it will respond to Taiwan's aging population and low birthrate by cultivating specialists in meeting seniors' financial needs, strengthening the sustainable financial DNA and international vision of the Group's personnel, promoting localized and specialized services, keeping up with global ESG trends, creating a financial ecosystem benefiting all, and realizing inclusive finance. We will also join forces with our supply chain and customers to map out a new net zero future, while enhancing our long-term value as the "No. 1 Brand in Sustainable Finance".

First Financial Holding Chairman

Yeichin Chion



AWARDS AND ACKNOWLEDGMENTS IN 2022

OVERALL ESG PERFORMANCE

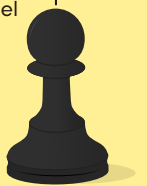
- FFHC was rated as a top 5% listed company in the TWSE Corporate Governance Evaluation for the 8th time. Top 10% (rank #4) of listed company in financial category for the 3rd time.
- Taiwan Stock Exchange "List of Organizations with Better Disclosure of Due Diligence and Governance in the Banking Sector", "Excellent Securities Firms and Institutional Investors for Disclosure of Due Diligence and Governance".
- FFHC was included as constituent stock in the "FTSE4Good Emerging Index" for 6 years in a row.
- "Best ESG Award - 2nd" from the 11th Elite Awards of Taiwan Academy of Banking and Finance
- "Taiwan Top 100 Models of Corporate Sustainability Award", "Taiwan Corporate Sustainability Report Award - Platinum in Finance and Insurance Industries", "Climate Leadership Award", "Innovative Growth and Leadership Award", "Cybersecurity Leadership Award", and "Social Inclusion Leadership Award" from the Taiwan Corporate Sustainability Awards.
- FFHC received the "Sustainability Excellence Award" from the British Standards Institution (BSI) for the 7th consecutive year.

ENVIRONMENTAL PERFORMANCE

- Highest grade A leadership rating from the CDP Supplier Engagement Rating.
- First Bank received the "Master Award" in the "Fourth National Enterprise Environmental Protection Awards". The only domestic enterprise won the award for four consecutive years.
- Green Credit Card received three "Carbon Reduction Label" certificates from the EPA.
- Only company in the financial sector to receive the Ministry of the Interior's "Green Building Corporate Benchmark Award".
- Received the "Energy Saving Benchmark Award - Silver Award" from the Bureau of Energy, Ministry of Economic Affairs.
- "Gold and Silver Awards in Environmental Sustainability" from the 2nd Taiwan Sustainability Award issued by Taiwan Institute for Sustainable Energy.
- Taipei City Zero Carbon Emission Benchmark Award - "First Place of Group A in Industry and Commerce".
- Only company in the financial sector to receive an award at the first New Taipei City Enterprise Classic Award - "Model Enterprise in Energy".
- Received the "Power Saving Performance Award Program" from Yunlin County Government.

SOCIAL PERFORMANCE

- "Disclosure of Occupational Health and Safety Indicators in Sustainability Reporting - Top 10% Excellent Enterprise in the Financial Sector" from the Occupational Safety and Health Administration, Ministry of Labor.
- "Gold Award in Social Inclusion" from the 2nd Taiwan Sustainability Award issued by Taiwan Institute for Sustainable Energy.
- Financial institution participant in the "Participation Award for School and Community Financial Education" organized by the FSC for 11 consecutive years, ranked 1st in the "Asset Trust Evaluation of Trust Businesses for the Senior and the Disabled". 5 awards including Excellent Bank in "Amount Category", "Number of Cases Category" and "Efficiency Category" in the "Reward Program for Accelerated Relief Loans of Domestic Banks". Excellent Award for COVID-19 Project Total Guarantee Financing Amount, "Relief and Revival Award - Assisting SMEs to obtain the highest amount of financing, assisting the largest number of SME accounts, and assisting the largest number of labor accounts", First Life Insurance won the "Micro Insurance Business Performance Award", "Disability Care Award" and "Relief Promotion Award" in the insurance competition organized.
- "2nd place for the Best Trust Award" and "1st place in Group A of the Hospice Trust Award" by the Financial Supervisory Commission.



FFHC was selected for inclusion as a constituent in the Dow Jones Sustainability World Index for 5 years in a row, and was also selected for inclusion as a constituent in the Dow Jones Sustainability Emerging Markets Index for the 7th consecutive year.

FFHC won international recognition with the "A" score 4 times in the CDP climate change questionnaire in 2022, the only domestic company that has been ranked "Leadership Level" for 5 consecutive years in financial industry.

FFHC's TCFD report obtained the highest level certification of "LEVEL-5+" again by the British Standards Institute.

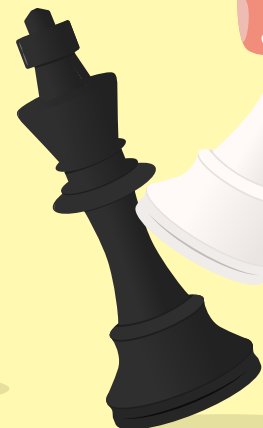
(BSI) Awarded the highest rating of AAA in ESG ratings for the banking sector by MSCI All Country World Index (MSCI ACWI Index)

SOCIAL PERFORMANCE

- Excellent enterprise for "Measures Friendly to Families and Work Equality" by the New Taipei City Government.
- Received a second "Sports Enterprise Certification" by the Sports Administration.
- First Bank was awarded "Sports Activists Awards" by the Sports Administration of the Ministry of Education for 4 consecutive years, and was awarded "Gold Sponsorship Award", "Silver Promotion Award" and "Long-Term Sponsorship Award".
- "Concern for Physical and Mental Disability Award" at the microinsurance competition of the Financial Supervisory Commission.
- "Best Charity Implementation by a Domestic Bank" award from Wealth Magazine's Wealth Management Award.
- Recognized for excellent performance in the "National Insurance Coverage Improvement Plan" for the 27th consecutive time

PRODUCTS AND SERVICES

- Financial Supervisory Commission awards such as the "Special Banking Award for Balanced Regional Development", "Special Banking Award for e-Commerce Industry Financing", "Joint Loan Platform for Systems, Whole Plants, and Engineering Industries - Excellent Bank", "Handling of Loans to Key Innovative Industries - 2nd Place", "Individual Industry - Asia Silicon Valley Special Industry Award", "Individual Industry - National Defense Industry Special Award", "Individual Industry - Circular Economy Industry Special Award", "Outstanding Bank in Fair Treatment of Customers in the Financial Services Sector", "Gold Award for Credit Insurance - Excellent Credit Manager" and "Support Award for Startups Businesses in Key Industries", "Credit Insurance Gold Award - Excellent Main Banking Headquarters", "2nd Place for Total Guaranteed Financing Amount", "2nd Place for Growth of Insurance Cases Delivered and Finance Amount", and "Green Credit Implementation Award".
- "Interbanking System Stability Award" at the Financial Information Systems Annual Conference.
- First Bank received the "Institutional Impact Category - Model Award (Banking Sector)" at the 2nd Taiwan Sustainability Investment Awards organized by TAISE. First Securities received two silver awards in "Project Impact Category - Sustainable Investment Award and Shareholder Action (Exercise of Voting Rights) Award". First Securities Investment Trust was awarded the "Institutional Impact Category - Excellence Award (Investment Trust)" while First Life Insurance was awarded the "Institutional Impact Category - Excellence Award (Life Insurance)".
- "Excellent Performance Award" and "Inclusive Finance Award" in the category of Excellent Financial Institution for SME Project Loans awarded by the Central Bank of the Republic of China (Taiwan).
- At the 19th National Brand Yushan Award, smart customer service Little-e received the "Most Popular Brand Award", First Securities received the "Outstanding Enterprise Award" as well as received 2 "Best Product Awards" for the First Securities Machi app and First Securities Warrants.
- "Digital Cybersecurity Award - Excellence" at the 2nd Digital Financial Award organized by Commercial Times.
- "Excellent Customer Service Award - Best Enterprise Application of Smart Systems" by the Taiwan Contact Center Development Association (TCCDA).
- "Golden Security Award" by the Joint Credit Information Center as well as 4 consecutive years of distinction with the "Gold Excellence Award".
- "Best Co-branded Card of the Year with E SKY LAND 2022" and "Best Growth of the Year 2022" from international organization MasterCard.
- Named "Asia's Leader in Sustainable Finance" by the IDC (International Date Corporation) at the Financial Insights Innovation Awards (FIIA).
- "Wealth Appreciation by a Domestic Bank" award from Wealth Magazine's Wealth Management Award.





PERFORMANCE HIGHLIGHTS IN 2022

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ENVIRONMENT

- FFHC won international recognition with the "A" score 4 times in the CDP climate change questionnaire , and has been ranked "Leadership Level" for 5 consecutive years.
- FFHC's TCFD report obtained the highest level certification of "LEVEL-5+" by the British Standards Institute (BSI).
- Refurbished 34 self-owned buildings and obtained diamond-class (28), bronze-class (1) and qualified-class (2), gold-class (2 new buildings) and BRE-PASS class (1) green building marks
- The Green Light Sustainability Program has made donations to a total of 7 social welfare organizations and 44 remote elementary schools, and replaced 13,106 sets of LED lamps, reducing carbon emissions by about 597 metric tons
- Paperless business and operations reduced carbon emissions by 18,500.92 metric tons of CO2e

SOCIETY

S

- Selected as a constituent stock in the Bloomberg Gender-Equality Index (GEI)
- Selected as a constituent stock of "Taiwan High Compensation 100 Index" for 9 consecutive years and "Taiwan Employment Creation 99 Index" for 13 consecutive years
- A total amount of NT\$96.38 million was invested in social participation
- Provided a total of NT\$930.0 billion in loans to SMEs and became the top lender to SMEs by market share in the domestic banking industry for the 13th consecutive year
- First Bank men's table tennis team won 16 gold medals, 15 silver medals, and 24 bronze medals

GOVERNANCE

G

- FFHC was selected for inclusion as a constituent in the Dow Jones Sustainability World Index for 5 years in a row.
- Selected into the S&P Global Sustainability Yearbook 6 times, ranking in the top 1% of global banks
- FFHC was rated as a top 5% listed company in the TWSE Corporate Governance Evaluation for the 8th time. Top 10% (rank #4) of listed company in financial category for the 3rd time.
- First Bank awarded the "National Sustainable Development Award in the Enterprise Category" by the National Council for Sustainable Development, Executive Yuan
- 1,150,000 iLEO Digital Accounts, ranked 5th among domestic banks
- Awarded the highest rating of AAA in ESG ratings for the banking sector by MSCI All Country World Index (MSCI ACWI Index)

SUSTAINABLE GOVERNANCE OPERATIONS MECHANISMS

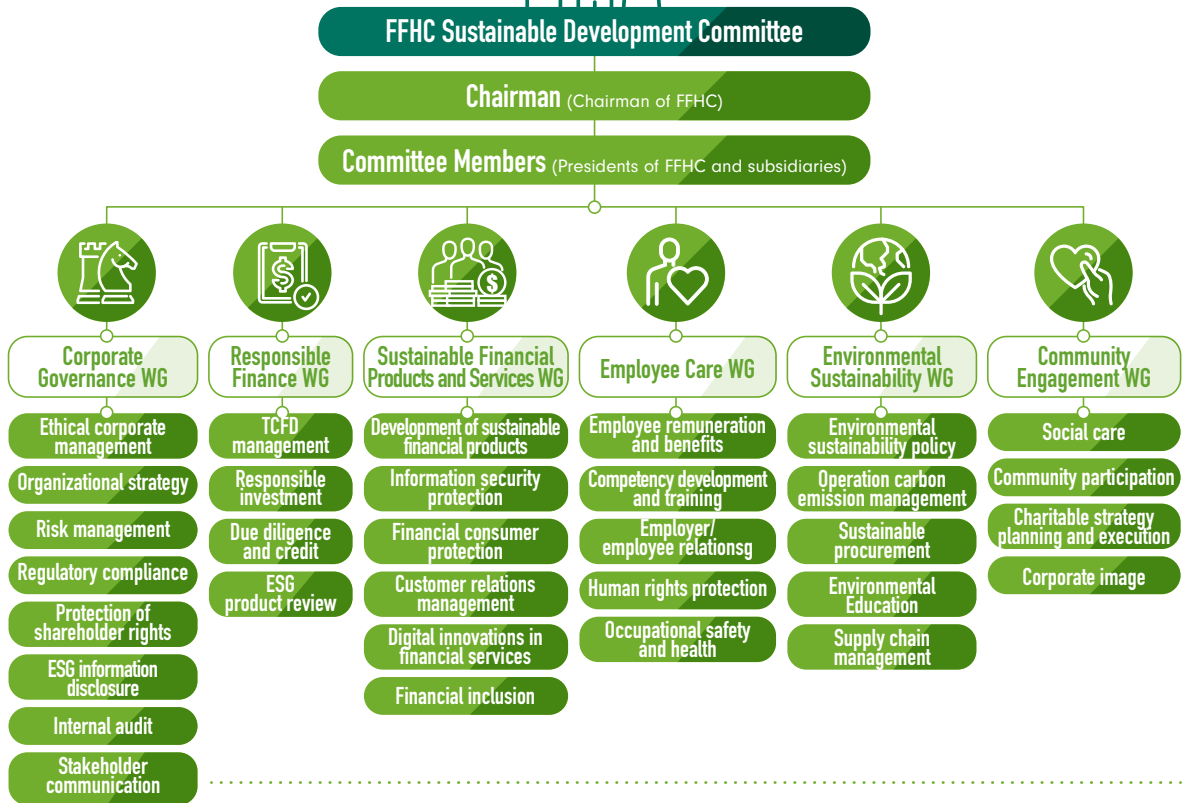
Sustainable Governance Organizational Structure

In 2011, the FFHC Board of Directors approved the establishment of the CSR Committee, and renamed as "Sustainable Development committee" in March, 2022, which is the core organization of the Group for promoting sustainable governance with the Chairman as the chair and Presidents of the companies of the Group as members of the Committee. The Committee set up trans-company working groups on "Corporate Governance", "Responsible Finance", "Sustainable Financial Products and Services", "Employee Care", "Environmental Sustainability", and "Community Engagement". A dedicated ESG unit is also assigned by the President each subsidiary for ESG communications, liaison and the provision of related information. The core team consists of 92 people (1 chairman, 8 committee members, 2 conveners, 6 executive directors, and approximately 75 employees split among the various working groups). The Sustainable Development committee is administered by the Corporate Governance Section of the Administration Department, and 6 designated employees are responsible for the sustainable development plans and implementation of the Group. The top-down approach ensures the effective and concrete implementation of each annual ESG objective. The Company monitors international ESG development trends and changes in regulations to continuously improve the sustainable governance of the Group. In order to deepen the implementation and execution of the Group's sustainable development policy, in 2022, ESG comprehensive performance was included in the annual operating performance evaluation items of each subsidiary to ensure the achievement of annual goals in various ESG areas.

The Group also established the "Sustainable Development Policy" and "Guidance on Sustainable Development" which serve as the highest guiding principles of the Group and subsidiaries for mitigating ESG risks and making use of opportunities. To comply with sustainable finance development trends and implement climate change management, First Bank signed and joined the Equator Principles (EPs) Association and TCFD as the supporter. We joined PCAF in 2022 to carry out Scope 3 investment and financing financial carbon emissions inventory, and joined SBTi to identify the carbon emissions of our own operations and investment and financing positions, and report the results of the Group's climate change risk assessment and its mitigation measures and implementation to the Risk Management Committee and the Board of Directors. We adhere to the United Nations Principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI), and Principles of Sustainable Insurance (PSI) to incorporate ESG issues into the development strategies and operating procedures of core businesses such as investment, financing, underwriting, and insurance. We established the Group's sustainable lending, sustainable investment, and sustainable insurance policies to help customers and investees fulfill their obligations for environmental protection and social sustainability.

07

Board of Directors
Report ESG implementation results for the previous year



Sustainable Development Committee Functions and Team Operation Mechanism

Every year, each working group of the Sustainable Development committee compiles the E.S.G. Issues of Concern to FFHC stakeholders, then draws up the short-term, mid-term, and long-term ESG targets, and drafts action plans and subsidiaries' annual ESG assessment basic items. These are discussed and revised internally at WG meetings before being submitted to the "Sustainable Development committee" for review. Approved proposals are then announced for implementation. Progress on each annual goals and action plan is then tracked and reviewed on a quarterly basis by Sustainable Development committee WG meetings. Within 4 months after the end of the fiscal year, major sustainability issues of stakeholder concern in the 3 major aspects of governance, environment, and social were reported to the Board of Directors using the framework for sustainability reporting guidelines published by the Global Reporting Initiative (GRI). The report contained the risks and opportunities generated by the Group's operations, short-, medium-, and long-term targets in sustainable development, and target achievement in the previous year.

01

Sustainable Development Committee Working Groups

Compile issues, draw up short-term, mid-term, and long-term targets and draft action plans and subsidiaries' annual ESG assessment basic items

02

Sustainable Development Committee administration unit

Compile the information submitted by each working group

03

Committee Working Group Meetings

Discuss and revise short-term, mid-term, and long-term targets and draft action plans and subsidiaries' annual ESG assessment basic items

06

Sustainable Development Committee

Review execution and evaluate improvement plan for unfulfilled annual goals (including subsidiaries' annual ESG assessment basic items)

05

Convene Sustainable Development Committee Working Group Meetings

Track and review annual goals ((including subsidiaries' annual ESG assessment basic items) completion on a quarterly basis

04

Sustainable Development Committee

Evaluate short-term, mid-term, and long-term targets and subsidiaries' annual ESG assessment basic items and announce the implementation of action plans



FIRST FINANCIAL HOLDING SUSTAINABLE DEVELOPMENT MILESTONES

2017

- Revised FFHC CSR Committee Organic Regulations
- Selected for inclusion as a constituent in the Dow Jones Sustainability™ Emerging Markets Index for two years in a row
- Received "Taiwan Top 50 Corporate Sustainability Report Awards - Finance and Insurance Industry Gold Award" and "Talent Development Award"
- 3rd Place in the large enterprises category of the Commonwealth Magazine Corporate Citizenship Awards
- Received the "Financial Industry Model" award at the Global Views CSR Awards
- Included as constituent stock in the FTSE4Good Emerging Index

2016

- Revised FFHC CSR Code of Conduct, Policy and Committee Organic Regulations
- Named a constituent stock in the "Emerging Market Index" of the Dow Jones Sustainability Indices (DJSI) upon participating for the first time
- Received "Taiwan Top 50 Corporate Sustainability Report Awards - Finance and Insurance Industry Gold Award" and "Talent Development Award"
- Received the "Best CSR Award" in the Banking and Finance Best Practice Awards from the Taiwan Academy of Banking and Finance
- Received the "Financial Industry Model" and "Happy Enterprise Role-Model" awards at the Global Views CSR Awards

2018

- We were included in the DJSI Emerging Markets Index for three consecutive years; we were included as a constituent for the first time in the "World Index" and received a silver medal in the RobecoSAM Sustainability Yearbook. FFHC is the only bank in Taiwan on the list of top five banks in the world.
- We were the first financial institution in Taiwan to be recognized on the CDP's Climate Change A List in 2018.
- Received "Taiwan Top 50 Corporate Sustainability Report Awards - Finance and Insurance Industry Platinum Award"
- Included as constituent stock in the FTSE4Good Emerging Index for two consecutive years

2019

- Amendment of the First Financial Holding CSR Policy
- FFHC was selected as a constituent stock in DJSI "Emerging Markets" for the fourth consecutive year and was selected again as a constituent stock of the "World Index". Once again, it ranked fifth among all banking enterprises across the world.
- FFHC attained "A-" Leadership Level in the CDP climate change questionnaire which was the best performance in Taiwan's financial industry
- According to the results of the 5th Corporate Governance Evaluation (2018), FFHC was rated as a top 5% listed company and top 10% (top 4) in the finance and insurance category
- Selected as a constituent stock with AA ESG Rating for banking enterprises in the MSCI Global Sustainability Index
- Included as constituent stock in the "FTSE4Good Emerging Index" for three consecutive years

2022

- Revised First Financial Holding's corporate social responsibilities, enterprise sustainable development policy, and Enterprise Sustainable Development Committee by renaming them to "Sustainable Development Guidelines", "Sustainable Development Policy", and "Sustainable Development Committee".
- Named by the Financial Supervisory Commission as a member of the "Coalition of Movers and Shakers on Sustainable Finance"
- Selected as a constituent stock in the "World Index" and "Emerging Market Index" of the Dow Jones Sustainability Indices (DJSI) for five and seven consecutive years, respectively.
- Received the highest distinction of an "A" rating in the 2022 CDP climate change questionnaire, the only domestic company in the financial sector to receive the highest "A" rating for 4 times as well as 5 consecutive years in the "Leadership level". Awarded the highest A leadership level in the CDP 2021 Supplier Engagement Rating
- Rated as a top 5% listed company in the Corporate Governance Evaluation of Taiwan Stock Exchange Corporation for seven times
- Selected as a constituent stock of the Bloomberg Gender-Equality Index (GEI)
- Constituent stock of the MSCI All Country World Index (MSCI ACWI Index) and AAA in the bank sector of the MSCI ESG Ratings
- Included as a constituent stock in the FTSE4Good Emerging Index for six consecutive years
- Awarded the "National Sustainable Development Award in the Enterprise Category" by the National Council for Sustainable Development, Executive Yuan
- Awarded "Best ESG Award - 2nd Place" at the 11th Elite Awards of Taiwan Academy of Banking and Finance
- TCFD report once again obtained highest certification of BSI "LEVEL -5+"
- Obtained 6 major awards including the "Taiwan Corporate Sustainability Report Award - Platinum in Finance and Insurance Industries", "Climate Leadership Award", "Innovative Growth and Leadership Award", "Cybersecurity Leadership Award", and "Social Inclusion Leadership Award" from the Taiwan Corporate Sustainability Awards.

2011

- Establish CSR Committee
- Defined FFHC CSR Code of Conduct, Policy and CSR Committee Organic Regulations

2012

- Published first Sustainability Report (2011)
- Revised FFHC CSR Code of Conduct
- Set "No. 1 Brand in Green Finance" as the sustainable development target
- Presented with "Newcomer Award" in the Taiwan Corporate Sustainability Report Awards
- Received Commonwealth CSR Corporate Citizenship Award

2013

- 2012 Sustainability Report certified by an independent certification body for the first time
- Received "Financial Excellence Award" from the Taiwan Corporate Sustainability Report Awards and the "Creative Communications Role-Model Award"

2015

- Published first English version of Sustainability Report (2014)
- Revised FFHC CSR Committee Organic Regulations
- Received "Gold Award", "Transparency and Integrity Award" and "Climate Leadership Award" from the Taiwan Corporate Sustainability Report Awards
- 9th Place in the large enterprises category of the Commonwealth Magazine Corporate Citizenship Awards
- Received Excellence Award in the Environmental Friendliness Category of the "Global Views Corporate Social Responsibility Awards"

2014

- Revised FFHC CSR Code of Conduct, Policy and Committee Organic Regulations
- Received "Gold Award" and "Climate Leadership Award" from the Taiwan Corporate Sustainability Report Awards
- 14th Place in the Large Enterprises category of the Commonwealth Magazine CSR Corporate Citizenship Awards

2020

- Revised FFHC CSR Code of Conduct
- Selected as a constituent stock in DJSI World Index for the 3rd consecutive year and DJSI Emerging Markets for 5 consecutive years
- The only financial institution in Taiwan to attain CDP Leadership A List recognition twice and received Leadership ranking for financial institutions for three consecutive years
- Rated as the top 5% listed companies for the fifth year in the Corporate Governance Evaluation
- Twice selected as a constituent stock with AA ESG Ratings for banking enterprises in the MSCI Global Sustainability Index
- Included as constituent stock in the "FTSE4Good Emerging Index" on the London Stock Exchange for the fourth consecutive year
- First Bank and First Life Insurance were rated among the "Top 20% of the Fair Customer Treatment Principles Evaluation Rankings"
- Received 6 major awards in the "Taiwan Corporate Sustainability Awards" including the "Taiwan Corporate Sustainability Report Awards Banking and Insurance Platinum Award", "Gender Equality Leadership Award", "Social Harmony Leadership Award", "Growth through Innovation Leadership Award", and 2 "Information Security Leadership Award".

2021

- Revised Guidance on CSR for FFHC
- Revised the First Financial Holding CSR Policy to "Corporate Sustainable Development Policy"
- Changed the name of the FFHC CSR Committee to "Corporate Sustainable Development Committee" and adjusted the five Working Groups to six Working Groups
- FFHC was selected for inclusion as a constituent in the 2021 Dow Jones Sustainability World Index for 4 years in a row, and was also selected for inclusion as a constituent in the Dow Jones Sustainability Emerging Markets Index for the 6th consecutive year, and ranked first in Taiwan's banking industry and top six in the world.
- First Financial Holding Company won international recognition with the "A" score again in the CDP climate change questionnaire in 2021, the only domestic company that has been ranked "Leadership Level" for 4 consecutive years in financial industry.
- FFHC ranked in the top 5% of Corporate Governance Assessment Program for the 6th time, and also ranked in the top 10% (top four) of the "Finance and Insurance" category of the listed companies for the 2nd time.
- First Financial Holdings' TCFD report obtained the highest level certification of "LEVEL-5+" by the British Standards Institute (BSI), which is the first case in the financial industry.
- Received 5 major awards in the "Taiwan Corporate Sustainability Awards" including the "Taiwan Corporate Sustainability Report Awards - Banking and Insurance Platinum Award", "Gender Equality Leadership Award", "Social Harmony Leadership Award", "Growth through Innovation Leadership Award", and "Information Security Leadership Award".
- FFHC was included as constituent stock in the "FTSE4Good Emerging Index" for 5 years in a row.
- First Securities was recognized by the FSC as "Top 20% of the Fair Customer Treatment Principles Evaluation Rankings".

STAKEHOLDER COMMUNICATION AND MATERIALITY ANALYSIS

GRI : 2-29 、 3-1 、 3-2

1. Stakeholder identification and communication

The opinions of stakeholders have served as the guiding principle for the development of the FFHC sustainable development strategy since the first 2011 Sustainability Report was published in 2012. Listening to the opinions of stakeholders and compiling the Environmental (E), Social (S) and Governance (G) issues of concern to stakeholders is used to internalize the issues as the corporate sustainability targets. The Group also refers to international sustainability standards and initiative such as the GRI Standards, ISO 26000, SDGs*¹, TCFD*², and the Equator Principle*³. Sustainability evaluations such as the CDP*⁴, DJSI*⁵, MSCI ESG Ratings*⁶, specific issues for the finance industry such as the PRB*⁷, PRI*⁸, SASB*⁹, GRI disclosure indicators for the financial services industry, stakeholder communications and feedback. and the Group's sustainable development strategy for sustainable finance are adopted as the basis for materiality analysis. In order to further respond to the general criteria G3 of GRI 2021: The Group's updated version of Material Topics 2021 integrates the Value Balancing Alliance (VBA), Harvard Business School's research program in Impact-Weighted Accounts, the monetization evaluation methodology of London Benchmarking Group (LBG) and Impact Valuation to construct methodology to assess impact in aspects of economy, environment, and society, thereby establishing a foundation for the material analytic process (3 major stages and 6 major steps). This is applied to identify 18 material topics in the 3 major aspects of governance, environment, and society and internalize them into the Company's sustainable development goals, which act as the foundation for compiling reports.

Identify

STEP 1: Stakeholder identification

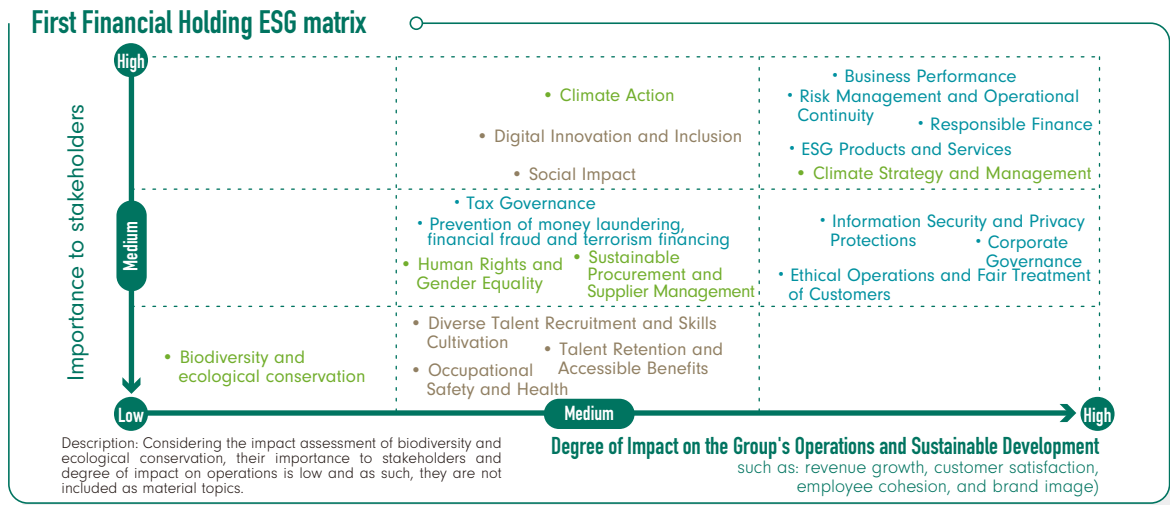
We embraced the spirit of the five main areas in the AA1000 Stakeholder Engagement Standards (AA1000 SES) regarding dependency, responsibility, influence, representativeness, and diversity by convening the ESG Committee's working groups for joint discussion and identification of the seven major stakeholders with the most influence and closest relations in the operations of the Group, in order to take them as major communication partners for Sustainability report: 1. Employees/Union/Retired employees 2. Shareholders/Investors/Analysts 3. Customers 4. Suppliers 5. Community/Non-profit organizations/Non-government organizations/Academics and experts 6. Government and competent authorities 7. Media/financial institutions

STEP 2: Identifying the issues of concern

The ESG Committee and various teams reference international sustainability standards/initiatives, special topics in the financial sector, stakeholder feedback, and the Group's sustainable development strategy to identify material topics related to the Group's operations. This includes aspects of governance (9 topics), environment (3 environmental topics), and society (6 social topics).

2. Materiality analysis matrix for issues of concern

In the survey of "degree of concern of stakeholders", in order to collect representative samples, the number of questionnaires should be determined based on the principles of interaction, importance and influence. The ESG Committee team members will then evaluate the "degree of impact of each issue on the outside", and score factors such as revenue, customer satisfaction, employee cohesiveness, and brand image to understand key issues under different factors and determine the importance of each sustainability issue and the order in which it will be disclosed



Explanation of Differences and Adjustments in Material Issues Compared to 2021: Adjust the names of material topics including risk management and operational continuity, ESG products and services, information security and privacy protections, ethical operations and fair treatment of customers, climate strategy and management, climate action, digital innovation and inclusion, social impact, human rights and gender equality, diverse talent recruitment and skills cultivation, talent retention and accessible benefits.

Analyze

STEP 3: Survey the level of concern

FFHC used an online and paper-based survey to collect major information on the level of interest of the seven types of stakeholders in sustainability issues and recovered a total of 882 valid questionnaires including 178 from customers, 8 from suppliers, 74 from investors, 320 from employees, 88 from the media/other financial institutions, 9 from the government, and 205 from communities/NPOs/academics and experts.

Step 4: Compile materiality analysis matrix for issues of concern

Evaluate the impact level of each material topic towards revenue growth, brand image, customer satisfaction, employee cohesion, the Group's operations, and sustainable development. Fifteen senior executives including the Presidents of First Financial Holding's various subsidiaries, team conveners, and Director-Generals determine the importance of every material topic. The concerns from 882 pieces of feedback obtained through stakeholders towards the 18 material topics and 15 pieces of feedback on the degree of impact towards the Group's operations are then ranked and used to compile a materiality analysis matrix for issues of concern.

Step 5: Analyze the degree of impact of material topics on operations and confirm material topics

In order to assess the significance of material topics and their impact on the 3 aspects of economy, environment, humans/human rights, the methodology of sustainability impact assessment is adopted to utilize the perspectives of positive/negative, potential/significant, and value chain and the "Material Topics Impact Assessment Table" formed by 20 members of the team to further assess the impact intensity and probability of operational activities related to the 18 material topics on aspects of economy, environment, and human/human rights. This allows an understanding of the impact boundaries and degree of involvement of material topics in the value chain. Through this step's confirmation that all 18 material topics have significant impact, material topics that require priority response are selected and the effectiveness of their execution is reported to the board of directors.

Action

STEP 6: Reviewing the Sustainability report to ensure that it covers all material aspects

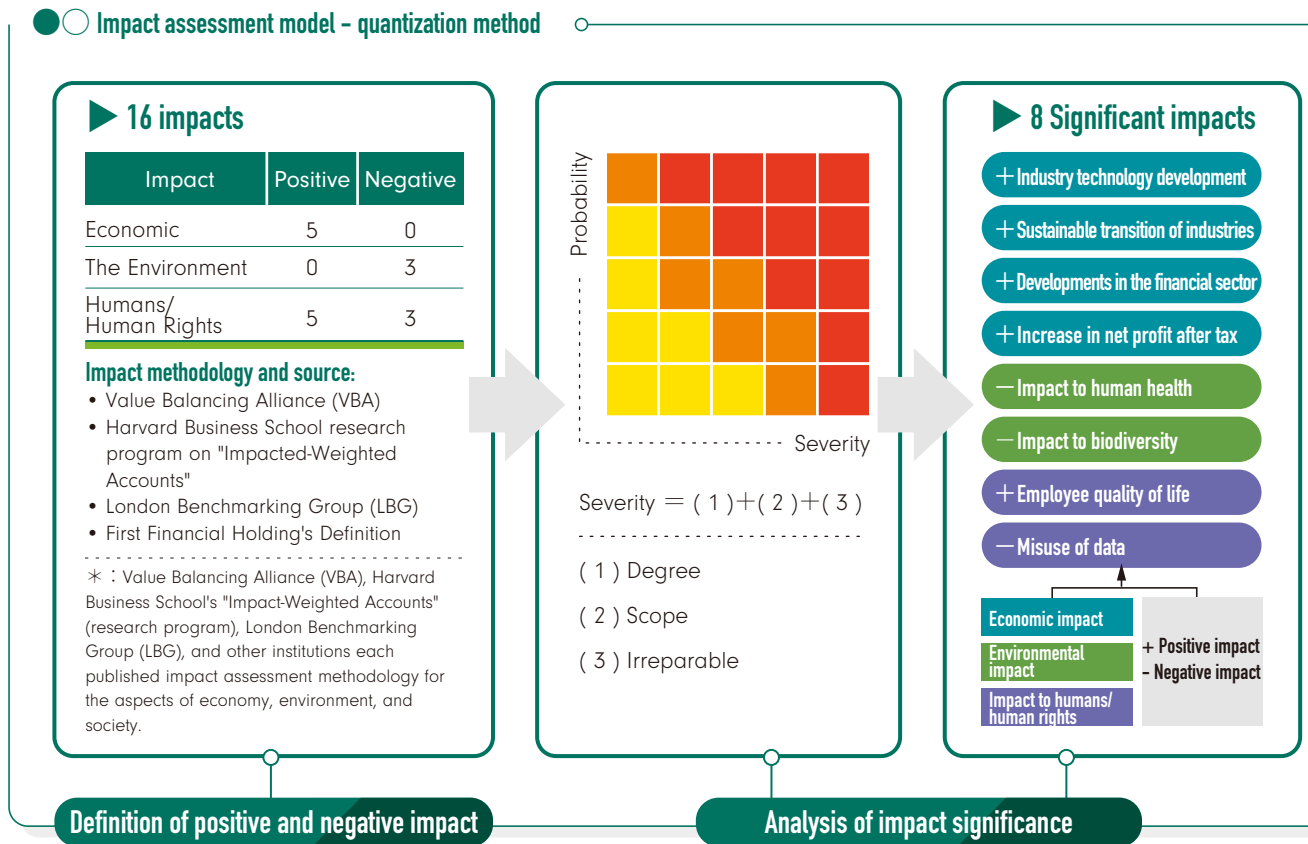
The ESG Committee will determine indicators and material topics that require disclosure when compiling the sustainability report based on each team's GRI criteria resolutions passed by the Committee. The reporting requirements of each material topic will provide details of their response strategy, short-medium- and long-term goals, execution results, and management policies.

- *1 : Sustainable Development Goals, SDGs
- *2 : Task Force on Climate-Related Financial Disclosures, TCFD
- *3 : Equator Principles, EPs
- *4 : Carbon Disclosure Project, CDP
- *5 : Dow Jones Sustainability Index, DJSI
- *6 : Morgan Stanley Capital International, MSCI ESG Ratings
- *7 : Principles for Responsible Banking, PRB
- *8 : Principles for Responsible Investment, PRI
- *9 : Sustainability Accounting Standards Board, SASB



3. Evaluating the impact significance of material topics

Considering the external environmental and social impact derived from operational activities are gradually receiving the attention of global investors and respond to the general criteria G3 of GRI 2021: First Financial Holding's updated version of Material Topics 2021 integrates the Value Balancing Alliance (VBA), Harvard Business School's research program in Impact-Weighted Accounts, London Benchmarking Group (LBG), and other institutes to develop a methodology to assess impact in aspects of economy, environment, and society.



4. Sustainable impact assessment of value chain activities

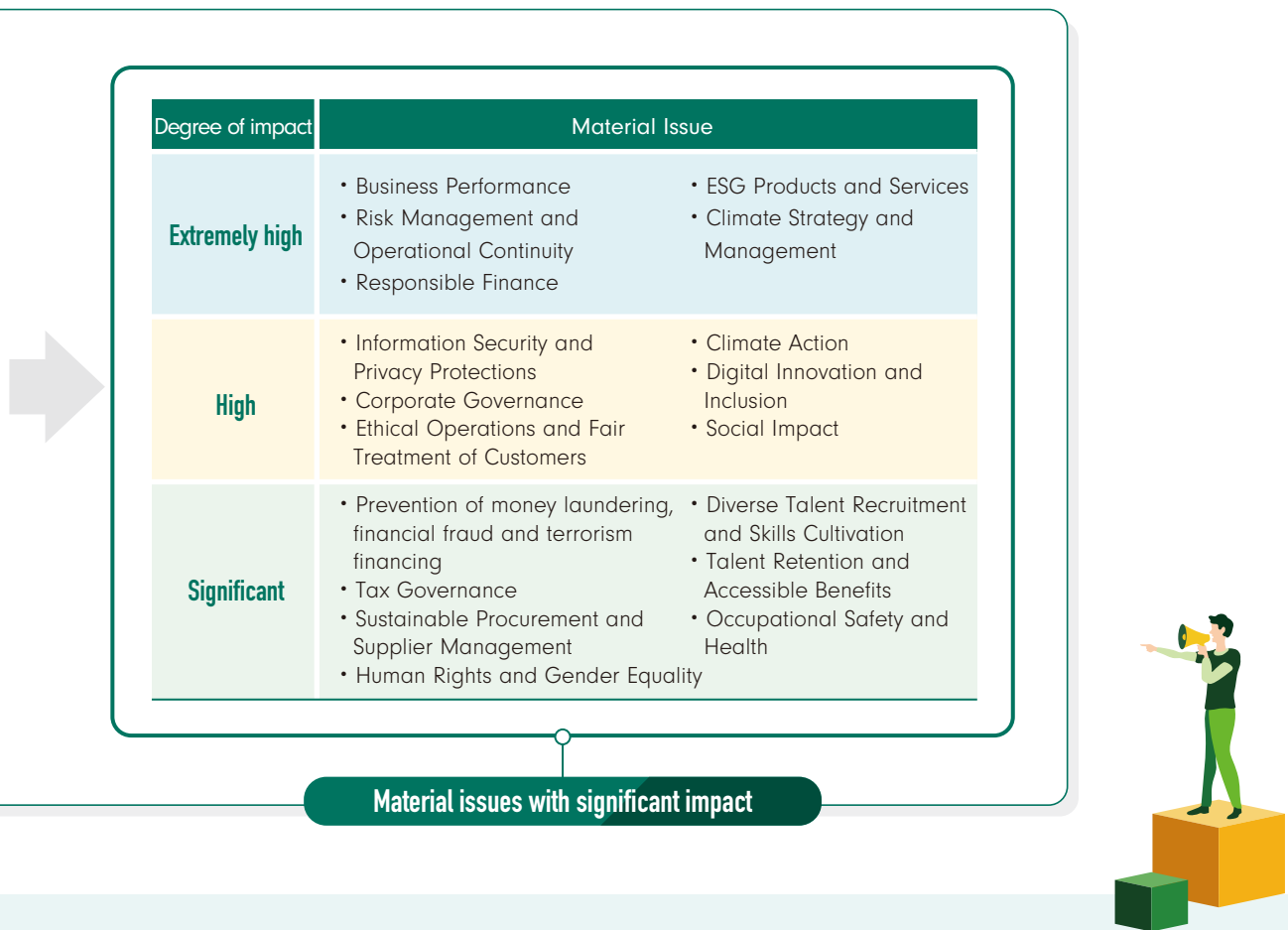
Also, as a cash flow provider for the industry chain, First Financial Holding is extremely concerned with the impact onto society and the environment. Our management thinking linked to financial performance can identify the positive/negative, potential/significant, and mid- and long-term impact of the Group's operations towards human life. In 2022, First Financial Holding's value chain activities generated more than NT\$711 billion of net positive impact, 88.6% of which was generated from downstream investment and financing businesses, 10.5% from self-operations, and less than 1% from upstream supply chains. Analysis results show the importance of First Financial Holding's financing which drives industry chain development and positively impacts the environment and society. We have generated approximately

Impact assessment model – currency method



Value Chain	Impact	Impact Region/Target
Upstream Suppliers	Increasing the value chain's output value through procurements	Social
	Salary income of supply chain workers	Social/External employees
	Environmental externalities derived from supply chain	Environment
Own operations	Added Value Income	Social
	Social cost of carbon emissions	Environment
	Social cost of employee occupational accidents	Social
Downstream investments and financing	Purchasing power and social welfare	Social
	Investments and financing to increase the industry chain's output value	Social/Investment and financing targets
	Salary income of industry chain workers	Social/External employees
	Environmental externalities derived from industry chain	Environment/Investment and financing targets

The material topic analysis procedure established is based on impact and simultaneously considers "operational impact of organizations" and "impact to economy, environment, and humans/human rights" to assess the impact of material topics from within and outside the organization.







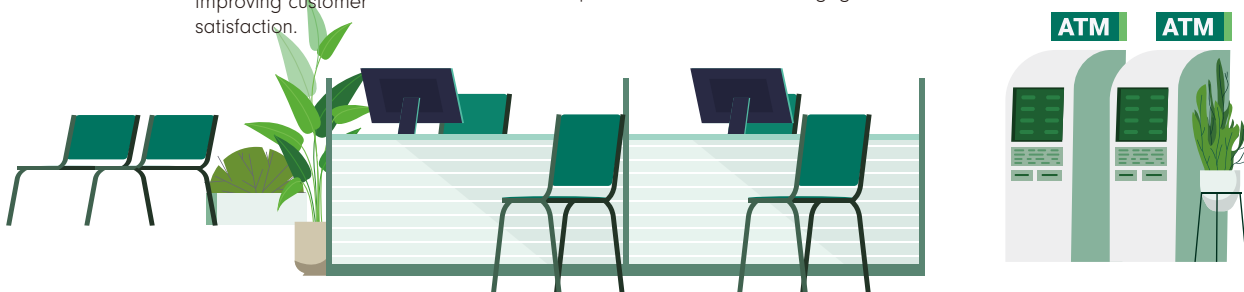
NT\$74.2 billion in salary income through our investment and financing businesses while driving more than NT\$630 billion output value in the industry chain. However, the natural resources consumed and environmental pollution has also generated NT\$6.26 billion in social costs. In order to mitigate negative impact, First Financial Holding is dedicated to utilizing financial influence and core functions to expand the effect of sustainable investments and financing to more effectively allocate resources, support industry transitions towards sustainable development, and share sustainable values with stakeholders.

Unit: Thousand NTD

Impact Type	Output Activity Data	Currency Value	Impact to ESG Topics
Positive	Procurement Amount	5,819,928	Sustainable Procurement and Supplier Management
Positive	Procurement Amount	466,903	Sustainable Procurement and Supplier Management
Negative	Procurement Amount	(62,158)	Sustainable Procurement and Supplier Management
Positive	Financial performance	57,217,652	Climate strategy and management, climate actions
Negative	GHG emissions	(33,289)	Business Performance
Negative	Occupational accidents	(2,616)	Occupational Safety and Health
Positive	Employment and remuneration	17,575,865	Talent Retention and Accessible Benefits
Positive	Investment and financing amount	556,184,518	ESG Products and Services
Positive	Investment and financing amount	73,767,468	ESG Products and Services
Negative	Investment and financing amount	(6,259,718)	Responsible Finance

5. Stakeholder Communication Channels and Results

Stakeholder	Materiality	Communication channel and frequency
<p>Employees</p> 	<p>Employees are the company's most important asset, and are crucial to the company's competitiveness. The support of employees is critical to our sustainable development and the most important component in our sustainable development fulfillment</p>	<ul style="list-style-type: none"> • Monthly/Quarterly: Employer/employee meeting/Employee Welfare Committee, Labor Safety and Health Committee, Labor Pension Oversight Committee • Annually: Employee Commitment Survey • At least once a Year: Employee Savings and Stock Ownership Committee • Every 3 years: Committee Revision of collective bargaining agreement • Permanent: Employee and sexual harassment complaint hotline, fax, e-mail, Employee forum on internal website, "Whistleblower section," "President's mailbox" and "Ideas mailbox" • Ad hoc: First e-Academy digital learning system, Morning/evening business unit meetings
<p>Shareholders/ Investors</p> 	<p>To protect shareholder equity and to treat all shareholders equally, a corporate governance system has been set up to ensure that shareholders enjoy the right to full information, participation, and decision-making on important company matters</p>	<ul style="list-style-type: none"> • Quarterly: Hosting of domestic investor seminars • Monthly and quarterly: Business performance report • Yearly: Convening of general shareholder meeting, Issuing Chinese and English annual reports, sustainability report, Annual ESG credit rating meetings of credit rating agencies, Participation in the DJSI comparison, climate change questionnaire, water questionnaire, and other international ESG ratings • Permanent: Telephone and e-mail of the spokesperson and investor relations department available from the corporate website's investor services section, Stakeholder survey in the corporate website's ESG section, Videos of investor seminars are concurrently published on our corporate website for viewing by investors(Retained for one year) • Ad hoc: Publication of corporate governance, investor seminar presentations, financial information, annual reports, Sustainability reports and stock-related information on both English and Chinese corporate website, Attend investor seminars at the invitation of securities brokers to communicate with investors, Participation in domestic and international corporate governance-related organizations
<p>Customers</p> 	<p>In keeping with the philosophy of "Customer Service Comes First," FFHC continues to provide customers with innovative products and quality services. We also ensure the transparency and security of products and service information while treating customers in a fair and reasonable manner to commit ourselves to improving customer satisfaction.</p>	<ul style="list-style-type: none"> • Permanent: All of our Group subsidiaries have customer complaint channels, including business units, customer service hotlines, and e-mail; The companies' contacts are established on the Group's official website; we publish the telephone number, address, and email of the contact person • Regularly: Statements, latest financial information, event information, "Customer Information Confidentiality Measures" and "Customer Service Commitment", Hosting of service role-model competitions • Ad hoc: Conduct customer satisfaction surveys through telephone surveys, e-mail surveys, customer service hotlines or outside survey firm; Host seminars on trusts for seniors and the handicapped, financial planning and investment seminars, industrial park seminars and ESG engagement
<p>Media/ Financial institutions</p> 	<p>Media is one of the key channels for communication between FFHC and the other types of stakeholders. We disclose E.S.G-related information through the media at different times</p>	<ul style="list-style-type: none"> • Permanent: Establish a spokesperson and PR department for liaising purposes • Ad hoc: Participation in assessments, seminars and conferences; Hosting of press conferences and issuing of press releases



Material Issue	Communication highlights and accomplishments
<ul style="list-style-type: none"> Diverse Talent Recruitment and Skills Cultivation Occupational Safety and Health Talent Retention and Accessible Benefits Ethical Operations and Fair Treatment of Customers Business performance Human Rights and Gender Equality 	<ul style="list-style-type: none"> In 2022, 3,069 employees passed English proficiency certification tests such as the LTTC, IELTS, TOEFL, TOEIC, BULATS, and GEPT while 314 employees passed the JLPT and the LTTC's Japanese, Spanish, Korean, and German language certifications An Employee Commitment Survey was held in 2022, with a result of 91.74% Chosen for inclusion in the "Taiwan Employment Creation Index 99 " for the 13th consecutive year Included in the "Taiwan High Compensation 100 Index" for 9 consecutive years 1,499 Employees have obtained the Certified Anti-Money Laundering Specialist (CAMS) certification. Recognized by the Occupational Safety and Health Administration, Ministry of Labor for "Disclosure of Occupational Health and Safety Indicators in Sustainable Reporting - Top 10% Enterprise in Financial Sector" Selected as a constituent stock of Bloomberg Gender-Equality Index Recognized by New Taipei City Government as an excellent enterprise of "Equality Measures for Families and Work"
<ul style="list-style-type: none"> Business performance Corporate governance Tax Governance Risk Management and Operational Continuity Ethical Operations and Fair Treatment of Customers Prevention of money laundering, financial fraud and terrorism financing Information Security and Privacy Protections Responsible Finance ESG Products and Services Climate Strategy and Management Human Rights and Gender Equality 	<ul style="list-style-type: none"> Annually implement internal/triennially commission external professional independent institutions to evaluate the performance of the Board of Directors (individual director) and functional committees, the results of which are reported to the Board before the end of Q1 of the following year and disclosed on the Company's website First Bank and First Securities selected by Taiwan Stock Exchange into "List of Institutional Investors with Good Disclosure of Due Diligence" The Company was selected as a constituent stock in the DJSI "World Index" for the 5th consecutive year and was selected as DJSI Emerging Markets for the 7th consecutive year Selected 6 times to The Sustainability Yearbook, ranking into the top 1% of the global bank sector, published by S&P Global FFHC was included as constituent stock in the "FTSE4Good Emerging Index" for 6 years in a row. Constituent stock of MSCI All Country World Index (ACWI) and AAA in the bank sector of the MSCI ESG Ratings Earned the highest distinction of "A" in the CDP climate questionnaire, selected 4 times with the highest distinction of "A" in the financial sector, ranked at the "Leadership Level" for 5 consecutive years According to credit reports published by Taiwan Ratings, S&P, and Moody's, the Group is stable and possesses strong levels of capital in the financial sector as well as excellent standing in the domestic market along with satisfactory funding sources and liquidity structure. As a Premium member of the ACGA, the Company analyzed the latest corporate governance information and reports, participated in annual forums and seminars, and accord with the latest development trends in corporate governance Institutional investors' opinions and issues of concern are reported to the Board regularly to assist all directors, executives and independent directors with understanding the opinions of shareholders
<ul style="list-style-type: none"> Ethical Operations and Fair Treatment of Customers Information Security and Privacy Protections Responsible Finance ESG Products and Services Risk Management and Operational Continuity Climate Strategy and Management Digital Innovation and Inclusion Business performance 	<ul style="list-style-type: none"> First Securities was recognized by the FSC as "Top 25% of the Fair Customer Treatment Principles Evaluation Rankings". In the Financial Supervisory Commission's trust 2.0, a plan to promote the trust business, First Bank received awards such as "Best Trust Award - 2nd Place" and "Hospice Trust Award Group A - 1st Place", and other awards such as "Gold Trust Insurance Award - Outstanding Head Office", "Gold Trust Insurance Award - Outstanding Trust Managers", "Bailout Award", "Key Support for Innovative Industries", "Total Guaranteed Financing Amount", and "COVID-19 Insurance Projects". Other awards include "SME Loans - Excellent Bank", "Special Banking Award for Balanced Regional Development", "Special Banking Award for e-Commerce Financing", "Joint Loan Platform for the Export of Systems, Whole Plant, and Engineering Industries - Excellent Bank", "Loans to Support Key Innovative Industries - Excellent Bank", individual industries- special awards for "Asia Silicon Valley, "National Defense Industry", and "Circular Economy", and "Excellent Bank in the Financial Services Industry for Fair Treatment of Customers" and "Award for Passionate Participation of Promoting Financial Knowledge in Campuses and Communities" Recognized by the Central Bank as an excellent financial institution for SME loans - "Outstanding Performance Award" and "Financial Inclusion Award" First Life Insurance won the microinsurance competition organized by the Financial Supervisory Commission and received the "Compassion to the Disabled Award" as well as being selected for the 27th consecutive time as an excellent company that "Improves the Insurance Guarantee Plans for Citizens". First Bank received the "Golden Security Award" from Joint Credit Information Center as well as affirmation through the "Gold Quality Award" for 4 consecutive years. The number one bank in Taiwan in terms of SME lending market share for 13 years in a row Won "Excellence Award for Financing Amount Growth in New Southbound Countries" and "Excellence Award for the Growth of the Number of Branches Credit Guarantee Applications and Financing Amount " again by Overseas Credit Guarantee Fund. "iLEO digital accounts" was selected by "DailyView Internet Thermometer" for having a "Stellar Online Reputation (Digital Accounts)" Continued to launch the "Sustainable Performance Linked Loan Project", offering preferential interest rates to companies with improved environmental performance indicators. In 2022, the project approved 49 accounts with a total of NT\$62.6 billion
<ul style="list-style-type: none"> Business performance Ethical Operations and Fair Treatment of Customers Information Security and Privacy Protections Corporate governance Digital Innovation and Inclusion Talent Retention and Accessible Benefits Social Impact 	<ul style="list-style-type: none"> Awarded the "Digital Information Security Award - Excellence Award" at the 2nd Digital Finance Awards organized by <Commercial Times> Active interactions with the media to implement ESG performance The expert team provides daily updates on market conditions and financial products to help the public keep track of the financial market

Stakeholder	Materiality	Communication channel and frequency	
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**Suppliers/
Contractors**



Suppliers are FFHC's green partners. The supplier management and ESG product review mechanisms are used to select qualified vendors who conform with the spirit of corporate sustainable development as long-term partners in implementing ESG together

- **Permanent:** Whistleblower section
- **Regularly:** If suppliers involve in environmental pollution, violation of labor laws and regulations, or threat to public interests, they will be required to give an explanation or be excluded as potential partners
- **Before listing:**
 1. Require companies that sell fund and insurance products through First bank to have compiled Sustainability Reports or issued a Sustainable Development Commitment
 2. Review the ESG evaluation criteria of wealth management products through the ESG product review mechanism. The level of risk shall be classified based on the nature of these products before putting them on the market
- **Ad hoc:** Organize supplier meetings, Transparency of tender information and publication on corporate website

**Governments/
Competent
authorities**



Government policies influence the direction of business operations. FFHC actively cooperates with government policies, complies with regulatory laws, and develops a sound business environment

- **Permanent:** Establish an effective corporate governance structure and improve internal control system
- **Ad hoc:** Participate in seminars, symposiums, public hearings, competitions and evaluations hosted by the competent authorities ;Compliance with the relevant laws and policies of the competent authorities and cooperate with their monitoring and inspections ;Disclose business-related information on the Market Observation Post System and corporate website

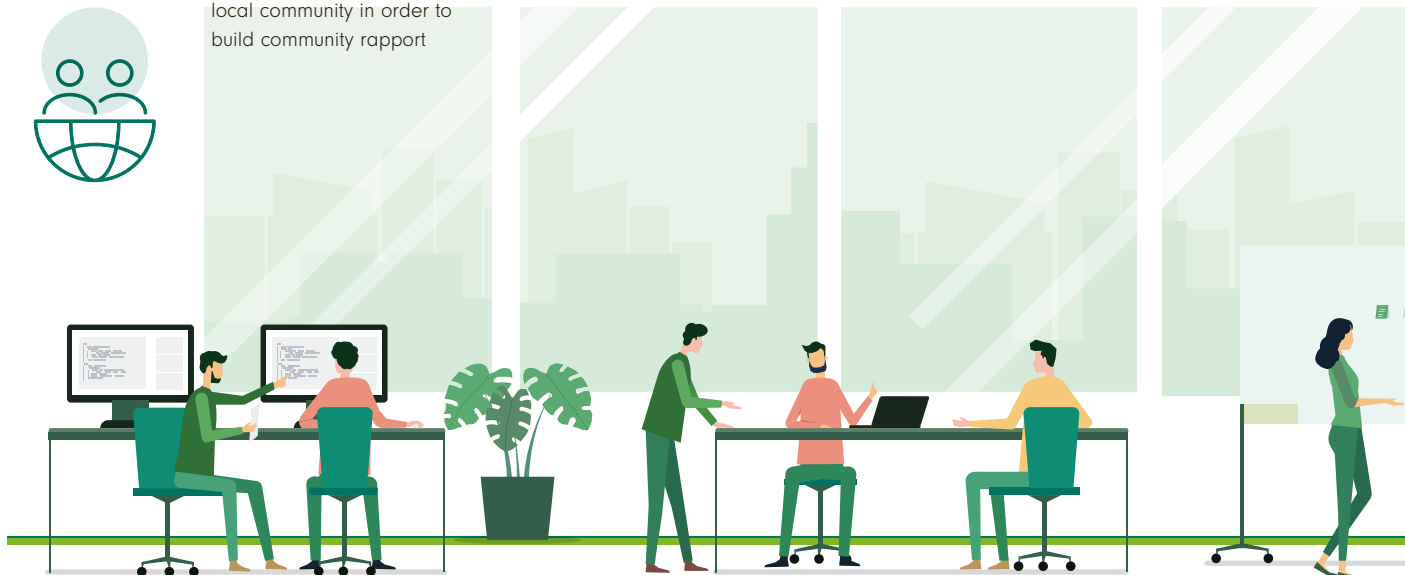


**Community/
Non-profit
organization/
Non-government
organization/
Academics and
experts**



Communities form the social foundations for the development of FFHC. We actively participate in local community activities as part of our business operations and pay attention to how our operations affect the local community in order to build community rapport

- **Regular:** Hosting of art exhibitions , concerts and cultivating table tennis teams
- **Ad hoc:** Hosting of blood drives /donation/compassion/green organic/recruitment of caring and green volunteers such as beach and mountain clean-up; organize financial school/ Green finance and environmental education courses /health and financial seminars/remote area free clinics; Sponsorship of tennis, table tennis /weightlifting/athletics/taekwondo/archery/road running/badminton, participate in ESG related organizations, Hosting of energy-conservation symposiums and participation in sustainable finance seminars



Material Issue

Communication highlights and accomplishments

- ESG Products and Services
- Climate Action
- Sustainable Procurement and Supplier Management
- Social Impact
- Ethical Operations and Fair Treatment of Customers

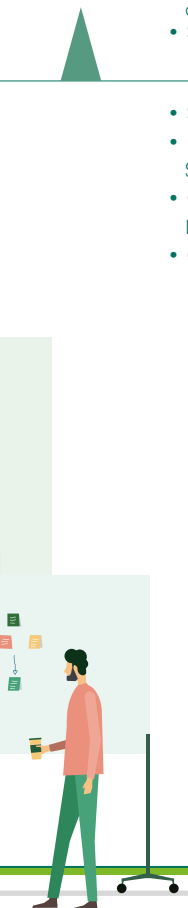
- Implemented the <ISO 20400 sustainable procurement guideline> which implements 7 core themes in procurement practices as well as obtaining a certificate for <ISO 20400 sustainable procurement guideline performance evaluation>
- Received the highest rating of A and Leadership Grade from the CDP 2021 Supplier Engagement Rating
- Completed investigations of 2,686 suppliers and included 359 suppliers into a database of qualified companies
- Recognition as Benchmark Private Businesses and Groups in Green Purchasing by the Taipei City Government for the 8th consecutive year, while green purchasing amounted to NT\$150.86 million
- 100% of the onshore and offshore fund companies listed in the Group have signed the compliance statement of the "Stewardship Principles" and the "Principles for Responsible Investment (PRI)" respectively

- Ethical Operations and Fair Treatment of Customers
- Corporate governance
- Prevention of money laundering, financial fraud and terrorism financing
- Risk Management and Operational Continuity
- Climate Action
- Information Security and Privacy Protections
- ESG Products and Services
- Responsible Finance
- Climate Strategy and Management
- Sustainable Procurement and Supplier Management
- Occupational Safety and Health
- Social Impact

- Selected 8 times by the Taiwan Stock Exchange Corporate Governance Evaluation System into the "top 5% of publicly listed companies", 3 times into the top 10% (4th place) of publicly listed companies in the "financial insurance category", selected for 8 consecutive years as a constituent stock of the "TWSE Corporate Governance 100 Index", selected for 6 consecutive years as a constituent stock of the "Taiwan Sustainability Index"
- Awarded the "National Sustainable Development Award - Corporate Category" by the National Sustainable Development Committee, Executive Yuan
- First Bank received the "Master Award" in the "Fourth National Enterprise Environmental Protection Awards".
- Selected by the Financial Supervisory Commission as a member of the "Coalition of Movers and Shakers on Sustainable Finance"
- Joined Partnership for Carbon Accounting Financials (PCAF) initiative and Science Based Targets initiative (SBTi)
- First Financial Holdings' TCFD report obtained the highest level certification of "LEVEL-5+" by the British Standards Institute (BSI), which is the first case in the financial industry.
- Awarded the Ministry of the Interior's "Green Building Benchmark Corporate Award"
- Awarded the Ministry of Economic Affairs' "Energy Conservation Benchmark Award - Silver"
- Awarded Taipei City Government's Net Zero Leadership Award - "Industry and Commerce Group A - 1st Place"
- Awarded New Taipei City Government's New Taipei City Enterprise Classic Award - "Model Enterprise in Energy"
- Selected by the Industrial Development Bureau, Ministry of Economic Affairs to organize the A grade certification of Taiwan Intellectual Property Management System (TIPS)
- First Bank donated 1% of payments made with the World Card totaling NT\$1,130,000 to the "School Education Savings Account" platform of the Ministry of Education, which in turn helped 1,027 economically disadvantaged schoolchildren
- First Bank donated 3% of payments made with the Yilan Card totaling NT\$2,650,000 to the Yilan County Government for use in social welfare, tree planting, and tree protection activities
- Reported business overview to the competent authorities every quarter to help the government keep track of the overall financial environment

- Social Impact
- ESG Products and Services
- Climate Strategy and Management
- Climate Action

- Sponsored the Jinshan Branch of National Taiwan University Hospital to implement necessary equipment for constructing a relay ward, sponsored Hualien Dental Association in improving equipment at the "Ruisui Dental Treatment Station" to provide local residents with superior medical services
- Assisted a total of 4,046 disadvantaged schoolchildren in Ankeng, Zhongzheng, and Erchong Elementary Schools for 12 consecutive years
- Provided education assistance programs Sponsored the "Financial Service Industry Education Foundation" with NT\$2.5 million in 8 consecutive years and helped 1,507 students from poor and disadvantaged backgrounds complete their studies in 2022
- First Bank donated 6% of payments made with the Leezen Card totaling NT\$10.89 million to the "Tze-Xin Organic Agriculture Foundation" and the "Bliss and Wisdom Foundation of Culture and Education." The donations help provide guidance on organic certification of agricultural products, promotion of organic vegetarian school meals, clean-up of water sources, and enhancing spiritual education
- Awarded the "Best ESG Award - 2nd Place" at the 11th Taiwan Banking and Finance Best Practice Awards organized by Taiwan Academy of Banking and Finance
- We have helped 25 elementary schools in rural areas of Xinzhu, Nantou, Yunlin, Xiayi, Hualian and Taitung County, etc. install 7,085 sets of LED lighting equipment. We estimate that the replacement would reduce about 620,000 kWh of electricity, cut electricity costs by approximately NT\$2,480,000, and reduce 303 metric tons of CO₂e each year
- Worked with Taipei City Low-Income Students Foundation and R.O.C. Shared Love Emergency Charity Association to provide microinsurance, benefiting 396 disadvantaged members of the public in 2022
- The release of 4 green financing and environmental training programs in "Green Buildings, Energy Conservation, and Decarbonization", "Climate Change Risk Management", "Review of Green Financing and Loans", "Green Consumer Financing", and 2 interactive online courses for environmental education as well as the "Student's Decarbonization Summer Camp for Environmental Education" co-organized in 2022 with environmental education partner Yang Ming Cultural Foundation promotes student's understanding of green financing and the shipping industry. A total of 27 environmental education programs were hosted for a total of 718 participants hailing from enterprises, government agencies, and schools
- Sponsored "Taiwan Indigo Dye Association" to organize "Campus Environment Educational Lectures - The Beauty of National Parks in Taiwan" for schoolchildren to connect with, learn about, and further take action to protect nature and become junior environment keepers, benefiting a total of 3,122 schoolchildren
- The "Planting Tree for Love" campaign was held for 7 consecutive years, and a total of 8,671 trees were planted, reducing CO₂e by 86.71 metric tons per year.
- Held the "I Love Beautiful Sea" beach clean-up activity for six consecutive years, collecting a total of 14,115 kg of waste such as driftwood, fishery and general waste
- Promotion of gender equality concepts through financial education promotion activities. A total of 41 sessions were held, benefiting around 3,008 people
- Purchased about NT\$2.82 million of social innovation organizations' products on the Social Impact platform's "Social Innovation Database" of the Small and Medium Enterprise Administration of the Ministry of Economic Affairs, and won the third place in the "Buying Power Social Innovative Products and Services Procurement" of the Ministry of Economic Affairs
- 1,312 volunteers participated in 2022, benefiting 109,270 people and 5,199 hours of service



Sustainable Development Goals

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Business performance

GRI 2-6: Events, value chains and other commercial relations

GRI 2-28: Membership of associations



- Companies should pursue excellent business performance and profits to maintain their operations and development, drive domestic economic growth, and spur job creation.
- Pay close attention to shifts in global supply chains and trends in the transition to industrial net zero; unearth new growth drivers.

Actual negative impact

- Long-term inflation concerns have forced major countries into interest rate hike cycles, and fluctuations in the global financial market have exacerbated.

Realistic positive impact

- Major countries are accelerating global supply chains triage while expediting implementation of sustainable development.

Potential positive impact

- Enhance diverse international or regional cooperation and connection.
- Take advantage of the integration of digital economic development with new business models to tap into new business opportunities.
- Combine net zero goals for corporate sustainability and implement inclusive finance.

Mitigating measures

Continue to expand business presence and connections in overseas markets; improve the quality of main business operations; internalize risk control, internal control, regulatory compliance, information security and the prevention of money laundering as corporate culture; and combine core business operations and ESG factors into a driving force to enable influence on customers, industrial carbon emissions reduction & transformation, and sustainable development through the Group's investment & financing capabilities.

Corporate Governance WG

Risk Management and Continuous Operation

GRI 2-27: Compliance with laws and regulations

GRI 205-1: Operations assessed for risks related to corruption

FS1: Related policies applicable to specific environments and

social elements for various business operations



The Company's Board of Directors is the Group's highest-ranking governance body when it comes to risk management. Aside from formulating a comprehensive internal control system and ensuring its continued and effective execution, it should also set up proper capital adequacy evaluation procedures and capital structure management. It should also establish procedures for identifying, assessing, monitoring and controlling major risks (credit risk, market risk, interest rate risk, liquidity risk, insurance risk, operation risk and emerging risks).

Potential negative impact

- Risk management and regulatory requirements derived from digital transformation, including aspects such as personal data protection, information security and money-laundering prevention, all of which would put corporate responsiveness to the test.

Realistic positive impact

- To comply with the regulatory requirement that a bank's subsidiary must be a D-Sibs, the life insurance subsidiary has aligned with changes in the IFRS 17 international accounting framework and Global Insurance Capital Standard Version 2.0 (ICS 2.0) to advance the Group's introduction of IFRS 17, while continuing to strengthen the capital benefits of the financial holding company and its subsidiaries. In doing so, the Group could improve its business performance.

Potential positive impact

- Implementing risk management and abiding by regulations relating to internal control could effectively reduce or prevent operational risks while cutting down on property damage.

Preventive measures

- Assess the execution of the compliance system at the Group's various companies; and connect assessment results with performance assessment to improve the effectiveness of executing the compliance system.

Management measures

- Establish horizontal communication mechanisms for the second and third lines of defense to strengthen legal compliance, internal control, and internal audit synergy.

Preventive measures

- Report the Group's risk evaluation results of climate change, offsetting measures and execution to the Board of Directors.

Corporate Governance WG - Responsible Finance WG



KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

GRI 201-1: Direct economic value generated and distributed by the organization

KPI 1: After-tax net profits budget achievement rate	NT\$20.313 billions	101%	NT\$21.190 billions	The annual growth rate of after-tax net profits is not lower than the average real growth rate of the domestic financial and insurance industry in the past three (3) years
KPI 2: The ratio of non-banking subsidiaries profits	10	36%	10	The ratio of non-banking profits continues to increase



FS2: The process of assessing and screening environmental and social risks for various business operations

KPI 1: Double leverage ratio and (DLR) and Group capital adequacy ratio (CAR)	< 120%	100%	< 115%	< 115%
	≥ 110%	100%	≥ 120%	≥ 120%
KPI 2: First Bank capital adequacy ratio (CAR) and Tier 1 capital ratio	CAR > 14.0% Tier1 > 11.75%	CAR 98% Tier1 100%	CAR > 13.5% Tier1 > 11.5%	From the end of 2024, the management targets of CAR, Tier 1, common equity ratio and leverage ratio of 14.25%, 2.25%, 10.75% and 5% will be continuously achieved.
KPI 3: First Bank ordinary share equity ratio and leverage ratio	Ordinary share equity ratio > 10.25% Leverage ratio > 5%	Ordinary share equity ratio: 98% Leverage ratio: 120%	Ordinary share equity ratio > 10% Leverage ratio > 5%	
KPI 4: Strengthen legal compliance and internal control and internal audit synergy	Hold the "Seminar on Review of the Discrepancies in the Group's Internal Control System and Legal Compliance Enhancement Measures" every half year.	100%	Hold the "Seminar on Review of the Discrepancies in the Group's Internal Control System and Legal Compliance Enhancement Measures" every half year.	Continue to enhance the synergy between compliance and internal control/audit



Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Responsible Finance

GRI Financial Services Sector Disclosures: Product portfolio
 FS1: Related policies applicable to specific environments and social elements for various business operations

FS2: The process of assessing and screening environmental and social risks for various business operations



- Sustainable credit extension, sustainable investment and sustainable insurance policies are formulated based on the guiding principle of "Sustainable Empowerment for Shared Happiness" to integrate ESG factors with core business operations, including investment, financing, underwriting and insurance. It is hoped that the goal of co-existence and co-prosperity could be achieved by partnering with our clients to implement ESG's sustainable values.
- Continue to refine the verification mechanism of ESG factors with respect to product review; strive to provide ESG-compliant products and services in accordance with regulatory requirements in various countries; and faithfully fulfill an asset manager's heedful and fiduciary duties.

Potential negative impact

- As the market is paying more attention to ESG issues and ESG factors have been progressively adopted in domestic and overseas financial evaluations, the financial industry may struggle to get the nod from the market and regulators and the risk of operational losses may increase if it fails to establish a well-rounded ESG mechanism.
- Currently there have been no consistent review criteria with respect to ESG factors on the market, plus domestic companies have not fully implemented ESG practices. Given that banking and insurance are fully competitive industries in Taiwan, the Group may be in an unfavorable position for business development if it holds itself to stringent ESG review standards.

Potential positive impact

- We can expect to mitigate the negative environmental and social impact and credit risk of our investment and financing operations through identifying and staying on top of ESG implementations on the part of borrowers and invested corporations, which is conducive to maintaining asset quality and improving our corporate image.

Preventive measures

- Continue to implement the Equator Principles to stay on top of and mitigate the environmental and social risks of major project financing through case classification.

Management measures

- Continue to refine the verification mechanism of ESG factors for investment, financing and the product review process, and evaluate introduction of the "Guidelines for the Determination of Sustainable Economic Activities" promulgated by the Financial Supervisory Commission, in an effort to quantify the standards for evaluating investment/financing cases, decision-making, product designs and corporate engagements.

Responsible Finance WG

Corporate governance

GRI 2-9: Governance structure & composition
 GRI 2-10: Nominating and selecting the highest governance body
 GRI 2-11: Chair of the highest governance body
 GRI 2-12: Highest governance body' role in supervising impact management
 GRI 2-13: Executive officer of impacted units

GRI 2-15: Conflict of interest
 GRI 2-17: Collective knowledge of the highest governance body
 GRI 2-18: Performance evaluation of the highest governance body
 GRI 2-19: Remuneration Policy
 GRI 2-20: Process for determining remuneration



Sound corporate governance could strengthen the stability and transparency of corporate operation, and boost long-term corporate value and competitiveness. It lays the foundation for corporate sustainable development.

Potential negative impact

- Well-rounded corporate governance lays the groundwork for corporate sustainable development. Failure to continue to refine and advance corporate governance structures and systems would affect its competitiveness and innovation-driven growth.

Potential positive impact

- Continued refinement of corporate governance and ESG management could strengthen the operation and job functions of the Board of Directors, increase long-term corporate value, and win stakeholders' trust and support.

Preventive measures

- Carry out the diversification of Board members & their independence.
- Continue to evaluate the performance of the Board of Directors (including Functional Committees) and disclose related information; enhance the job functions of the Board of Directors and Functional Committees; and increase the objectiveness of Board performance evaluation and information transparency.
- Compile the Chinese and English versions of the sustainability report in accordance with the latest 2021 Global Reporting Initiative (GRI) standards and Sustainability Accounting Standards Board (SASB) while obtaining third-party assurance or guarantee, in order to improve the quality of ESG information.
- Conduct subsidiaries' comprehensive ESG performance assessments to deepen implementation and execution of the Group's ESG policies while ensuring that annual ESG targets are met.

Corporate Governance WG



KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{1,1}	Financial Transactions ^{1,2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{1,3}

FS3: The process of overseeing whether a client has executed and complied with the environmental and social policies required by agreements or transactions
SASB: FN-CB-410a.2

KPI 1: Statistically communicate with clients and investee companies on the types of ESG issues, negotiation results and industry proportions, etc.	100%	100%	Conduct carbon footprint verification for investment/financing positions that fall into high pollution (energy consumption) industries	Engage with more than half of the corporations whose investment/financing positions rank among the top 60% in terms of carbon emissions by the end of 2025, and prompt them to formulate their net zero emissions goals by 2050	●	●	●
KPI 2: Abide by the Equator Principles, establish corresponding operating procedures, and support measures for prior communication with customers	100%	100%	Disclose on the Bank's website the implementation status of cases where the Equator Principles are applicable, including numbers, industries and areas	Participate in association- and government-sponsored meetings actively; adjust the credit extension process and guidelines; and enhance risk management of project financing			
KPI 3: The ratio of attendance at shareholders' meetings of listed OTC companies	≥90	100%	≥90	≥90			
KPI 4: The ratio of the onshore and offshore fund companies that signing the compliance statement of the "Stewardship Principles" and the "Principles for Responsible Investment (PRI)" respectively	Domestic: 100 Overseas: 90	100%	100	100			

GRI 2-21: Ratio of total annual remuneration
GRI 201-1: Direct economic value generated and distributed by the organization
GRI 404-3: Percentage of employees receiving regular performance and career development reviews
GRI 405-1: Diversity of governance bodies and employees


KPI 1: Board performance evaluation	Average score > 4 points	100%	Commission a professional and independent external organization to conduct performance evaluation on the Board of Directors and Functional Committee	Commission a professional and independent external organization to conduct performance evaluation on the Board of Directors and Functional Committee at least once every three years	●	●	●												
KPI 2: Actual Board meeting attendance rate of the entire Board members/individual Directors (%)	85 / 80	100%	85 / 80	85 / 80															
KPI 3: Diversification of Board members & their independence	The number of board seats for any gender directors reaches at least 1/3 (5 seats)	100%	The number of board seats for any gender directors reaches at least 1/3 (5 seats)	Continue to implement the diversity and independence of the Board of Directors															
KPI 4: Quality of information in the sustainability report	<table border="1"> <thead> <tr> <th>Preparation Standard</th> <th>Assurance Standard</th> </tr> </thead> <tbody> <tr> <td>GRI Standards</td> <td>AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level</td> </tr> <tr> <td>SASB guidelines for two industries</td> <td>ISAE 3000 assurance standards</td> </tr> </tbody> </table>	Preparation Standard	Assurance Standard	GRI Standards	AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level	SASB guidelines for two industries	ISAE 3000 assurance standards	100%	<table border="1"> <thead> <tr> <th>Preparation Standard</th> <th>Assurance Standard</th> </tr> </thead> <tbody> <tr> <td>New version of GRI standards (2021)</td> <td>AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level</td> </tr> <tr> <td>SASB guidelines for two industries</td> <td>ISAE 3000 assurance standards</td> </tr> </tbody> </table>	Preparation Standard	Assurance Standard	New version of GRI standards (2021)	AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level	SASB guidelines for two industries	ISAE 3000 assurance standards	Disclose related indicators and conduct certification in accordance with the publishing time frame set forth in the IFRS S1 sustainability guidelines			
Preparation Standard	Assurance Standard																		
GRI Standards	AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level																		
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Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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ESG products and services

GRI 201-1: Direct economic value generated and distributed by the organization
 GRI 203-1: Investment in infrastructure & development of and impact on support services
 GRI industrial disclosure index for the financial services industry: Product portfolio
 FS1: Related policies applicable to specific environments and social elements for various business operations
 FS2: The process of assessing and screening environmental and social risks for various business operations
 FS3: The process of overseeing whether a client has executed and complied with the environmental and social policies required by agreements or transactions
 FS7: The monetary value of products and services designed to create social benefits by various business operations is categorized in accordance with their purposes

	<p>Combine core operations with sustainable goals by referencing international initiatives; guide the flow of funds towards projects relating to sustainable development as a fund supplier; and faithfully fulfill the financial industry's due responsibilities in the financial supply chain in order to achieve the sustainable development of environment, economy and society.</p>	<p>Potential negative impact</p> <ul style="list-style-type: none"> Demand for sustainable financial products and services have doubled in recent years. However, as related review and regulatory mechanisms are not perfected, the Company may struggle to meet customers' needs as a result of obscure positioning, if it fails to specifically quantify the benefits of its products and services for environment and society. Furthermore, it may risk losing business opportunities while being criticized as trying to "green-bleach" its reputation with no actual actions to back it up. <p>Potential positive impact</p> <ul style="list-style-type: none"> Work with the government to push forward the "Loans for Six Core Strategic Industries" project to promote economic development while seeking sustainable business opportunities and profitable opportunities from related industries. <p>Realistic positive impact</p> <ul style="list-style-type: none"> In response to demands associated with population aging and government review mechanisms, the provision of diverse and inclusive financing products and services could enhance protection of senior and underprivileged customers, in addition to improving corporate image and expanding diverse business opportunities for sales. As the government is pushing for urban renewal and reconstruction of unsafe and old buildings, such products and services could not only expand the Group's financing operations, but also integrate construction management and trust services to create safe and environment-friendly residences for consumers. As a result, a win-win situation could be achieved among environment, residents and the Group. 	<p>Preventive measures</p> <ul style="list-style-type: none"> Strengthen the main development theme of ESG operations; improve the overall ESG investment/financing and the share of its products; expand the concept of sustainable development to overseas operations; and strive to help industries with sustainable transformation using our financial and brokerage influence. <p>Management measures</p> <ul style="list-style-type: none"> Focus on the six core strategic industries; promote project financing with credit extension interconnected with renewable energy, green enterprises and sustainable performance; issue green and sustainable development bonds; and continue to direct funds towards environment- and society-friendly projects. Continue to promote diverse and inclusive financing products catering to demographic groups such as seniors and persons with disabilities; value financially underprivileged people's rights to access equal financial services; and create a friendly financial environment. 	<p>Sustainable Financial Products and Services WG</p>
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Tax Governance

GRI 207-1: Taxation methods
 GRI 207-2: Tax governance, control and risk management
 GRI 207-3: Items of concern for stakeholders participating in and managing related tax affairs

	<p>Companies must comply with local taxation regulations and responsible tax principles at their locations of operations, faithfully pay their taxes, and file their tax returns in a timely fashion. They should also formulate tax governance policy separately in response to international trends in tax governance, in an effort to improve the transparency of their tax information.</p>	<p>Potential negative impact</p> <ul style="list-style-type: none"> Failure to implement tax governance could impact a company's profits and increase its financial burdens, or even wreak havoc on its image and reputation. <p>Potential positive impact</p> <ul style="list-style-type: none"> Paying taxes as required by law is conducive to promoting economic growth as well as balanced regional development. A company could boost its competitiveness while creating corporate value through an effective tax governance mechanism. 	<p>Preventive measures</p> <ul style="list-style-type: none"> Management bodies of tax affairs should abide by tax regulations to file tax returns and pay taxes. Self-assessment should be conducted twice a year to ensure that tax affairs personnel adhere to internal operating procedures and tax regulations. They should also report the tax management status to the Board of Directors on a regular basis. <p>Preventive measures</p> <ul style="list-style-type: none"> Ensure that executive officers responsible for tax affairs familiarize themselves with tax regulations and participate in external taxation training courses, in an effort to improve tax affairs personnel's professionalism. <p>Management measures</p> <ul style="list-style-type: none"> Disclose the Group's tax information in accordance with financial reporting standards and regulations set forth in the annual report. 	<p>Corporate Governance WG</p>
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KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

FS8: The monetary value of products and services designed to create environmental benefits by various business operations is categorized in accordance with their purposes

GRI industrial disclosure index for the financial services industry: Active ownership

FS11: Share of positive and negative influences in asset that is related to environmental or social screening

GRI industrial disclosure index for the financial services industry: Local communities

FS14: Advocate the provision of better financial services and related measures for the underprivileged

FS16: Advocate related measures to enhance financial knowledge on the part of various types of beneficiaries

SASB: FN-CB-240a.1, FN-CF-000.A, FN-CF-000.B

KPI 1: Number of financing projects for urban renewal and the reconstruction of dangerous and old buildings	12 projects	525%	12 projects	Accumulate 50 projects
KPI 2: Green financing (including green industry, green enterprise and green building) loan balance	NT\$ 100 billions	101%	NT\$ 115 billions	By 2028 NT\$ 140 billions
KPI 3: New volume of "Green Consumption Loans"	NT\$ 2 billions	411%	NT\$ 2 billions	Accumulate NT\$ 10 billions
KPI 4: Number of micro-insurance policies provided for the economically disadvantaged to gain basic coverage	320 policies	124%	360 policies	By 2028 385 policies
KPI 5: Number of new loan accounts of Comfort Loan	160 accounts	133%	160 accounts	Accumulate 800 accounts



GRI 207-4: Country/regional report

GRI disclosure index for the financial services industry: Product portfolio

FS1: Related policies applicable to specific environments and social elements for various business operations

KPI 1: Strengthen the governance structure of tax affairs	Report the tax management status to the Board of Directors on a regular basis	100%	Report the tax management status to the Board of Directors on a regular basis	Report the tax management status to the Board of Directors on a regular basis
KPI 2: Improve the transparency of tax information	Disclose the tax governance policy on the company website and publish tax governance reports	100%	Continue to publish tax governance reports on the company website	Continue to publish tax governance reports on the company website

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Information security & protection of privacy

GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data



In the face of the financial industry's continued digital transformation as well as new, ever-evolving cyber-attacks, we need to take advantage of the synergy of joint defense of information security through collecting and responding to information security intelligence, analysis and sharing of information security events, monitoring and joint defense of financial information security, and the promotion of financial information security configurations.

Formulate the "Policy on Personal Data Protection for First Financial Holding & Various Subsidiaries" and "Guidelines for Responding to, Reporting & Preventing Major Personal Data Incidents at First Financial Group", in order to protect the rights of the concerned party and strengthen the Group's responsiveness and preventive mechanism against major personal data breaches.

Potential negative impact

- Demand for digital finance has spiked in the wake of the pandemic. However, financial crimes and incidents of hacker attacks occur more frequently. If employees' information security awareness and software and hardware equipment's safeguard for information security are insufficient, the overall operational risks may rise significantly.

Potential negative impact

- The Financial Supervisory Commission has adopted financial institutions' information security practices as a factor for accruing deposit insurance and insurance guarantee fund rates, as well as for approving or rejecting their applications for related operations. The ability to safeguard information security would greatly affect our future operational capabilities and profitability.

Potential negative impact

- As the awareness of personal data protection is on the rise and regulatory rules have become more stringent, failure to implement related measures may lead to penalties and damage the Company's reputation, which would further undermine customers' trust in the Company.

Potential positive impact

- As fintech thrives, enhancing the protection and management of personal data would reduce company losses, safeguard customer rights, and increase customer satisfaction.
- Strengthening the resilience of information security and the stability of the core system while optimizing the backup mechanism would help boost a financial institution's competitiveness and increase customer trust and stickiness.

Preventive measures

- Conduct e-mail social engineering drills and tests as well as education training on personal data protection regularly to raise information security awareness, prevent personal data leaks, and enhance employee's professionalism.
- Continuing core system transformation and moving system architecture towards small cores with large peripherals is conducive to interfacing with external systems and developing open banking.
- Expand the backup center's capacity; introduce new-gen software-defined networks; set up modern server rooms with the aim of achieving active-active operation; and ensure uninterrupted information service and operation.
- Construct key information security defense capabilities through containerized security defense, automated deployment of firewall regulations, optimized integration of code checks, and the expansion of the support platform for privileged accounts.

Management measures

- Continue to advance various information security practices in accordance with the Financial Supervisory Commission's "Financial Cyber Security Action Plan 2.0", including deepening the core system's data security and operational drills; in addition, related systems and operations must conform to ISO 27001 certification.
- The Company plans to introduce a zero trust cyber security architecture to align with the government's plan to push forward the National Cyber Security Program of Taiwan, in an effort to gradually build up a zero trust cyber security and defense environment within 3 years.

Sustainable Financial Products and Services WG

Anti-money laundering, financial fraud and countering terrorism financing

GRI 2-23: Policy commitments

GRI 2-24: Adopted as policy commitments



Formulate the Group's policy on anti-money laundering, countering terrorism financing and related plans; establish consistent guidelines for anti-money laundering and countering terrorism financing across the Group; set forth related guidelines to protect customers against fraud; and implement employee education training to enhance the effectiveness of preventive measures against fraud.

Potential negative impact

- Failure to comply with operating procedures for anti-money laundering, financial fraud and countering terrorism financing could lead to substantial penalties and impact corporate image as well as sales promotion.

Realistic positive impact

- Implementing the prevention of money laundering, financial fraud, and terrorism financing facilitates international business expansion and stabilizes the financial system.

Preventive measures

- The Company convenes workshops for the chief compliance officers of each company of the Group to report their AML/CFT operations quarterly.
- Conduct Institutional Risk Assessment (IRA) for money laundering and terrorist financing activities and follow up implementation status of improvement plans.

Preventive measures

- Implement the joint defense reporting mechanism against fraud; conduct activities to promote financial education; and provide financial knowledge about fraud prevention and relief.
- Strengthen the Group's mechanism against money laundering and financial terrorism; and improve employees' risk awareness and capabilities.

Corporate Governance WG



KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

SASB : FN-CF-220a.1 \ FN-CB-220a.2 \ FN-CF-230a.1 \ FN-CF-230a.3 \ FN-CB-230a.1 \ FN-CB-230a.2

KPI 1: Conduct the review of ISO 27001 Information Security Management System

At least 2 times per year

100% Continue to conduct

2024 version of ISO 27001: Conversion of the 2022 version and certification

KPI 2: Conduct E-mail social engineering drills

Company	Phishing successful	Company	Drill results	Company	Phishing successful	Company	Phishing successful
Bank	0.1%	Bank	0.02%	Bank	0.1%	Bank	0.1%
Securities	1.8%	Securities	0.65%	Securities	1.6%	Securities	1%
Securities Investment Trust	1.8%	Securities Investment Trust	0%	Securities Investment Trust	1.6%	Securities Investment Trust	1%
Life Insurance	1.6%	Life Insurance	0.7%	Life Insurance	1.4%	Life Insurance	1%
Consulting	1.8%	Consulting	0%	AMC	2.5%	AMC	2.5%
				Consulting	1.8%	Consulting	1.8%

KPI 3: The time needed for switching from the core information system to the backup center and for resuming operations

Company	Switching Time	Completion Rate	Company	Switching Time	Company	Switching Time
Bank	0.5 hour	100%	Bank	0.5 hour	Bank	0.5 hour
Securities	1 hour	100%	Securities	1 hour	Securities	1 hour
Securities Investment Trust	2 hours	100%	Securities Investment Trust	2 hours	Securities Investment Trust	2 hours
			Life Insurance	2 hours	Life Insurance	2 hours

KPI 4: Proportion of employees receiving education training on the "Personal Data Protection Act" (%)

100

100%

100

100

GRI 2-25: Procedures for remedying negative impact

KPI 1: Commission external professional institutions to verify the effectiveness of the AML system

Banks, securities firms, securities investment trust enterprises and life insurance subsidiaries continue to commission professional external organizations to verify the effectiveness of the AML system.

100%

Banks, securities firms, securities investment trust enterprises and life insurance subsidiaries continue to commission professional external organizations to verify the effectiveness of the AML system.

- Banks, securities firms, securities investment trust enterprises and life insurance subsidiaries continue to commission professional external organizations to verify the effectiveness of the AML system.
- First Bank will complete implementation of its overseas AML system by the end of 2024; and a third party will be commissioned for verification.

KPI 2: Number of financial education and promotion held

64

111%

65

Accumulate 250

KPI 3: Proportion (%) of domestic department managers in charge of AML and related personnel receiving domestic or international certificates

90

100%

90

90

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Ethical management & treating customers fairly

GRI 2-25: Procedures for remedying negative impact
 GRI 2-26: Mechanism of soliciting suggestions & raising concerns
 GRI 205-2: Communication and training about anti-corruption policies and procedures
 GRI 205-3: Confirmed incidents of corruption and actions taken
 GRI 417-1: Requirements for product and service information and labeling
 GRI 417-2: Incidents of non-compliance concerning product and service information and labeling

GRI 417-3: Incidents of non-compliance concerning marketing communications
 GRI industrial disclosure index for the financial services industry:
 Local communities



- Corporate management focuses on integrity which is implemented in operations and management and compliance to prevent employee fraud, penalties, and damage to business reputation and customer trust in the brand.
- Implement the culture of treating customers fairly; refine friendly financial services; treat seniors and underprivileged customers fairly; and improve service quality.
- Banks, securities companies, securities investment trust enterprises and life insurance companies shall formulate their own "Policy of Fair Customer Treatment" and make timely revisions in accordance with rules and regulations. Execution of fair customer treatment and improvement measures shall be submitted to their respective Boards after being reviewed by the Fair Customer Treatment Committee.

Potential negative impact

- If the Company does not have a sound internal control system nor establish evaluation and prevention mechanisms for the risks of unethical conduct, it may be at risk of suffering from company and customer loss or being punished by the competent authority. The consequences will damage the Company's image.
- As fintech thrives, awareness of fair customer treatment is on the rise and regulatory rules have become more stringent; failure to implement the fair customer treatment management mechanism may increase the likelihood of infringement upon customer rights, lead to penalties, and damage the Company's reputation.

Realistic positive impact

- Implement ethical management, avoid corruption and other unethical matters, thus preventing financial losses, establishing the Company as an entity that conducts business with integrity, and improving customer trust and loyalty.
- Optimize the customer complaint process and compile and categorize major customer complaint cases regularly in conjunction with satisfaction surveys to adjust business development directions; by doing so, sound customer relations could be established.
- Enhanced employee education training on fair customer treatment could improve employees' professionalism and reduce the Company's operating losses, while safeguarding customer rights and winning their trust.

Preventive measures

- The Ethical Management Committee, made up of Independent Directors, is responsible for formulating and amending the Group's ethical management policies for its enterprises and organizations.
- The Group's enterprises and organizations regularly organize promotion and education training relating to ethical management on their employees. Directors, Supervisors, managers and employees of various companies under the Group shall sign the code of conduct for Directors, Supervisors, managers and employees at the end of each year, or when they come on board.
- Continue to conduct customer satisfaction and net promoter score surveys; formulate related improvement measures to stay close to customer needs; work with regulatory requirements to refine the customer complaint process; and categorize major customer complaint cases before submitting them to the Board of Directors regularly.
- Design, monitor and thoroughly execute indicators with respect to improper marketing and financial exploitation in the Compliance Risk Assessment (CRA) & Institutional Risk Assessment (IRA); improper marketing targeting underprivileged customers or customer grievance and disputes derived from other violations would be included in the annual assessment; financial service operation procedures or processes are formulated for senior customers, including measures such as KYC risk ratings, the inclusion of factors with higher influence on seniors in product design, and the installation of cooling-off periods for investment products.

Corporate Governance WG - Sustainable Financial Products and Services WG



KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*,1}	Financial Transactions ^{*,2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*,3}

FS14: Advocate the provision of better financial services and related measures for the underprivileged

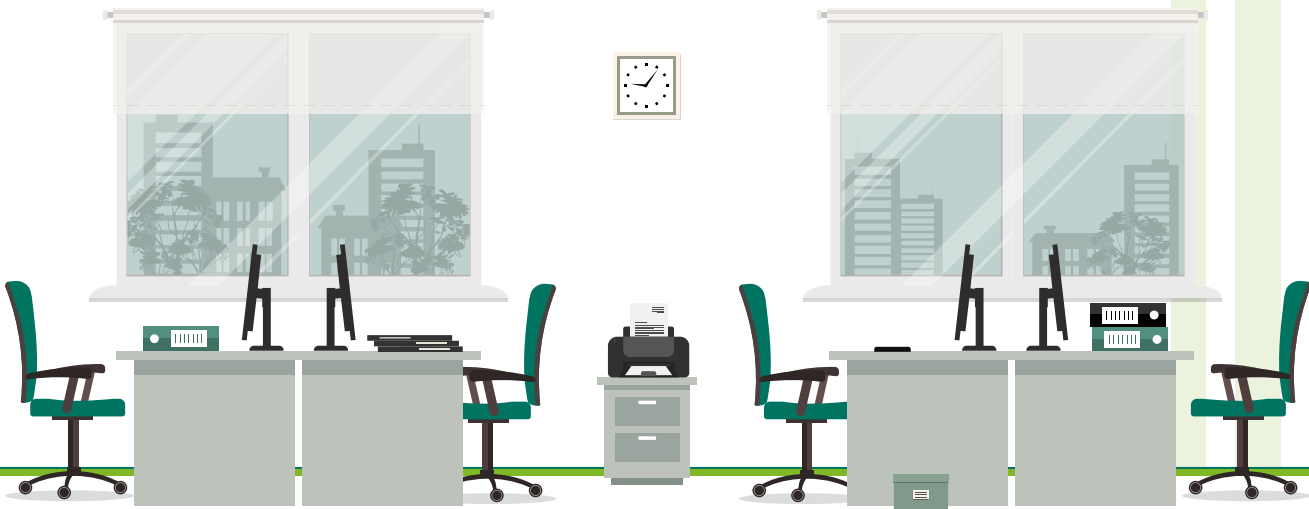
FS15: Related policies on fair design and sales of financial products and services

FS16: Advocate related measures to enhance financial knowledge on the part of various types of beneficiaries

SASB: FN-CB-510a.1, FN-CB-510a.2, FN-CF-220a.1, FN-CF-220a.2, FN-CF-230a.1, FN-CB-230a.1, FN-CF-270a.4

FN-CF-270a.5



<p>KPI 1: Proportion (%) of employees signing employee code of conduct at domestic & overseas locations of operations</p>	100	100%	100	100																								
<p>KPI 2: Proportion (%) of employees receiving education training on ethical management</p>	100	100%	100	100																								
<p>KPI 3: Proportion (%) of banks, securities firms, securities investment trust enterprises and life insurance companies conducting customer satisfaction surveys</p>	<table border="1"> <tbody> <tr><td>Bank</td><td>86.6</td></tr> <tr><td>Securities</td><td>85.4</td></tr> <tr><td>Securities Investment Trust</td><td>96.3</td></tr> <tr><td>Life Insurance</td><td>73.5</td></tr> </tbody> </table>	Bank	86.6	Securities	85.4	Securities Investment Trust	96.3	Life Insurance	73.5	100%	<table border="1"> <tbody> <tr><td>Bank</td><td>87</td></tr> <tr><td>Securities</td><td>85.5</td></tr> <tr><td>Securities Investment Trust</td><td>96.4</td></tr> <tr><td>Life Insurance</td><td>78.5</td></tr> </tbody> </table>	Bank	87	Securities	85.5	Securities Investment Trust	96.4	Life Insurance	78.5	<table border="1"> <tbody> <tr><td>Bank</td><td>88</td></tr> <tr><td>Securities</td><td>86.1</td></tr> <tr><td>Securities Investment Trust</td><td>97</td></tr> <tr><td>Life Insurance</td><td>82</td></tr> </tbody> </table>	Bank	88	Securities	86.1	Securities Investment Trust	97	Life Insurance	82
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<p>KPI 4: Proportion (%) of banks, securities firms, securities investment trust enterprises and life insurance companies conducting customer net promoter score surveys</p>	<table border="1"> <tbody> <tr><td>Bank</td><td>46.4</td></tr> <tr><td>Securities</td><td>53.5</td></tr> <tr><td>Securities Investment Trust</td><td>56.3</td></tr> <tr><td>Life Insurance</td><td>10</td></tr> </tbody> </table>	Bank	46.4	Securities	53.5	Securities Investment Trust	56.3	Life Insurance	10	100%	<table border="1"> <tbody> <tr><td>Bank</td><td>47</td></tr> <tr><td>Securities</td><td>53.6</td></tr> <tr><td>Securities Investment Trust</td><td>56.4</td></tr> <tr><td>Life Insurance</td><td>10</td></tr> </tbody> </table>	Bank	47	Securities	53.6	Securities Investment Trust	56.4	Life Insurance	10	<table border="1"> <tbody> <tr><td>Bank</td><td>48</td></tr> <tr><td>Securities</td><td>55.1</td></tr> <tr><td>Securities Investment Trust</td><td>57</td></tr> <tr><td>Life Insurance</td><td>14</td></tr> </tbody> </table>	Bank	48	Securities	55.1	Securities Investment Trust	57	Life Insurance	14
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Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Climate strategy & management



GRI 201-2: Financial implications and other risks and opportunities due to climate change
 GRI 203-1: Investment in infrastructure & development of and impact on support services
 GRI 203-2: Notable indirect economic impact

 	<p>Formulate governance structures, strategies, risk management processes, management indexes and goals in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) architecture published by the Financial Stability Board, as well as financial disclosure guidelines on climate-related risks from regulators, in an effort to improve operational resilience in the face of extreme climate.</p>	<p>Potential negative impact</p> <ul style="list-style-type: none"> As domestic and overseas industrial supply chains have progressively established their action plans for carbon emissions reduction or collected carbon taxes (for example, the EU will enforce the "Carbon Border Adjustment Mechanism" in 2026), related industries may be confronted with operational impact or transition risk, which could indirectly impact the Group's credibility and increase operational risks. Direct or indirect impact caused by extreme climate, such as floods, wind disasters, extreme rainfall, droughts and water shortage could affect corporate operations and lead to financial losses, which would further affect the Group's asset quality. <p>Potential positive impact</p> <ul style="list-style-type: none"> Quantifying financial impact caused by climate risks through complying with the TCFD framework is conducive to strengthening resilience and risk responsiveness for the Group's core operations. Corporate awareness of climate risks has increased, and they have committed more resources to sustainable transformation. The financial industry is a key force in terms of helping to drive sustainable corporate transformation. 	<p>Preventive measures</p> <ul style="list-style-type: none"> Produced reports in accordance with the TCFD framework and obtained Level 5+ Excellence certification from the British Standards Institution (BSI) for two consecutive years. Joined the PCAF and SBTi initiatives; conducted a thorough investigation into the amount of financial carbon emissions from the Group's investment/financing positions using the PCAF methodology; and gradually introduced the SBTi methodology to set carbon reduction targets and met TCFD disclosure requirements. <p>Mitigating measures</p> <ul style="list-style-type: none"> Include climate change risks in the risk management policy and report the execution status to the Board of Directors; continue to participate in the Bankers Association of the Republic of China's climate change risk management & stress test projects; conduct transition risk analysis on major borrowers with substantial carbon emissions; and analyze investment positions of the insurance industry with regard to the following three scenarios: disorderly transition, long-term orderly transition and no transition. Progressively reduce the cap on the share of investment in or financing for high-pollution (energy consumption) industries. 	Responsible Finance WG
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Climate action

GRI 302-1: Energy consumption within the organization
 GRI 302-2: Energy consumption outside the organization
 GRI 302-3: Energy Intensity
 GRI 302-4: Reduction of energy consumption
 GRI 302-5: Reductions in energy requirements of products and services

GRI 305-1: Direct (Scope 1) GHG emissions
 GRI 305-2: Energy indirect (Scope 2) GHG emissions
 GRI 305-3: Other indirect (Scope 3) GHG emissions
 GRI 305-4: GHG emissions intensity
 GRI 305-5: Reduction of GHG emissions

 	<p>To facilitate the sustainable stability of environment and ecology, the Company is on a mission to pursue environmentally sustainable operations, while adopting various low-emissions operational practices, with the aim of lowering GHG emissions, reducing wastes, and facilitating the Group's transition to low-emissions operations.</p>	<p>Actual negative impact</p> <ul style="list-style-type: none"> In light of the fact that the Group has obtained a jump start in driving emissions reductions in Scope 1 and Scope 2, and related large power-hungry equipment has been replaced with energy-efficient equipment, its average annual emissions reduction compared with the previous year has hit a bottleneck since 2018. Furthermore, it needs to procure renewable energy to reach SBT emissions reduction targets, which is also quite costly. As the supply of renewable energy is still in the development stage in Taiwan, the renewable energy market may struggle to keep up with demand when corporations start to procure large amounts of renewable energy in order to align with the "Climate Change Response Act" Net Zero 2050 policy going forward. A new carbon fee mechanism has been added to the "Climate Change Response Act", and the Environmental Protection Administration will submit draft measures for carbon fee collection, including related details such as announcements of parties subject to fee collection, rates, proactive corporate carbon emissions reduction, and preferential rates for reduced carbon fee, which may increase the Group's operating costs. <p>Realistic positive impact</p> <ul style="list-style-type: none"> Actively participate in external environmental competitions to vie for accolades in an effort to cultivate a environment-friendly and energy-conserving culture. Implementing energy conservation, emissions reduction, water conservation and garbage reduction is conducive to reducing operating costs. Colleagues concur and strive to carry out tasks for the conservation of environment, and will work together to reach various energy conservation and emissions reduction targets set by the Company. 	<p>Mitigating measures:</p> <ul style="list-style-type: none"> To align with the country's Net Zero 2050 goal, the Group has adopted the absolute reduction method to limit warming to 1.5°C per SBT goals. It has set the goal that the combined annual amount of carbon emissions from Scope 1 and Scope 2 shall be 4.2% less than that in the benchmark year (2021). Conduct the "Carbon Management & Energy Conservation Competition Among Domestic Business Units"; assign respective emissions reduction targets to domestic business units and announce their execution status on a quarterly basis; ranking will be determined in accordance with their goal achievement rates at the end of each year; business units with outstanding results will be cited and awarded; business units failing to reach their emissions reduction targets are required to submit their emissions reduction plans and follow through with them. Sign renewable energy transfer agreements with renewable energy suppliers to procure renewable energy with "bundled renewable energy certificates"; renewable energy has been transferred to the Bank's 18 locations of operations since December 2021, with plans to progressively expand the transfer to more locations going forward. 	Environmental Sustainability WG
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KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

for the financial services industry: Product portfolio
 FS1: Related policies applicable to specific environments and social elements for various business operations

KPI 1: Fill out the CDP questionnaires for climate change	100%	100%	100%	100%																								
KPI 2: Introduce science-based targets (SBT) for carbon reduction	Evaluate the feasibility of introducing SBT and quantify the financial impact on two sensitive industries in the face of climate change risks	100%	Banks, securities firms, life insurance companies, securities investment trust enterprises, AMCs and venture capital subsidiaries formulate SBT emissions reduction targets for their investment/financing operations.	Formulate group-wide SBT emissions reduction targets by Nov. 9, 2024 and submit them to SBTi for review																								
KPI 3: First Bank's credit caps for highly polluting/high energy consumption industries	≤14.0%	100%	< 13.75%	By 2026 <13%																								
KPI 4: Credit caps for highly polluting/high energy consumption industries	<table border="1"> <tr><td>Bank</td><td>≤13%</td></tr> <tr><td>Securities</td><td>≤30%</td></tr> <tr><td>Life Insurance</td><td>≤13%</td></tr> <tr><td>Venture Capital</td><td>≤10%</td></tr> </table>	Bank	≤13%	Securities	≤30%	Life Insurance	≤13%	Venture Capital	≤10%	100%	<table border="1"> <tr><td>Bank</td><td>≤12%</td></tr> <tr><td>Securities</td><td>≤27%</td></tr> <tr><td>Life Insurance</td><td>≤12%</td></tr> <tr><td>Venture Capital</td><td>≤10%</td></tr> </table>	Bank	≤12%	Securities	≤27%	Life Insurance	≤12%	Venture Capital	≤10%	<table border="1"> <tr><td>Bank</td><td>2026≤10%</td></tr> <tr><td>Securities</td><td>2027≤15%</td></tr> <tr><td>Life Insurance</td><td>2028≤10%</td></tr> <tr><td>Venture Capital</td><td>2028≤7%</td></tr> </table>	Bank	2026≤10%	Securities	2027≤15%	Life Insurance	2028≤10%	Venture Capital	2028≤7%
Bank	≤13%																											
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Bank	2026≤10%																											
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Venture Capital	2028≤7%																											

GRI 305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
 GRI disclosure index for the financial services industry: Product portfolio
 FS4: The procedure of improving employees' capability to execute at various business operations, with an attempt to implement environmental and social policies and processes pertaining to such operations

KPI 1: Combined group-wide amount of carbon emissions reduction from Scope 1 & Scope 2 (metric tons of CO ₂ e)	557	116%	919.49	Annual reduction of 919.49
KPI 2: Amount of group-wide recourses recycled (metric tons)	≥173.91	130%	≥182.72	By 2028 Accumulate ≥994.26
KPI 3: Number of buildings belonging to the Group that have won the Green Building Label	An aggregate of 34 buildings	100%	An aggregate of 36 buildings	An aggregate of 46 buildings
KPI 4: Renewable energy is produced and used	120,000 kWh	214%	210,000 kWh	An aggregate of 1,200,000 kWh
KPI 5: The Group's total water consumption (million liters)	<214.8	100%	<242.15	Accumulate <1,079
KPI 6: Group-wide garbage amount (metric ton)	<287.7	100%	<337.21 *: Compared with 2022, 50 metric tons have been added as target for overseas branches of First Bank	Accumulate <1423.42

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Sustainable procurement & supplier management

GRI 2-6: Events, value chains and other commercial relations
 GRI 204-1: Proportion of spending on local suppliers
 GRI 308-1: New suppliers that were screened using environmental criteria
 GRI 308-2: Supply chain's negative impact on environment and countermeasures
 GRI 403-7: Prevent and mitigate occupational safety and health impact directly related to business operations

GRI 407-1: Locations of operations or suppliers likely to encounter risks associated with freedom of association and collective bargaining



Formulate the "Supplier Management Guidelines" as the policy and guiding principles for the Group's companies to manage their suppliers; demand that suppliers abide by the Universal Declaration of Human Rights, rules and generally acknowledged basic labor and human rights principles, regulations relating to environmental protection, occupational health and safety, and international trends in ethical management and sustainable corporate development; share resources with suppliers and strive for value co-creation.

Potential negative impact

- Some suppliers operate on a monopolistic or oligopolistic basis in Taiwan, while others are merely agents or importers. As a result, companies that procure from them are unable to ascertain if the product manufacturing process is consistent with environment-friendly or low carbon emissions requirements. It could also be challenging to engage with manufacturers.

Actual negative impact

- As suppliers are unable to produce Green Labels for all of their products, it is therefore difficult to increase the proportion of green purchasing.

Realistic positive impact

- Procurement of energy-saving and water-conserving products with Green Labels would effectively reduce operating costs.
- The Company engages with suppliers in areas of climate change and environmental sustainability while sharing the concept of circular economy, in hopes of helping them transform, staying on top of sustainable business opportunities, and bringing its financial influence into full play.

Preventive measures

Obtained the "ISO 20400 Sustainable Procurement-Guidance Performance Review" certification, as all suppliers agreed to abide by the Company's "Supplier Management Guidelines" while signing the "Declaration on Human Rights and Environmental Sustainability Clauses"; conduct regular audits to determine if suppliers have come across issues concerning environmental protection, occupational hazards, or have violated labor regulations; urge suppliers that have been fined for breaching related regulations to come up with improvement plans, or terminate business partnership with them.

Environmental Sustainability WG

Digital innovation and inclusion

GRI industrial disclosure index for the financial services industry: Product portfolio
 FS8: The monetary value of products and services designed to create environmental benefits by various business operations are categorized in accordance with their purposes



Actively deploy digital services in keeping with digital trends in the post-pandemic era; create an integrated one-stop financial platform for various life domains; implement the integration of virtual and physical channels as well as banking as a service (BaaS)/banking as a platform (BaaP); bring omni-channel value into full play; create best customer experiences; and improve competitiveness for digital transformation.

Potential negative impact

- Brand loyalty among young generations of customers is relatively low in the digital age, which, along with stiff competition among pure online banks in Taiwan, presents a major challenge in terms of how to create an emotional connection and solidify interactions. Competitive edge could also be further affected.
- Financial innovation and changes have accelerated and emerging fintech has thrived in the post-pandemic era, which has increased the risk of new technologies (such as eKYC and online identity validation, etc). All of these put the ability to connect, carry and monitor information to the test. If monitored improperly, disputes over financial consumption and usage rights may arise.

Potential positive impact

- The gradual easing of regulations and restrictions on open banking and data sharing as well as breakthroughs in lowering technical barriers are conducive to improving precision marketing for sales, as well as cross-industry and cross-selling cooperation.

Potential positive impact

- The need for zero-contact financial services has emerged in the post-pandemic era, and traditional financial institutions could combine technologies such as cloud computing, artificial intelligence and blockchains to accelerate rollout of financial products, reduce installation costs, and take advantage of business opportunities.
- Leverage intelligent technologies and social media to enhance marketing recommendations and services, in order to create differentiated services for digital finance, focus on specific market segments, and break through regional restrictions for financial services.
- Leverage big data to optimize and refine loan models to reduce manual operation and connect to data sources from different industries; and invest in emerging technology domains to seek out niche products and refine customer experiences.

Preventive measures

- Solidify emerging payment operations, and continue to expand to diverse application domains to create financial services with higher levels of differentiation.
- Use existing clientèle to enhance digital penetration and improve contribution of digital products.
- The Group conducts value stream mapping for important operations from the top down through "Digital Transformation 2.0 Consensus Camp" and "Strategic Team for Digital Development", focusing on action plans for process optimization and cost reduction, with the aim of continuing to improve benefits and digital capacity.

* : Value stream refers to the process integration aimed at reducing costs and wasted time during the course of product manufacturing and service rendering in order to add value.

Sustainable Financial Products and Services WG



KPI	2022 Goals	Comple- tion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

GRI 414-1: New suppliers that were screened using social criteria
 GRI 414-2: Negative social impact within the supply chain and countermeasures
 GRI disclosure index for the financial services industry: Product portfolio
 FS2: The process of assessing and screening environmental and social risks for various business operations

KPI 1: Signature rate of the "Declaration on Human Rights and Environmental Sustainability Clauses" of suppliers(%)	100	100%	100	100
KPI 2: Amount of green purchasing	≥NT\$ 80 millions	189%	≥NT\$83.268 millions	Accumulate NT\$433.473 millions
KPI 3: "ISO 20400 Sustainable Procurement-Guidance Performance Review" certification	Obtained the "ISO 20400 Sustainable Procurement-Guidance Performance Review" certification	100%	Continue to conduct operations pertaining to Sustainable Procurement-Guidance Performance Review certification	
KPI 4: Green accolades	Chosen as an outstanding business entity for green purchasing	100%	Chosen as an outstanding business entity for green purchasing in consecutive years	

KPI 1: Accumulated number of bundled cards for mobile payment	650,000	133%	900,000	By 2024 920,000
KPI 2: Usage rate of digital channels (%)	88	100%	90	By 2028 93
KPI 3: Accumulated number of cases of acquired fintech patents	125	116%	145	By 2024 155
KPI 4: Number of application cases for online credit cards	80,000	134%	80,000	By 2024 82,000
KPI 5: Share of electronic securities transactions (%)	75	116%	75.5	By 2028 77.7
KPI 6: Share of electronic transactions at securities investment trust enterprises (%)	61.5	100%	61.7	Up 2% annually from the previous year
KPI 7: ATMs with newly added or improved barrier-free access	10 ATMs	490%	1.5 ATMs 2. Vietnamese, Indonesian, Thai and Japanese interfaces added to existing ATMs	5 ATMs per year

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Social impact

GRI 201-1: Direct economic value generated and distributed by the organization
 GRI 203-1: Investment in infrastructure & development of and impact on support services
 GRI industrial disclosure index for the financial services industry: Product portfolio
 FS1: Related policies applicable to specific environments and social elements for various business operations
 GRI industrial disclosure index for the financial services industry: Local communities
 FS7: The monetary value of products and services designed to create social benefits by various business operations is categorized in accordance with their purposes

	<p>Pay equal attention to corporate sustainable responsibilities for promoting community and cultural development as well as a friendly environment; continue to push forward the four major corporate citizenship and philanthropy strategies of "social care", "green care", "sport competitions", and "artistic cultural creation".</p>	<p>Potential negative impact</p> <ul style="list-style-type: none"> The global COVID-19 pandemic has raged on for several years, resulting in anemic economic activities while making it more difficult for underprivileged individuals and families to access resources. It takes well thought-out deliberations and planning to maximize limited resources available to the financial industry, combine them with the industry's core competencies, and get the nod from shareholders. <p>Potential positive impact</p> <ul style="list-style-type: none"> However, the pandemic boosts digital financial activities, brings business opportunities to online video technologies, and changes people's lifestyles. In addition to expanding diverse business opportunities, organizing charitable activities and working with customers in cross-sector alliances can also promote the philosophy of sustainable finance. Moreover, integrating core competencies to practice ESG and resolving social and environmental issues will improve the Company's image, gain business revenue, and improve the Company's business performance. 	<p>Preventive measures</p> <ul style="list-style-type: none"> Green care: Continue to organize green volunteer activities and the Green Light Sustainability Program. Social care: Continue to organize the Loving Volunteers and equal rights activities. Sport competitions: Continue to organize large sporting events and carry on the plan to cultivate seeds for table tennis. Artistic Cultural Creation: Continue to organize large concerts, musical performances, diverse art & cultural exhibitions, campus anti-narcotic education campaigns, and art & cultural creation contests.
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Community Engagement WG

Human rights protection & gender equality

GRI 2-30: Collective bargaining
 GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage
 GRI 202-2: Proportion of senior management hired from the local community
 GRI 402-1: Minimum notice periods regarding operational changes
 GRI 405-1: Diversity of governance bodies and employees
 GRI 405-2: Ratio of basic salary and remuneration of women to men

	<p>Abide by regulations pertaining to labor and human rights; comply with the Universal Declaration of Human Rights, including gender equality rights, workers' rights and anti-discrimination rights; and formulate related management policies and procedures.</p>	<p>Potential negative impact</p> <ul style="list-style-type: none"> Failure to protect labor rights and promote gender equality will affect talent recruitment and retention. It may even impact the Company's business reputation and brand image and cause the Company to lose business. <p>Potential negative impact</p> <ul style="list-style-type: none"> Failure to provide a working environment promoting fair competition, and failure to facilitate communications and coordination between employees and employers, may trigger labor disputes or even confrontation. Or it could result in penalties for violation of regulations. <p>Potential positive impact</p> <ul style="list-style-type: none"> Organizing human rights education training pertaining to gender equality and prevention of sexual harassment, establishing an equal rights concept among employees, and guarding against discrimination or illegal encroachments could promote harmony between employees and employers and improve organizational performance. Incorporating human rights protection into the Company's policies and implementing these policies will not only help improve the Company's image and retention rate but also lower the turnover rate of new employees and talent training costs. 	<p>Preventive measures</p> <ul style="list-style-type: none"> Comply with internationally recognized human rights standards such as "Universal Declaration of Human Rights", "UN Global Compact", and "UN Guiding Principles on Business and Human Rights"; formulate commitments pertaining to human rights; ensure that employees are entitled to internationally recognized labor and human rights; and provide a complaints mechanism while making sure that the process is equal and transparent. Examine the Group's own operations, its value chains and other related events through human rights due diligence and risk evaluation, as well as preventive and mitigating mechanisms; formulate improvement plans and follow up on execution results. <p>Management measures</p> <ul style="list-style-type: none"> Participated in Bloomberg Gender Equality Index, (GEI) and won international recognition.
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Employee Care WG



KPI	2022 Goals	Comple- tion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

FS8: The monetary value of products and services designed to create environmental benefits by various business operations is categorized in accordance with their purposes
 GRI industrial disclosure index for the financial services industry: Local communities
 FS14: Advocate the provision of better financial services and related measures for the underprivileged community
 FS16: Advocate related measures to enhance financial knowledge on the part of various types of beneficiaries
 SASB: FN-CB-240a.4

KPI 1: The Green Light Sustainability Program helps far-flung primary schools and underprivileged groups to upgrade to LED lamps (number of households)	24	104%	15	Accumulate 30 sessions
KPI 2: Sessions of green care events	63 sessions	129%	51 sessions	Accumulate 200 sessions
KPI 3: Sessions of social care events	121 sessions	126%	125 sessions	Accumulate 550 sessions
KPI 4: Sessions of sport competitions	2 sessions	300%	6 sessions	Accumulate 25 sessions
KPI 5: Sessions of art & cultural creation events	24 sessions	150%	28 sessions	Accumulate 10 concerts/ 25 sessions of art & cultural exhibition

GRI 406-1: Incidents of discrimination and corrective actions taken by the organization
 GRI 407-1: Locations of operations or suppliers likely to encounter risks associated with freedom of association and collective bargaining
 GRI 410-1: Security personnel receiving training on human rights policies or procedures

KPI 1: Reduced the occurrence of "illegal encroachments in the line of duty" (%)	≤0.25	100%	≤0.25	≤0.25																																								
KPI 2: Risk of incidence for sexual harassment complaint cases (%)	0.15	0	0.15	0.15																																								
KPI 3: Percentage of women in related STEM positions (%) (*: STEM refers to science, technology, engineering and mathematics)	<table border="1"> <tbody> <tr> <td>Bank</td> <td>≥35</td> </tr> <tr> <td>Securities</td> <td>≥50</td> </tr> <tr> <td>Securities Investment Trust</td> <td>≥50</td> </tr> <tr> <td>Life Insurance</td> <td>≥57</td> </tr> <tr> <td>AMC</td> <td>≥50</td> </tr> </tbody> </table>	Bank	≥35	Securities	≥50	Securities Investment Trust	≥50	Life Insurance	≥57	AMC	≥50	<table border="1"> <tbody> <tr> <td>Bank</td> <td>104%</td> </tr> <tr> <td>Securities</td> <td>117%</td> </tr> <tr> <td>Securities Investment Trust</td> <td>113%</td> </tr> <tr> <td>Life Insurance</td> <td>102%</td> </tr> <tr> <td>AMC</td> <td>143%</td> </tr> </tbody> </table>	Bank	104%	Securities	117%	Securities Investment Trust	113%	Life Insurance	102%	AMC	143%	<table border="1"> <tbody> <tr> <td>Bank</td> <td>≥35</td> </tr> <tr> <td>Securities</td> <td>≥50</td> </tr> <tr> <td>Securities Investment Trust</td> <td>≥50</td> </tr> <tr> <td>Life Insurance</td> <td>≥57</td> </tr> <tr> <td>AMC</td> <td>≥50</td> </tr> </tbody> </table>	Bank	≥35	Securities	≥50	Securities Investment Trust	≥50	Life Insurance	≥57	AMC	≥50	<table border="1"> <tbody> <tr> <td>Bank</td> <td>≥35</td> </tr> <tr> <td>Securities</td> <td>≥50</td> </tr> <tr> <td>Securities Investment Trust</td> <td>≥50</td> </tr> <tr> <td>Life Insurance</td> <td>≥60</td> </tr> <tr> <td>AMC</td> <td>≥50</td> </tr> </tbody> </table>	Bank	≥35	Securities	≥50	Securities Investment Trust	≥50	Life Insurance	≥60	AMC	≥50
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AMC	≥50																																											
KPI 4: Proportion of personnel receiving training on sexual harassment prevention, gender equality and human rights protection (%)	100	100%	100	100																																								

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit
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Diverse recruitment & skill cultivation

GRI 2-7: Employees
 GRI 2-8: Non-employee workers
 GRI 202-2: Proportion of senior management hired from the local community

GRI 401-1: Newly hired employees & departed employees
 GRI 404-1: Average hours of training per employee per year



Recruit diverse talents in line with the Company's operational strategy and goal of sustainable development; provide holistic education training on ESG and sustainable finance; improve employees' job skills and regularly subject them to performance and career development reviews; enhance the diversity and inclusiveness of the labor force; actively engage with school campuses to provide internship programs and scholarships; and cultivate outstanding talents with potential.

Potential negative impact

- Confronted with impact brought on by the pandemic, financial digital technologies continue to innovate while rules and regulations are rapidly changing. The financial industry keenly needs interdisciplinary talents from domains such as AI, digital technologies and sustainable development to join them. In the event that cultivation of professional talents and transformation fall short, the Company's sustainable management and profitability could be affected.

Potential positive impact

- Professional talents at overseas branches have been poached by the competition, leading to high turnover rates. Loss of mid-level supervisors is detrimental to employee cultivation, business expansion and the relay of experiences.
- **Realistic positive impact**
- The pandemic has created a boom in digital services. Enhancing employees' digital thinking and learning capability is conducive to innovation and development for digital business models, as well as the realization of sustainable development blueprints.
- Rapid expansion of overseas locations provides employees with a stage for international career development, while drawing diverse and outstanding talents to come on board.
- Enhance the digital learning platform; aside from improving employees' professional capabilities, this could also help employees develop a second specialty and obtain professional certificates.

Preventive measures

- Low birth rates, the retirement boom and digital technology developments have transformed financial service models. The Company's various subsidiaries have conducted strategic long-term manpower analysis and research, and discussed countermeasures for possible future manpower shortfalls and issues associated with recruiting talents required for sustainable development.

Management measures

- Actively participate in campus recruitment expos to recruit outstanding talents from more channels.
- Help employees cultivate diverse skills; provide digital learning courses; and encourage autonomous and lifelong learning.
- Actively recruit outstanding talents proficient in foreign languages (English, Japanese and German) to complement the establishment of bi-lingual branches and overseas business expansion.

Employee Care WG

Talent retention and friendly benefits

GRI 2-19: Remuneration Policy
 GRI 201-3: Obligation to define benefit packages & other retirement plans
 GRI 401-1: Newly hired employees & departed employees

GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees



Strive to construct a competitive remuneration system and benefit packages with employees at the heart; build a diverse, inclusive and friendly working environment where colleagues respect one another; improve employee engagement; and make the Company more attractive for talented job-seekers and facilitate their retention.

Potential negative impact

- The retirement boom has led to high turnover rates, which could easily trigger organizational manpower gaps and manpower shortage.
- Due to digital technology development, automation has gradually replaced traditional manpower. Future manpower needs and changes in working styles have exacerbated turnover of financial/technology talents while increasing employment cost.
- If there is no fair, transparent, reasonable, and competitive compensation and benefit system, the Company may encounter talent loss.

Realistic positive impact

- Establish comprehensive welfare measures and a competitive compensation system to retain key talent, reduce the gap in manpower caused by retirement waves, and build a solid foundation for sustainable development of the Company.
- Employees' willingness to stay with the Company could be increased if we understand their level of satisfaction about work and recognition of the Company through engagement surveys. We could further improve our operation and management system.

Preventive measures

- Organize employee saving/employee stock ownership trust or group annuity insurance to increase their willingness to stay with the Company for the long haul.
- Provide subsidies for weddings, funerals, birthdays or allowances; continue to survey for benefit packages above and beyond regulatory requirements; and encourage childbirth.
- Promote a diverse and friendly working culture; provide a fair, reasonable and competitive working environment and remuneration policy.

Employee Care WG



KPI	2022 Goals	Comple- tion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations
					Procurement/Suppliers Front-end Financial Services for Customers ^{*1} Financial Transactions ^{*2} Value Chain Stage and Relations Backend Financial Services for Customers ^{*3} Old Assets ^{**}

GRI 404-2: Programs for upgrading employee skills and transition assistance programs
 GRI 404-3: Percentage of employees receiving regular performance and career development reviews
 GRI 405-1: Diversity of governance bodies and employees

KPI 1: Cultivate overseas trainees	20 persons	150%	Over 20 persons	Depending on overseas sales development requirements
KPI 2: Share of employees taking English proficiency tests (%)	37	106%	38	By 2025 40
KPI 3: Average hours of training received per person (hour)	Bank 42 Securities 51 Securities Investment Trust 50 Life Insurance 51 AMC 15.5	Bank 164% Securities 163% Securities Investment Trust 102% Life Insurance 104% AMC 118%	Bank 45 Securities 51.5 Securities Investment Trust 51 Life Insurance 51 AMC 16	Bank 45 per year Securities By 2028 54.5 Securities Investment Trust 52 per year Life Insurance By 2028 53 AMC By 2028 18
KPI 4: Average test score upon completion of training courses (point)	Bank 75 Securities 75.4	Bank 116% Securities 131%	Bank 76 Securities 75.6	Bank 2025 77 Securities 2025 76

GRI 401-3: Parental leave
 GRI 404-2: Programs for upgrading employee skills and transition assistance programs
 SASB: FN-CF-270a.1

KPI 1: Employee retention rate (%)	Bank 81 Securities 75.4	Bank 119% Securities 109%	Bank 82 Securities 75.6	Bank 2025 85 Securities 2025 76
KPI 2: Employee engagement survey (%)	Commitment participation rate: 92 Overall survey satisfaction rate: 81	Commitment participation rate: 108% Overall survey satisfaction rate: 115%	Commitment participation rate: 92 Overall survey satisfaction rate: 81	Commitment participation rate: 92 Overall survey satisfaction rate: 81
KPI 3: Maternity leave and paternity leave above and beyond regulatory requirements	58 days of "maternity leave" and 8 days of "prenatal checkup leave, spousal prenatal checkup leave and paternity leave"	106%	Each employee is entitled to two days of paid leave for artificial insemination each year	Continuous processing
KPI 4: Job resumption rate after parental leave without pay (%)	≥80	121%	≥80	≥80
KPI 5: Proportion of employees participating in benefit savings & trust programs (%)	≥94	104%	≥94	2024 ≥95

Material topics and GRI specific topics	Policies/ Commitment	Impact Explanation	Action	Responsible Unit	
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Occupational safety and health

- GRI 403-1: Occupational health & safety management system
- GRI 403-2: Hazard identification, risk evaluation and disaster event investigation
- GRI 403-3: Occupational health service
- GRI 403-4: Participation, consultation and communications on the part of workers concerning occupational health and safety
- GRI 403-5: Training for workers concerning occupational safety



A healthy workforce is key to sustainable corporate development; create a safe working environment; maintain employees' physical and mental health; and elevate a healthy workforce.

Potential negative impact

- In the event of increased incidence of hazardous events pertaining to safety and health at the workplace, the Company's image could be affected. Uncertainty over safety and health at the work place could erode employees' trust in the Company. Elevated employee absence rates affect employee production output while increasing HR costs and expenditures.
- Laws and regulations are becoming increasingly stringent. If the company fails to comply with laws and regulations, it will be at risk of being punished and having the company's image affected.

Potential positive impact

- Continue to promote education training on occupational health and safety and health management through identification of workplace hazards; create a healthy, safe and happy workplace; and elevate the overall business performance.
- We could solve employees' work, family and health issues by paying close attention to different working styles and a diverse group's mental and physical needs, as well as by adopting various preventive measures. If we do so, employees could have peace of mind at work, and we could also improve organizational performance.

Preventive measures

- Draft preventive plans and mitigating measures based on the health risks that need to be managed, as identified in the employee health risk heat map, with the aim of reducing occupational hazards and incidence of health hazards.

Mitigating measures

- Continue to implement the "Maternal Employee Health Protection Plan," "Human-Factor Hazard Prevention Plan," and "Abnormal Workload-Triggered Diseases Prevention Plan."

Management measures

- Continue to refine the "ISO 45001 Safety and Health Management System" and maintain the validity of the certificate; and create a safe and healthy working environment.

Employee Care WG



KPI	2022 Goals	Completion Rate	2023 Goals	Medium/Long-Term Goals (2024-2028)	Value Chain Stage and Relations			
					Procurement/Suppliers	Front-end Financial Services for Customers ^{*1}	Financial Transactions ^{*2}	Value Chain Stage and Relations Backend Financial Services for Customers ^{*3}

GRI 403-6: Promotion of workers' health
 GRI 403-8: Workers covered by the occupational health and safety management systems
 GRI 403-9: Occupational injuries
 GRI 403-10: Work-related diseases

KPI 1: Absence rate (%)

	Absenteeism rate	Actual absenteeism rate	Absenteeism rate	Absenteeism rate
Bank	≤1	Bank 0.57	Bank <0.8	Bank 2024 <0.8
Securities	≤1	Securities 0.86	Securities <1	Securities 2024 <0.95
Securities Investment Trust	≤1	Securities Investment Trust 1.48	Securities Investment Trust <1	Securities Investment Trust 2026 <1
Life Insurance	≤1.9	Life Insurance 1.87	Life Insurance <1.9	Life Insurance 2024 <1.8
AMC	≤0.98	AMC 0.59	AMC <0.98	AMC By 2028 <0.87

KPI 2: Obtained Healthy Workplace Certification-Location of Operations

All of the Bank's domestic branches have obtained certification and maintained its validity

100%

Maintain the validity of the certification

Continuous processing

KPI 3: Protection rate under the "Abnormal Workload-Triggered Diseases Prevention Plan" (%)

100

100%

100

100

KPI 4: Protection rate under the "Maternal Employee Health Protection Plan" (%)

≥82

112%

≥82

By 2024 ≥82

KPI 5: Rate of clinical visits by employees diagnosed with major abnormalities in their physical examination reports (%)

≥70

105%

≥75

By 2026 ≥80



● : Direct impact ○ : Leading to impact (indirect impact) ⊙ : Impact on business relations

Remarks :

*1 : Product marketing and sales

*2 : Loans and investments

*3 : Digital financial services and backstage operations

*4 : Replaced old machinery and equipment, waste disposal, and resource recycling

GOVERNANCE FACTORS

Business Performance

GRI : 2-6、2-28、201-1

1-1 Basic Information and Operating Overview

●○ Background of First Financial Holding Co., Ltd.

Establishment Date	January 2, 2003
Head office address	Taiwan (No. 30, Section 1, Chongqing South Road, Zhongzheng District, Taipei City)
Paid-in capital	NT\$132.234 billion
Assets	NT\$4,157.196 billion
Subsidiaries	Financial sector businesses including banking, securities, credit investment, life insurance, financial asset management, venture capital, management consulting, investment consulting, and leasing
Number of employees	10,095
Business category	Financial services
Stock code	TWSE: 2892

●○ Shareholder Structure

Government institutions	Government funds and public institutions	Financial institutions	Other institutional investors	Individuals	Foreign institutions and individuals
11.49%	3.13%	16.01%	9.83%	35.35%	24.19%

* : Information as of April 18, 2023. The number of common stock in circulation is 13,223,442,269 shares (special shares have not been issued).

In 2022, the Bank led the industry for 13 consecutive years in "small and medium enterprise (SME) lending" while the securities firm was selected for 2 consecutive years by the Taiwan Stock Exchange as an "Excellent Securities Firm in Disclosure of Due Diligence and Governance Information for Institutional Investors" and counseled the public listing of Starlux Airlines. The credit investment business obtained acting quota of the pension fund for 2 consecutive years. Additionally, the scale of self-owned investment capital of the life insurance business has achieved NT\$66 billion, a 12.82% growth compared to 2021; the management consulting business has coordinated with the government's energy transition policy through actively raising a green energy fund; in terms of digital transformations, the Bank's iLeo is now the 5th largest owner of digital accounts in the market while the securities, credit investment, and life insurance businesses are actively strengthening electronic transaction platforms by introducing RPA to boost performance as well as continue with the promotion of online insurance businesses; in terms of business innovation, the Bank's green financing and sustainable bonds have exhibited continuous growth while the credit investment business has raised new funds such as the core strategic construction and satellite ETF funds.

Features

- 46 overseas offices now encompass Europe, Asia, North America, and Oceania
- First Bank has remained the number one bank in Taiwan in SME lending for 13 years in a row
- Securities counseled Starlux Airlines for public listing and trading as an emerging stock
- For 2 consecutive years, the securities business was entrusted by the Bureau of Labor Funds to operate domestic business by applying both the new and old pension systems

Digital Transformation

- The Bank's iLeo account becomes the fifth largest digital account in the market
- Number 1 public bank in "number of linked digital 5X stimulus vouchers"
- Securities promotes online account opening app and strengthens electronic trading platform
- Credit investment introduces RPA to strengthen the efficiency of anti-money laundering operations
- Life Insurance promotes online insurance business

New Products

- Continued growth in the Bank's green financing and sustainable bonds
- Credit investment raises "FFHC Taiwan Core Strategic Construction Fund" and "FFHC Satellite ETF Securities Investment Trust Fund"

Sustainability and net zero

- Selected by the Financial Supervisory Commission as the only public financial institution in the "Coalition of Movers and Shakers on Sustainable Finance"
- Won 6 major awards including the "11th Elite Awards - Best ESG Award - 2nd" and "Taiwan Corporate Sustainability Award"
- Joined the Partnership for Carbon Accounting Financials (PCAF) and Science Based Targets initiative

In terms of financial performance, profits by the Group and bank subsidiary have achieved new record highs; other subsidiaries excluding the bank maintained existing operating resilience despite impact from adverse markets. In addition to financial performance, First Financial Holding (FFHC) upholds the operating principle of "governance rooted in integrity for a sustainable future" by dedicating efforts into the aspects of responsible governance, environmental management, a happy workplace, and social inclusion. Aside from being selected for consecutive years into the Dow Jones Sustainability Index's (DJSI) "Global Index" and as a constituent stock in FTSE4Good Emerging Index, FFHC is the only domestic company from the financial sector that has achieved the Leadership Level for the CDP climate change questionnaire for 5 straight years. We strive to maintain and uphold the value of the "First Brand in Sustainable Finance". In terms of sustainability and net zero, the Company was selected by the Financial Supervisory Commission into the "Coalition of Movers and Shakers on Sustainable Finance" as well as winning "11th Elite Awards - Best ESG Award - 2nd" while the Bank won 6 major awards including the "Taiwan Corporate Sustainability Award". The Company signed on to PCAF and SBTi in 2022 in a gradual realization of First Financial Group's medium- and long-term decarbonization targets.

1-2 Total number of business sites worldwide

With the head office of operations in Taiwan, First Financial Group has 223 operating locations and 540 automated teller machines (ATM) across the island in both urban and rural regions (including remote areas such as Nantou, Pingtung, Hualien, Taitung, and Penghu). Overseas operating locations span North America, Asia, Europe, and Oceania; one subsidiary, First Bank, has established 19 operating locations in New Southbound Countries (including in least developed countries such as Myanmar, Cambodia, and Laos). A branch opened in Frankfurt, Germany during January 2023, making it the first German branch of a national bank from Taiwan.

Our Group's overseas presence

Region	Current sites
America	Bank: Los Angeles branch, New York branch, Houston branch Vancouver branch, and Toronto Branch; First Commercial Bank (U.S.A.) branch and its 8 sub-branches including the Alhambra Branch, City of Industry Branch, Silicon Valley Branch, Irvine Branch, Arcadia Branch, Fremont Branch, Chino Hills Branch and San Mateo Branch 13
Asia	China/Hong Kong/Macao: Bank: Hong Kong Branch, Macao Branch, Shanghai Branch, Shanghai Pilot FTZ Sub-branch, Chengdu Branch, Xiamen Branch 6 Securities: First Worldsec (Hong Kong) 1 Leasing: FCB Lease (Chengdu), FCB International Leasing (Suzhou), FCB Lease (Xiamen) 3
Asia	Bank: Singapore Branch, Ho Chi Minh City Branch, Hanoi City Branch, Vientiane Branch (Laos), Manila Branch (Philippines), Phnom Penh Branch and its Chorm Chaov Sub-branch, Olympic Sub-branch, Chamkar Mon Sub-Branch, Tuol Kouk Sub-Branch, Mean Chey Sub-Branch, Chraoy Chongvar Sub-Branch, Siem Reap Sub-Branch, Phsar Derm Thkov Sub-Branch, Sen Sok Sub-Branch Bangkok Representative Office, Yangon Representative Office, and Jakarta Representative Office 18
Asia	Northeast Asia: Bank: Tokyo Branch 1
Europe	Bank: London Branch, Frankfurt branch 2
Oceania	Bank: Guam Branch, Brisbane Branch 2

Total 46 Overseas Locations

For more information on First Bank's domestic and overseas branches, please refer to the Bank's website



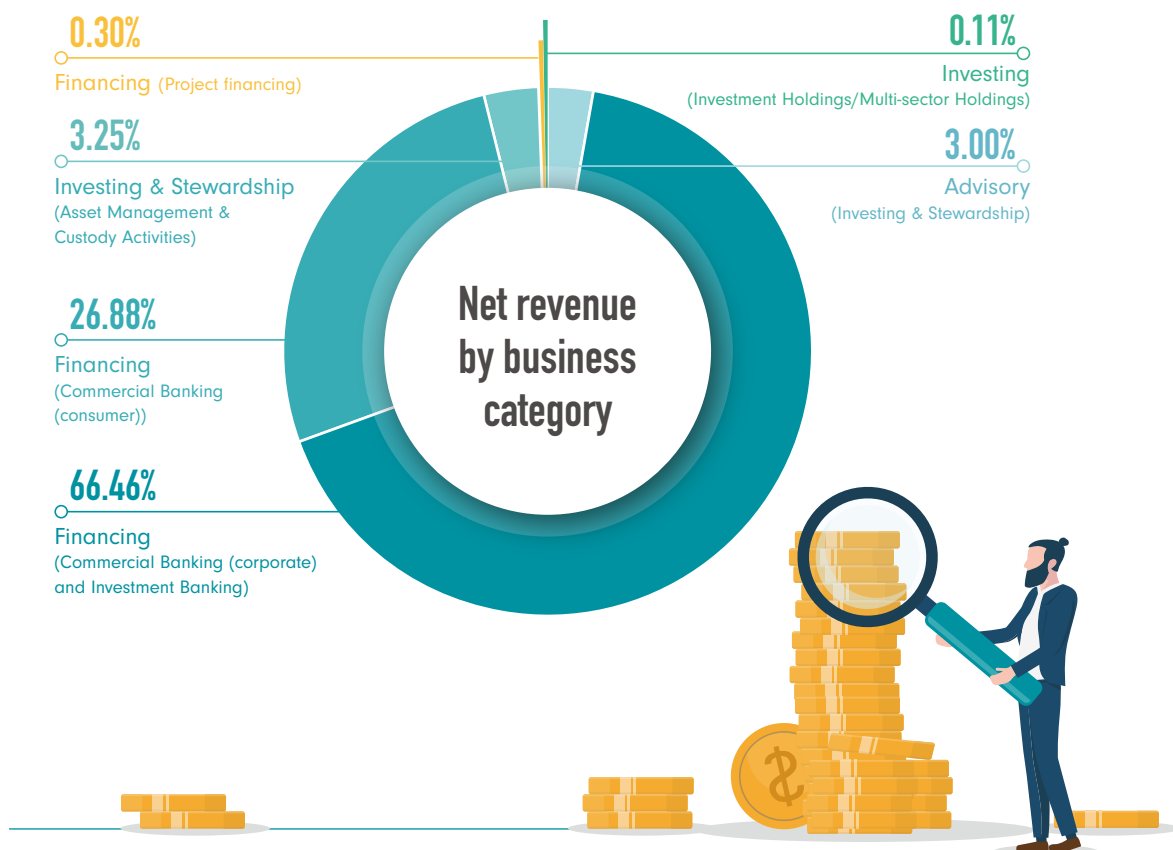
1-3 Financial performance

Unit: Thousands

Item	Year	2019	2020	2021	2022
Operating ability	Total Assets	3,206,767,075	3,550,503,691	3,739,593,907	4,157,195,982
	Total liabilities	2,987,034,568	3,329,296,822	3,515,047,049	3,933,073,412
	Shareholders' equity	219,732,507	221,206,869	224,546,858	224,122,570
	Net revenue	62,317,874	59,568,228	62,604,429	67,756,394
	Pre-tax profit	23,308,556	19,619,728	23,433,444	24,486,604
	Profit or loss after tax	19,368,751	16,807,541	19,739,045	20,595,663
Profitability	Return On Assets (%)	0.63	0.50	0.55	0.52
	Return on Equity (%)	9.11	7.62	8.86	9.18
	Earnings per share (NTD)	1.55	1.31	1.52	1.56
	Profit ratio (%)	31.08	28.22	31.53	30.40
Economic value distributed	Employee welfare expenses (including salary expenses)	15,550,872	16,131,065	17,331,619	17,818,913
	Income tax expense	2,386,045	2,709,087	3,154,083	4,757,872
	Investment in social welfare	92,580	79,850	84,230	96,383
	Cash dividends per share (NTD)	1.05	0.9	1.0	0.8
	Dividends per share (NTD)	0.3	0.1	0.2	0.3

*1 : Earnings per share without retroactive adjustment.

*2 : Grandson companies not included in the consolidated financial company include First Financial AMC B.V.I., and FCB Leasing B.V.I.



1-4 Credit rating

According to the credit ratings issued by credit rating agencies such as Taiwan Ratings, S&P and Moody's for 2022, our Group enjoys a strong competitive advantage in the financial industry and is a model of sound corporate governance. In the financial market, we have demonstrated very solid corporate values, a distributed customer base along with sound financial structure, risk control and excellent asset quality. The results from the long and short-term credit ratings as well as future outlook are shown right:

Credit Rating Agencies	FFHC			
	Short-term	Long-term	Outlook	Rating date
Taiwan Ratings	twA-1+	twAA-	Stable	2022.10.25
S & P	A-2	BBB	Stable	2022.10.25
Moody's	-	A2	Stable	2022.03.04

* : Credit rating definitions can be found at the Moody's (<https://www.moody.com>), S&P (<http://www.standardandpoors.com>) and Taiwan Ratings (<http://www.taiwanratings.com>) websites.

1-5 Participation in local and overseas organizations

The Company and subsidiaries have joined a variety of different associations of the financial industry and actively taken part in affairs to promote the sound development of the financial industry as a whole. To achieve sustainable corporate development, the Company also joined corporate sustainability/social responsibility organizations to obtain new knowledge on international corporate governance development, promote and implement the concept of sustainable development, and advocate and promote environmental protection and energy resource management. FFHC and its subsidiaries spent a total of NT\$260.65 million on industry connections and development as well as ESG-related organizations/ associations in 2022, and donated NT\$232.62 million to the Small and Medium Enterprise Credit Guarantee Fund of Taiwan.

Industry connections and development

- Bankers Association of the Republic of China
- The Bankers Association of Taipei
- Trust Association of R.O.C.
- Taiwan Securities Association
- Chinese National Futures Association
- R.O.C. Bills Finance Association
- Securities Investment Trust and Consulting Association of the R.O.C.
- The Life Insurance Association of the Republic of China
- Taiwan Venture Capital Association
- National Association of Small & Medium Enterprises, R.O.C.
- Small and Medium Enterprise Credit Guarantee Fund (SMEG)
- Agricultural Credit Guarantee Fund
- Overseas Credit Guarantee Fund



The Company's Chairman serves as the executive director of The Bankers Association of the Republic of China, the director of the Bankers Association of Taipei, and the Chairman of the Trust Association of R.O.C.; The Chairman of subsidiary First Securities also serves as the Director of Taiwan Securities Association.

ESG-related institutions/associations

- Asian Corporate Governance Association:(ACGA)
- Accounting Research and Development Foundation
- Taiwan Institute for Sustainable Energy - Center for Corporate Sustainability
- First Bank Culture & Education Foundation

The Company became a premium member of the Asian Corporate Governance Association (ACGA) in 2018 to obtain new knowledge on international corporate governance development and continued to make donations to the Center for Corporate Sustainability. The Chairman serves an advising director and is actively involved in helping the Center with promoting corporate sustainability education and hosting international forums. FFHC also made donations for the establishment of the First Bank Culture & Education Foundation which actively supports art and culture education and charitable causes with the aim of improving the quality of life of citizens and promoting social harmony.

Risk management and continuous operation

GRI : 2-27 、 205-1 、 FS1 、 FS2

Our company has established internal controls in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The system covers all business activities and require joint compliance by the Board of Directors, management, and all employees.

The Board of Directors shall be aware of the operational risks faced by the company or business, supervise its operating results and bears the ultimate responsibility for ensuring the establishment and maintenance of appropriate and effective internal control system.

To improve the internal control system and strengthen the Company's controls, we established three lines model in internal controls and clarified the roles and scope of duties of the three lines model to ensure the organization structure meets the principles of the three lines model and their effective operations.

2-1 First line roles – Internal inspection by Business unit

Business units are responsible for identifying, evaluating, controlling, and reducing risks derived from business activities based on their respective functions and scope of businesses. We established internal control procedures and execute risk management procedures to ensure that the execution of business operations meet the business policies and goals. We also organize self-inspection and self-assessments for internal controls and immediately propose improvement plans when processes and control procedures prove to be inadequate. According to the Company's 2021 "Legal Compliance Risk Assessment Report" submitted, reviewed, and ratified by the Board of Directors in June 2022, corruption risk assessments have been conducted for all of the Group's domestic and overseas operations. Of these, conflicts of interest and the personal activities of employees have been assessed as medium to high risk; internal regulations to manage banking, securities, credit investment, and insurance subsidiaries have been established across all levels to reduce the occurrence of corruption risks.

2-2 Second line roles – Sound compliance and risk management system

The second line roles include the Risk Management, Compliance, and other units with related tasks (e.g. financial control, human resources, and legal affairs) which are responsible for formulating overall risk management policies for main risks, supervising overall risk-bearing capacity and current status of risks already incurred, and reporting the risk management status to the Board of Directors or senior management.

1. Compliance system

FFHC, First Bank, First Securities, First Securities Investment Trust and First Life Insurance have all established dedicated compliance units reporting to the president in accordance of the law. Other subsidiaries also appointed the Chief Compliance Officers at their head offices. The Chief Compliance Officers are responsible for the planning, management and execution of the regulatory compliance system at their respective companies. FFHC is continuing to require all subsidiaries to enforce their compliance systems. Related developments in 2022 are as follow:

Implementation plan	Implementation Results
Supervision and management of the Board of Directors and the Audit Committee	<ul style="list-style-type: none"> The Company's annual compliance plans for 2022 were submitted to the Audit Committee and Board of Directors for review and passage before implementation. The subsidiaries reported the plans to the Board of Directors for review and passage before implementation. The subsidiaries reported the plans to the Chief Compliance Officer of the head office. The Company reports the implementation of the regulatory compliance system by each subsidiary to the Risk Management Committee bimonthly and to the Audit Committee and the Board of Directors semi-annually. Based on the results of compliance risk assessment of each subsidiary and the methodology of Group consistency, every year, the Company compiles the Group's compliance risk assessment report to report to the board of directors.
Regulatory change management	The Company provides a list of changes in external regulations to related departments and manages each department to comply with changes in external laws and regulations twice every month to ensure that all operations of the Company meet regulatory requirements.
Compliance training and self-assessment operations	Each company shall conduct compliance training and self-assessment operations at least once every six months. The companies organized a total of 746.2 hours of regulatory compliance education and training courses in 2022. A total of 35,200 people participated in the training.
Compliance performance evaluation	<ul style="list-style-type: none"> The legal compliance operations of the Company's departments in 2022 were submitted to the President for approval and the discrepancies in compliance matters were submitted to the supervisors of each department and the Human Resources Department as the basis for personnel evaluations. The results of the compliance system performance evaluation of subsidiaries in 2022 were reviewed by the Company's Board of Directors and sent to the subsidiary companies for reporting to the Board of Directors. They shall be used as the basis for personnel evaluations.
Compliance coordination and communication and onsite visits	<ul style="list-style-type: none"> FFHC organized 4 sessions of the "Group Chief Compliance Officers Meeting" for subsidiaries to report the implementation status of the legal compliance system, discuss important issues, or request the cooperation of the subsidiaries. We visited First Securities, First Securities Investment Trust, and First Life Insurance and the subsidiaries report on important issues of the year. The Company conducted inspections to ensure the effective implementation of compliance mechanisms, provided recommendations on improvements, and improved communications with subsidiaries.
Establishment of fair customer treatment in the Group	In order to internalize the principle of fair customer treatment into the corporate culture of the Group, the Company continues to supervise the bank, securities, investment trust and life insurance subsidiaries to comply with the policies of the competent authorities, and promote the fair customer treatment improvement measures, so as to protect the rights and interests of customers and enhance service quality. In 2022, the Financial Supervisory Commission announced the 2021 assessment results, and First Bank ranked in the top 25% of the banks industry.

Penalties Imposed on the Company and its subsidiaries by the competent authority and improvement measures taken in 2022

There were a total of 2 cases relating to major penalties imposed by the competent authority to the Company and its subsidiaries in 2022 (note) for penalties amounting to NT\$480,000.

- In 2021, the Financial Examination Bureau of the Financial Supervisory Commission discovered deficiencies related to the violation of information security management guidelines of securities firms when investigating First Securities. Penalties of NT\$480,000 and orders to rectify the issue were imposed on the company on June 29, 2022; the company's own capital adequacy ratio equivalent to the amount of operational risk was increased by 0.5 times until the information security deficiency was improved.
- After review, the Financial Supervisory Commission determined that the declared interest calculation formula and interest rate determination of the insurance product "First Life Insurance Variable US Dollar Interest Rate Lifetime Insurance" was in violation of the Insurance Act; therefore, a cease to all sales of the aforementioned product was ordered on August 18, 2022.

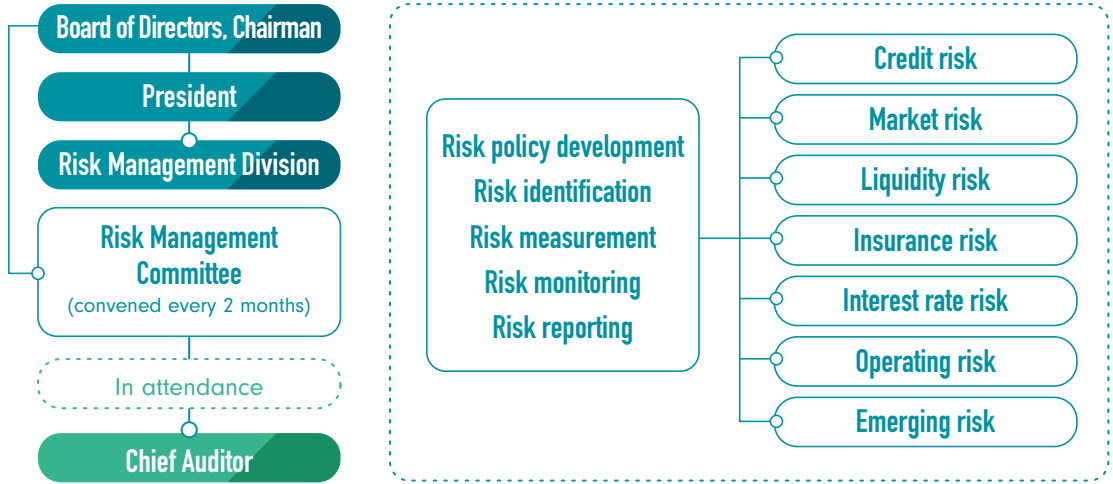
* : • The disclosure of penalties relating to cases of major violations must comply with Article 36, Paragraph 3, Item 2 of the Securities Exchange Act if there is a possible of material impact to the rights and interests of shareholders or the price of securities or if it complies with Article 2 of the "The Financial Supervisory Commission's Measures for the Public Announcement in Major Penalty Violations of Financial Laws".
 • First Securities and First Life Insurance each had 1 case. For detailed information and improvements, please refer to pages 114~115 of the Company's annual report



2. Risk management

(1) Risk management policy and structure

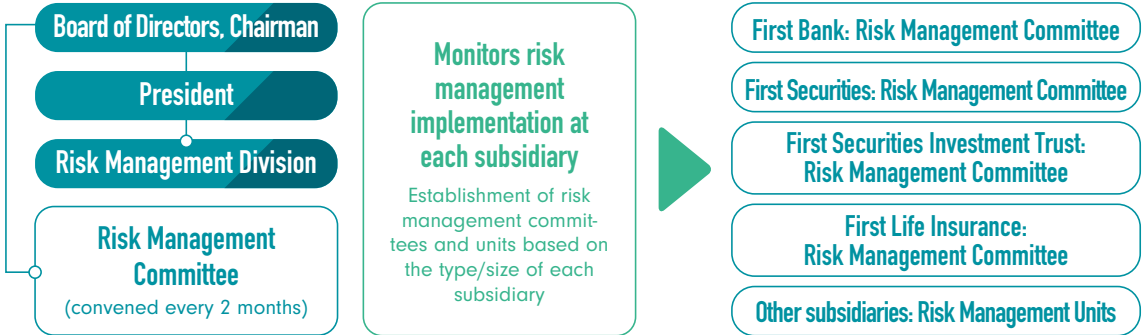
To effectively manage the Group's operating risk, our company and subsidiaries have defined risk management policies and guidelines. Independent "Risk Management Committees" have also been established to regularly (convened every 2 months) supervise the different types of risks within the Group, review each risk limit, set risk monitoring indicators and report the results of risk assessments to the Board. This is expected to keep the potential risks from each business within an acceptance range and achieve the ultimate goal of balancing risk vs. return.



The Company included emerging risks (e.g., information security risks, climate change risks and personal information protection risks) as part of the risk assessment items of the Company and subsidiaries in the "Risk Management Policy and Guiding Principles for FFHC and its Subsidiaries" to strengthen the connections between corporate governance and risk management. The Company also established the "Emerging Risk Management Guidelines". In 2022, each subsidiary had also incorporated emerging risks including climate change risks into its risk management policies. The companies shall evaluate emerging risks that may impact the Company's future operations and related mitigation measures must also be studied and planned to establish group-level emerging risk items and management mechanisms. In accordance with the requirements of the competent authorities or changes in the economic environment, the Company has also added and revised various risk management policies and monitoring indicators in a timely manner.

In 2022, revisions were implemented for rules relating to "Credit and Transaction Rules of First Financial Holding Co., Ltd. and Subsidiaries with Stakeholders", "Guideline for Maximum Risk Limits of First Financial Group's Credit and Investments for the Same Person, Related Persons, and Group or Enterprise", and "Guideline for Maximum Risk Limits of Subsidiaries Credit and Investments for the Same Person, Related Persons, and Group or Enterprise".

First Bank, First Securities, First Securities Investment Trust and First Life Insurance have all set up a "Risk Management Committee". Dedicated risk management units are also tasked with monitoring and reporting routine business risks. The remaining subsidiaries have also set up risk management teams or dedicated risk managers based on the nature of their business and their organizational scale to oversee all matters related to risk management.



(2) Risk management enhancement measures

A. System upgrade

By calculating individual cases of risk assets (with offset effects) with the risk asset calculation tool, managers and assistant managers within business departments can utilize the "Integrated Risk Management Platform" (IRM) to view branch office reports of customer capital, thereby understanding the changes in return on capital and risk offsets of customers in branch offices to analyze and plan measures that can increase return on capital.

B. Main risks – credit risks, market risks, interest rate risks, liquidity risks, insurance risks, operational risks, and emerging risks.

- The application of risk offsetting tools and moderate adjustments to credit rate pricing balances both income and risks to increase the overall efficiency of capital use.
- Considering that SME construction companies and customers without sound financials may risk higher operating risks, real estate credit projects should be carefully assessed to select the best cases while considering the issue of concentration.
- Relevant rules have been established to effectively manage credit risks undertaken by the Bank and customers when trading derivative financial products.
- Due to the fact that the credit rating of corporate finance customers is core to the application of the Bank's risk assessment and credit processes, supervisory departments must carefully and assuredly handle credit rating operations to avoid material impact.
- In order to implement internal control systems to prevent the occurrence of incidents with significant operational risks, managerial personnel in all departments must earnestly assume the responsibilities of internal supervision and manage branch offices to prevent incidents of violation.

Subsidiary First Bank capital adequacy ratio

Unit: NT\$1,000

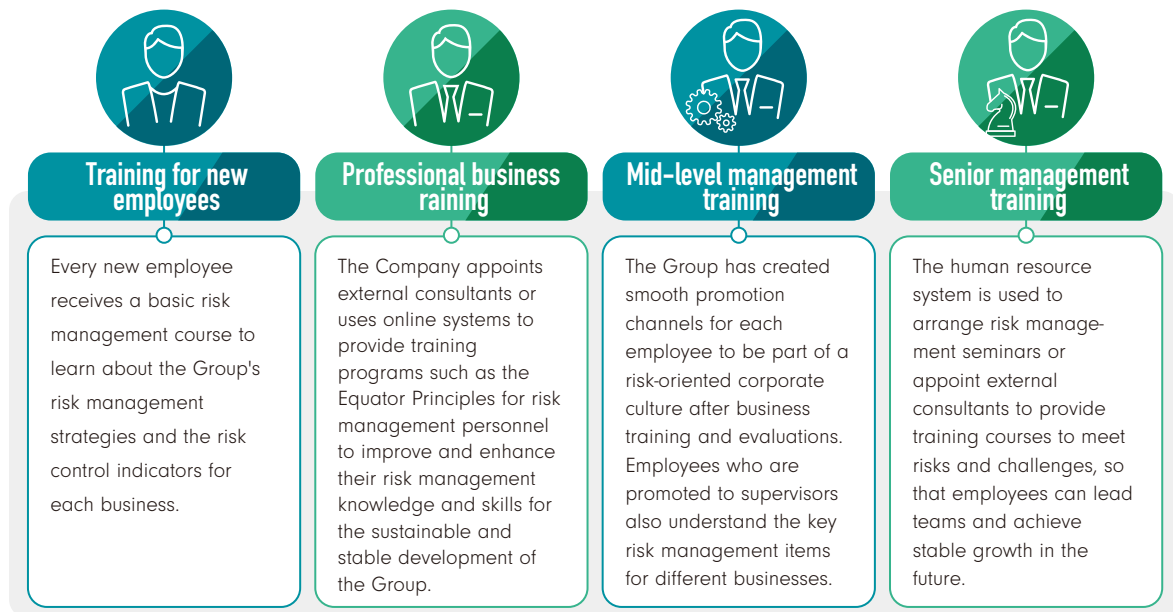
	2020	2021	2022	
Own capital	Type 1 capital	216,352,755	233,555,056	254,727,880
	Type 2 capital	36,594,415	32,314,734	42,242,420
	Total own capital	252,947,170	265,869,790	296,970,300
Risk-weighted assets	Credit risk	1,737,304,576	1,749,220,362	2,021,903,672
	Operating risk	84,682,521	85,560,707	91,211,640
	Market risk	33,433,459	36,178,430	45,377,633
	Total risk-weighted assets	1,855,420,556	1,870,959,499	2,158,492,945
Capital adequacy ratio	13.63%	14.21%	13.76%	
Ordinary share equity ratio	10.58%	10.88%	10.09%	
Type 1 capital ratio	11.66%	12.48%	11.80%	
Total exposure	3,638,240,446	3,816,840,554	4,254,256,403	
Leverage	5.95%	6.12%	5.99%	



(3) Establishment of corporate risk culture

To strengthen the Group's risk management mechanisms and create a risk-based corporate culture, the Company organizes risk management seminars from time to time and invites subsidiaries to discuss recent changes in the finance industry to evaluate and adjust the risk monitoring indicators and frequency. We also established the online e-Academy to create systematic risk awareness so that every employee of FFHC understands the Company's risk culture and core ideas. The Company provides risk management training for all promoted employees. In 2022, 733 participants completed physical training and online training for risk management courses and tests. We provided additional training and tests for those that failed to pass the test till we reached 100% in test passage ratio.

Additionally, the growing diversity and complexity of financial products and service models has led to transaction disputes and incidents of financial crimes. In order to fully understand domestic and overseas regulations to avoid a regulatory gap, the "Governance Forum (Phase 1) - Anti-Money Laundering and Fair Treatment of Customers" was organized in 2022 and attended by a total of 65 directors and supervisors from within the Group.



(4) Emerging risks

Identification procedures for the Group's emerging risks

01

Risk identification

Companies perform emerging risk assessment and identification

02

Risk compilation

Compile a list of the emerging operation and business risks identified by the companies of the Group to establish a list of emerging risks for the Group

●○ Establishment of Risk Management Culture Measures

Connection between Risks and Performance ○

- Risk indicators (includes asset quality, customer complaints, regulatory compliance, and major incidents of internal control) are included in the standards for the distribution of performance bonuses for the President, senior management, and employees, and they affect the amount of the annual performance bonus.
- The performance evaluation items of the risk management unit include risk management indicators such as the capital adequacy ratio and leverage ratio, return on capital, and non-performing loan ratio control target achievement rates, employee training, and innovative measures. The evaluation results shall be used as an important reference for determining the performance bonus for the evaluated department.
- The Bank organizes return on capital contests including net profits from return on capital before withdrawal, increase in operating gross profit from return on capital before withdrawal, and increase in capital allowances as bonus items in the performance evaluation of business units.
- We continue to follow up on review opinions of internal audit units, accountants, and business administration units or deficiencies proposed by internal audit units, and matters requiring improvement listed in the internal control system statement. Improvements are submitted in writing to the Board of Directors and Audit Committee and used as an important item for penalties and rewards and performance evaluations of related units.
- The results of the compliance evaluation of the departments and subsidiaries are used as the basis for personnel evaluations.

Risk Reporting measures ○

- Establish internal personnel risk reporting mechanisms through the Rules for the Regulatory Compliance System, Rules for the Regulatory Compliance System, Implementation Rules for the Internal Audit System, FFHC Incident Reporting Guidelines, and related regulations.
- A range of transparent, equal and convenient complaints channels have been established including the "President's Mailbox", "Ideas Mailbox", "Employee Support Hotline", "CEO Weekly", and "Good Articles" as well as public forums on the company intranet to ensure complaints are handled properly.

Enhancement of the Risk Culture ○

- The Company organizes risk management seminars from time to time and invites subsidiaries to discuss recent changes in the finance industry to evaluate and adjust the risk monitoring indicators and frequency.
- We established the employee proposal system to encourage employees to actively identify and report potential risks.
- We publish the risk management newsletter each month and use the "Risk Management Report", "Special Report", and "Risk Management Terminology" to enhance the risk awareness of all employees and increase their professional knowledge and skills.
- Organize relevant education and training for emerging risks (such as information security risks, climate change risks and personal information protection risks) to improve risk resilience.

03

Response to risks

Establish mitigation measures for identified emerging risks of the Group to reduce the impact on operations or business

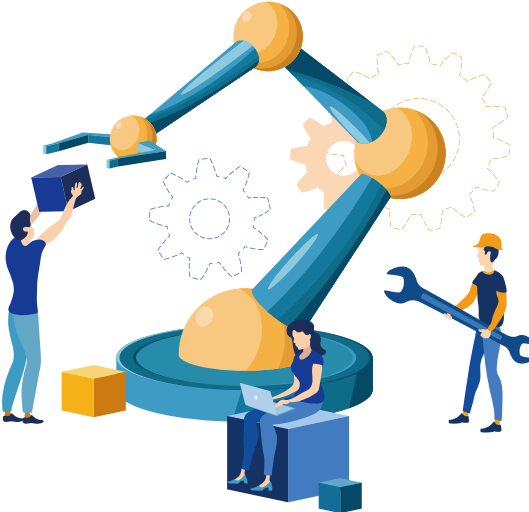
04


Continuous tracking

Regularly follow up on the implementation status of mitigation measures and review the results



The Group's identification of emerging risks resulted in "reorganization of the global industry supply chain" and "talent loss due to aging population and low birth rate". The following mitigation measures have been adopted against potential impact from these risks:

Risk Description	Potential Impact
<p>Reorganization of the global industry supply chain</p> <p>There have been many recent changes in global trade and geopolitics (e.g.: U.S-China Trade War, COVID-19, the Russia-Ukraine War). Consumer markets have transitioned towards customized products with low production volume while net zero remains a key global issue that has increased the risk of industry supply chains. National security and securing industry supply chains have become a priority policy for many nations, resulting in a deconstruction and reorganization of the global supply chain. This has impacted the cost of operations, production, and the flow of investments and financing and exposed enterprises to financial risk.</p> 	<ul style="list-style-type: none"> • Governments of many nations are addressing the issue of national security through the trend of global supply chain restructuring and reinforcing domestic supply chains. This has resulted in policies with investment incentives to urge reinvestment by manufacturers, yet overseas manufacturing strategy is heavily influenced by customers. If manufacturers are unable to respond to the demand of trade partners, it may cause a domino effect and the loss of orders. The transfer of financing demand from overseas to local financial institutions (or if local governments impose regulations restricting or prohibiting foreign debt) may cause a decrease and impact the financing business of overseas branches as well as the loss of credit business for the domestic bank. • The reorganization of supply chains may generate potential financial risks, such as the flow of funds (payment of orders and debt) in the supply chain. Potential fluctuations in financial markets may impact the flow of funds in supply chains. • Enterprises may encounter a decline in demand, difficulties with inventory, or production line adjustments due to the impact of COVID-19 and geopolitical conflict. This will increase operating costs and affect the quality of credit assets. • Individually speaking, if companies are singled out through sanctions by foreign governments, they may face challenges in obtaining necessary production elements or face unfair competition. Additionally, these pressures may result in investment decisions that go against economic efficiency or harm the company's interests, thereby increasing the challenge of enterprise operations which may result in default crises. • Generally speaking, countries are facing geoeconomic conflicts and focusing on reorganizing supply chains for the purpose of national security. This will result in a decline in the efficiency of global production with sustained inflation and sluggish economic growth. Sanctions imposed on other nations may result in retaliatory actions that can evolve into military conflict.

<p>Aging population, low birth rate, and talent loss</p> <p>It's estimated that Taiwan will become a "super-aged country" by 2025 due to the long-term trend of the country's declining population in recent years. The effect of low birth rates will cause a drastic reduction in technical labor and talent; the future for technical, professional financial talent will be even rarer. Faced with talent recruitment challenges and imbalance of supply and demand in the employment environment, competition for talent in the financial sector will intensify. As such, the financial sector must implement adjustments to talent cultivation policies to address an aging population with low birth rates.</p> 	<ul style="list-style-type: none"> • Decreased birth rates will cause a sharp decline in younger populations in the future. This will cause a relative decrease in the number of workers seeking employment and cause a labor gap. Risks such as labor shortage, and the difficulty of training professional talent (financial personnel with experience in internet technology or decarbonization strategies) will be encountered. • The planning of insurance products is transitioning towards an aging trend. As the competent authority's control measures on sales becomes stricter, protection measures for the elderly must be enhanced when planning financial products. The increased cost of risk in legal compliance will impact development in relevant businesses. • An aging society will not only cause a reduction in the workforce, it will also result in demographic imbalance and a greater burden on social welfare (such as National Health Insurance). • Compared to customers in other age groups, the elderly have different requirements in terms of financial services and may have a lower tolerance to risk. As the elderly population increases, it becomes increasingly important to explain the suitability assessment of a product and notify customers of risks. This includes friendlier service, simpler methods of communication, and preventing financial exploitation and will further increase the requirements of protective measures in the credit business and services.
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Mitigation Measures

Short-term

- When handling credit operations, credit officers should strengthen their understanding of the operating conditions in affected companies and show concern for customers. Credit reports should disclose the level of impact to operations and plan response measures.
- Strengthen the grasp of borrower's operating activities, inventory and receivables, changes in accounts payable, cash flow, and payment ability when handling credit applications. Carefully assess the funding gap to approve suitable limits and credit periods.
- Continue to develop new customers, expand the business customer base and decentralize the focus on major customers to prevent impact to the Group's operations due to a rapid decline in the operating volume of single customers or similar industries.
- Overseas branch offices must comply with the requirements of local competent authorities or risk management and adopt quota management or establish mechanisms of evaluation and management and revise local regulations for disclosure during credit applications to carefully assess risks for industries related to local government policies, industries that are highly subsidized, or industries that are scrutinized. Continue to monitor the latest news reports relating to international politics/society, economic indicators, national conditions, and rating reports of various countries. Reinforce monitoring of the operating status, financial status, and loan management of the top 15 borrowers; emphasize risk and operational management measures such as the reasonable pricing of credit interest rates.
- To address changes in the investment environment, the emergence of the short supply chain production and sales model, and to urge enterprises to increase their willingness to invest and return to Taiwan, we actively coordinated with government policy by launching preferential plans such as "Investment Loans to Welcome the Return of Taiwanese Companies" and "Accelerated Investment for Enterprises Rooted in Taiwan". If Taiwan-funded enterprises hope to establish substantial overseas companies and operations due to global strategy, financing can also be guaranteed through a transfer to the overseas credit insurance fund.
- Regularly monitor the quality of credit assets and credit risk concentration to provide timely warnings or response measures. Also, to reinforce risk controls, existing customers with backgrounds as Taiwanese funded enterprises are given reviewed with priority in credit cases. New cases of credit transactions, loan applications in existing quotas, or loan reductions will not be continued for Chinese-funded enterprises.
- Regularly conduct stress tests to assess financial impact to the Group. Increase frequency of execution according to major incidents and future environmental changes and adopt appropriate response measures based on test results.
- Decrease the ratio of individual stocks with higher ratio of production in China, monitor individual stocks that have order transfers due to tensions between the U.S. and China. Reduce the undertaking or investment period of KY companies, pay attention to issued companies who have excessive concentration of production capacity in China and have not planned to expand capacity into other regions. Manage regional risks to prevent excessive risk exposure in a single region.

In addition to the above, the following mitigation measures are implemented in the medium and long term

- Publish regular and ad hoc reports in response to major economic changes, notify relevant employees of potential impact from borrowers for continuous follow-up.
- Continuously remind overseas managers to pay close attention to global political and economic trends and refine the review process prior to loan approval. Supervise employees in the management of risks by enhancing risk identification, studying the operating and financial conditions of major borrowers, and distributing risk by preventing excessive concentration in a single industry or customer.
- Implement an investment quota policy for countries and industries and manage credit exposure risk by avoiding credit and investments that are concentrated in specific regions or industries (e.g.: managing credit risk exposure in China). Adopt additional management measures, flexibly adjust the intensity of management, and increase credit risk sensitivity for industries and regions with higher concentration of risks. Demand a decrease in credit risk exposure for regions in which national risks are increasing. Shorten the deposit period and undertaken amount, adopt timely protection measures in response to changes in international trends, reduce the impact that may occur from potential risks.
- Plan defensive investment strategies and strengthen the asset quality of investment combinations to focus on increasing holdings of high-quality bonds while pairing with suitable hedging tools for the flexible adjustment of operating strategies. Focus on high-quality bonds while pairing with suitable hedging tools for the flexible adjustment of operating strategies.
- Adjust asset allocation towards physical economic activities to reduce the impact of adjustments in the supply chain.



Short-term

- Provide employee benefits and allowances (such as allowance for marriage, childbirth, and transportation subsidies during pregnancy) to encourage childbirth. Provide leave (such as maternity, paternity, and prenatal checkup leave) superior to that of the Labor Standards Act.
- Aside from hiring many new employees to fill the personnel gap, industry-academia partnerships have been formed in recent years to recruit interns. By extending recruitment into campuses, competition with other enterprises as well as the gap between education and the industry are reduced.
- Improve the digitization of system operations to address the lack of administrative workers, increase remuneration for excellent talent based on their performance, and establish a student internship system for the early deployment of outstanding interns and allow them to transition into full-time employees upon graduation.
- In terms of talent cultivation, certification and re-training programs for "Elderly Financial Planning Consultant" and "Family Trust Planning Consultant" have been organized to reinforce the professional training of employees.
- Added a new product suitability assessment for elderly customers. Service personnel must notify customers of risks according to each item on a checklist and reinforce the risk notification procedure so that elderly customers better understand the contents of contracts. Employees in business departments must provide explanations to elderly customers so that they have a good understanding of the obligations and risks relating to contracts.

In addition to the above, the following mitigation measures are implemented in the medium and long term

- Cultivate employees to improve their professional capabilities in FinTech, including the scheduling of training programs and seminars organized by external institutes or the Group's internal professional training programs. Require personnel from designated departments to attend to reserve their capabilities in professional fields.
- Enhance training programs and professional certifications for accessible financial services and increase employee's professionalism; introduce AI to reduce reliance on labor for repetitive tasks.
- Continue refining various reward systems and benefit policies to improve the overall competitiveness of compensation to attract excellent professional talent, maintain the retention rate of employees, and promote employee shareholding of savings trust.
- Utilize digital technologies to develop digital trading platforms that meet the requirements of both younger and elderly customer groups. Provide product knowledge and accessible services that are convenient and diverse to implement measures that achieve the fair treatment of elderly customers.
- Continue coordination with plans to implement "Self-Regulatory Rules for Fair Treatment by Banks of Elderly Customers", "Operating Guidelines for the Fair Treatment of Elderly Customers", and the "comprehensive trust" of Trust 2.0. Enhance promotion of "Hospice Trusts" to assist in the secure asset management for the elderly.



2-3 Third line roles – Independent internal audit unit

The Company, First Bank, First Securities, First Investment Trust, and First Life Insurance have established internal audit units under the Board of Directors and a chief auditor system. They implement audit operations independently and they audit and evaluate the effectiveness of internal controls and risk management systems designed and implemented by the first and second lines roles. They provide timely advice on improvements, to ensure that the internal control system can continue to be implemented in a reasonable manner and to provide a basis for correcting the internal control system. We continue to follow up on review opinions of internal audit units, accountants, and business administration units or deficiencies found during self-audits, and matters requiring improvement listed in the internal control system statement. Improvements are submitted in writing to the Board of Directors and Audit Committee and used as an important item for penalties and rewards and performance evaluations of related units, so as to maintain the effective and appropriate operation of the internal control system.

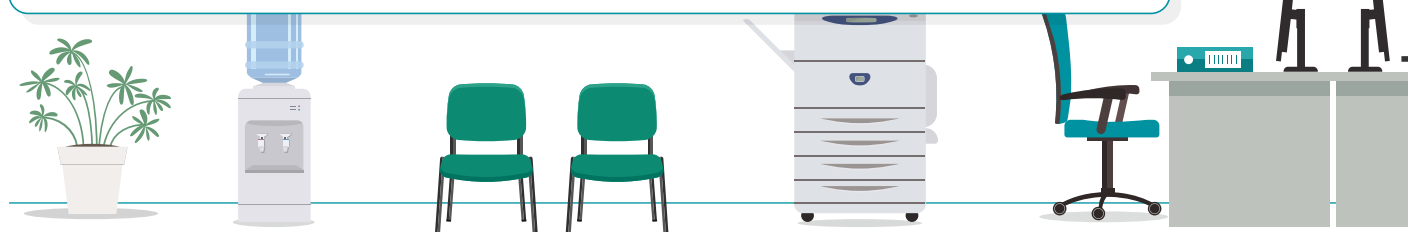
In order to strengthen the functions of the second and third lines roles, such as compliance with laws and regulations, internal audit and internal control, in addition to the continuous dissemination of the inspection of the three lines model of internal control on high-risk businesses at relevant coordination meetings, at the Company's "Symposium on Review of Lack of Internal Control System and Improvement Measures for Legal Compliance", the focus of inspections issued by the Financial Examination Bureau, FSC, major inspection deficiencies in various sectors of the financial industry and deficiencies in penalty cases will be brought to the attention of all subsidiaries and be included in the relevant business inspection items to avoid the recurrence of deficiencies. Meanwhile, in order to implement the performance appraisal, according to the Company's evaluation method for the audit work of the subsidiaries, the internal audit organization and system, internal auditors' work and audit management and other related audit operations of each subsidiary are regularly evaluated, and the results are sent to the board of directors of the subsidiaries as an important basis for the performance appraisal of the audit unit.

The execution of our company's 2022 internal audit process and the preparation of the 2023 audit plan referred not only to the financial inspection guidelines issued by the Financial Supervisory Commission but also internal control performance ratings and business characteristics of each unit (including subsidiaries). In addition to risk management, the internal control system is supervised by the two lines model to check the results by itself, and then be reviewed by the audit unit, and together with the improvement of internal control deficiencies and abnormal matters found by the audit unit, be taken as an assessment of the effectiveness of the overall internal control system, so as to make the Group's self-evaluation of the internal control system more complete.

Additionally, subsidiary First Bank has implemented a risk-oriented internal audit system by establishing a series of risk-oriented methods and procedures to evaluate internal audits. This acts as a foundation for compiling audit plans to determine the frequency of internal audits based on the assessed risk level, thereby deploying audit resources with more effectiveness as well as reinforcing audit focus on critical risks.

Key audit criteria

- The Group's overall management of anti-money laundering and counter-terrorism financing and proliferation of weapons (including the consistency of IRA methodology and rational risk appetite of subsidiaries), supervise the anti-money laundering deficiencies of subsidiaries and implement improvements, and adjust the compliance of other subsidiaries that are not inspected.
- The implementation of the legal compliance system of the Company and its supervised subsidiaries (including reinvestment businesses), and the implementation of improvement in compliance risk assessment (CRA) weaknesses of the supervised subsidiaries.
- Supervision and management of reinvestment businesses (including the management mechanisms for venture capital subsidiaries supervised by the financial holding company to prevent conflicts of interest or improper transactions).
- The operation and implementation of the corporate governance system (including the functions of the board of directors, the operation of functional committees, the management of interested-party transactions, the code of conduct, the self-regulatory rules and the implementation of the whistleblower system).
- The Group's risk management mechanisms (including large exposures, management of major risks and handling of major sporadic incidents, stress tests and risk management operations to address larger fluctuations in financial markets) and supervision of subsidiaries to implement risk management for reinvestment businesses (including those overseas) and report the required information of financial holdings.
- Personal data protections, information security management and supervision of subsidiaries' implementation of information security defense, early warning monitoring and response drill mechanisms.
- Implementation of Sustainable Finance and ESG.



●○ Implementation of the internal audit system in 2022 is as follows

Implementation plan	Number of times held/Execution times
Self-audit meetings, internal control system self-audit results review, internal control system deficiency review meetings, and internal audit coordination meetings within the group	2 times each
General audits, project audits	8 times each
Derivative trade audit	10 times
Auditing opinions and follow-up	23 times

Please refer to page 107 of the Company's Annual Report for the 2022 Internal Control System Statement

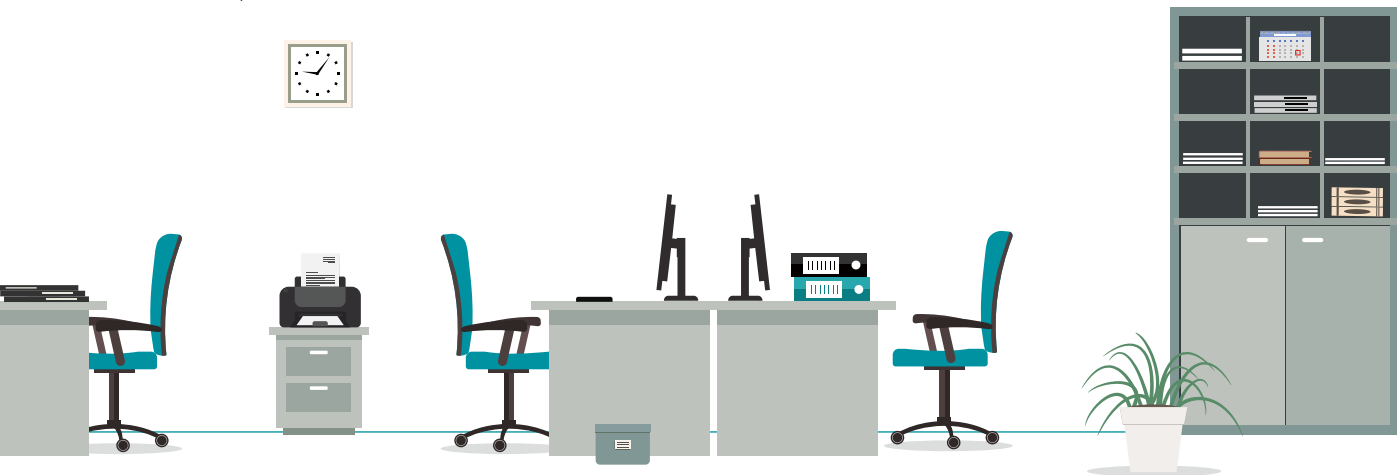


2-4 Business Continuity Management Mechanism

In order to quickly pass the information on incidents and to grasp the timeliness of processing, the Company and its subsidiaries shall, when incidents occur, divide incidents into major incidents and general incidents according to the "FFHC Incident Reporting Guidelines", and according to the degrees of impact, divide them into three levels: A, B, and C and handle them in accordance with the "Incident Handling Notification Procedures", and follow the principles of notification, handling, follow-up, etc. prudently, so to effectively prevent the expansion of disasters and reduce the impact.

In addition, to promptly and effectively handle the business crisis of the Company and its subsidiaries (including the occurrence of bank run, robbery, theft, major malpractice, financial crisis, major investment failure, information crisis (including: data leakage, system interruption, etc.), fire, explosions, natural disasters, customer collective petitions and other major events or disasters), hoping to quickly pacify the incident or restore operations, and reduce the harm, the Company has formulated the "Crisis Response Principles for the Company and its Subsidiaries". When a crisis occurs, the business responsible unit shall promptly deal with it, and in addition to taking general contingency measures for its related business, it shall also adopt different contingency measures for business crises caused by various reasons. The Company shall set up a crisis management team when necessary, and the risk management department shall be responsible for the establishment of case files, convening meetings, case listing and tracking records, and reporting the case and handling process to the Company's supervisors at all levels at any time, until the incident subsides and the crisis is lifted.

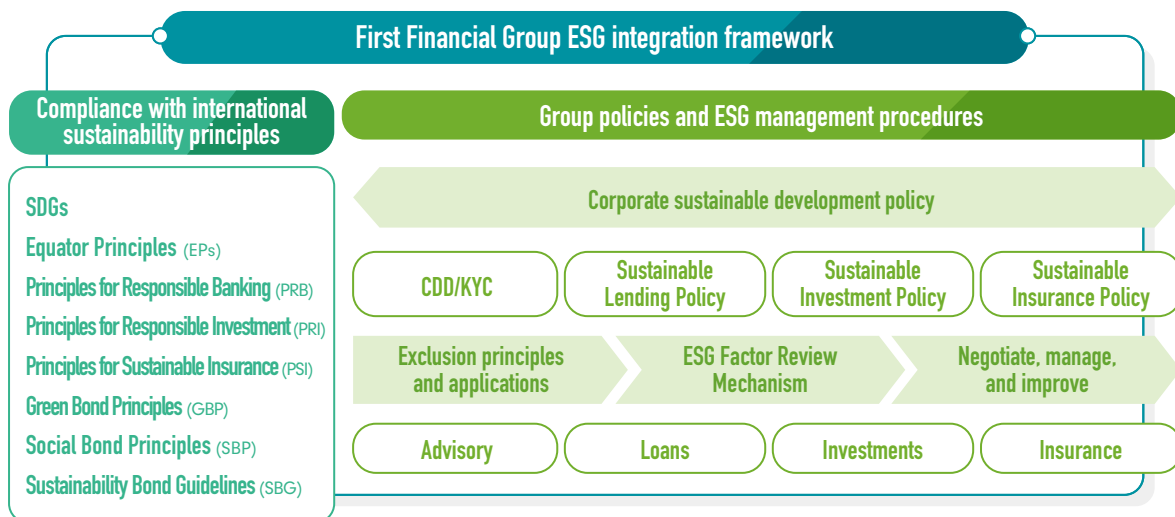
In May 2021 and March 2022, incidents such as insufficient power reserve capacity and equipment failure at Hsinta Power Plant caused rolling blackouts and power outages without warning across Taiwan, affecting 5.62 million and 5.5 million households. During April 2022, the Group asked each subsidiary to propose reports on their "business continuity plan" such as implementing uninterruptible power supplies, generators, and remote backup measures to ensure the continuity of business operations.



Responsible Finance

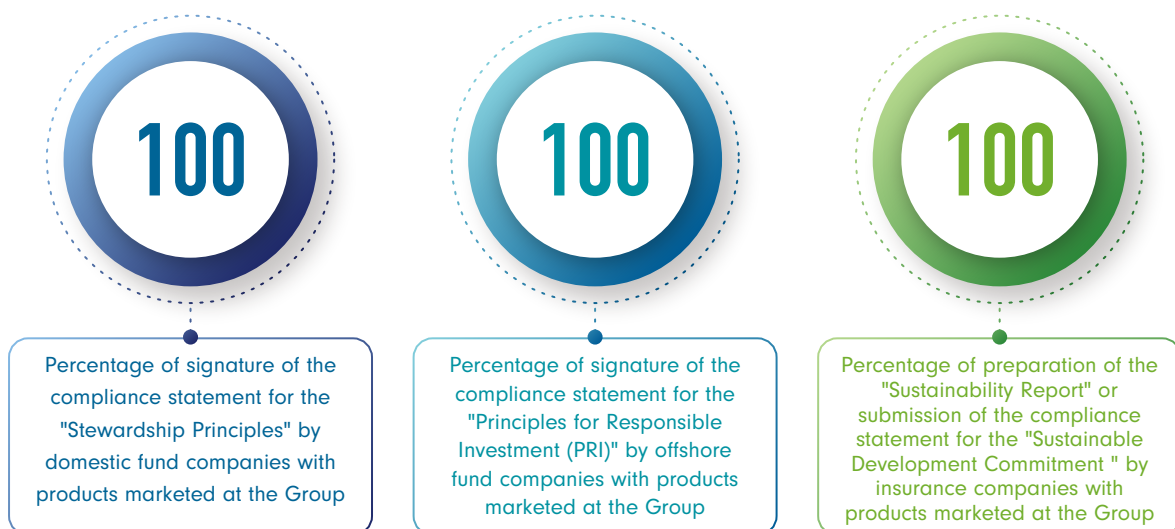
GRI : FS1 、 FS2 、 FS3
 SASB : FN-CB-410a.2

●○ Responsible Finance



The increased frequency of extreme weather events in recent years continues to threaten environments of human survival. In 2022, the Conference of the Parties (COP 27) focused on responding to the climate crisis, improving climate adaptation and resilience, as well as compensating climate related damages and losses. The conference further emphasized the importance of carbon transformation in the financial industry. The Group continues to take actions in support of the 3 main focuses of COP 27. The "First Financial Holdings Sustainable Development Policy" complies with our policy of "sustainable empowerment and shared happiness" in the establishment of sustainable credit, sustainable investments, and sustainable insurance policies. The fulfillment of ESG investigation procedures encompass all businesses from investments, financing, consulting, and insurance. Continuing improvements to the ESG Factor Review Mechanism inspects whether the enterprises that are invested into or financed have violated criteria in product sustainability, human rights, environmental protection, and major social controversies while also incorporating coal and atypical oil and gas industries into review. Additionally, the Coalition of Movers and Shakers on Sustainable Finance was formed with 5 major industry peers to reinforce the negotiation mechanisms for enterprise investments and financing. If the enterprise seeking investments or financing is in major violation and does not submit an improvement plan after negotiations, investment and financing positions will gradually decrease. Our active guidance of customers to focus on issues of sustainability will hopefully support the goal of net zero in 2050.

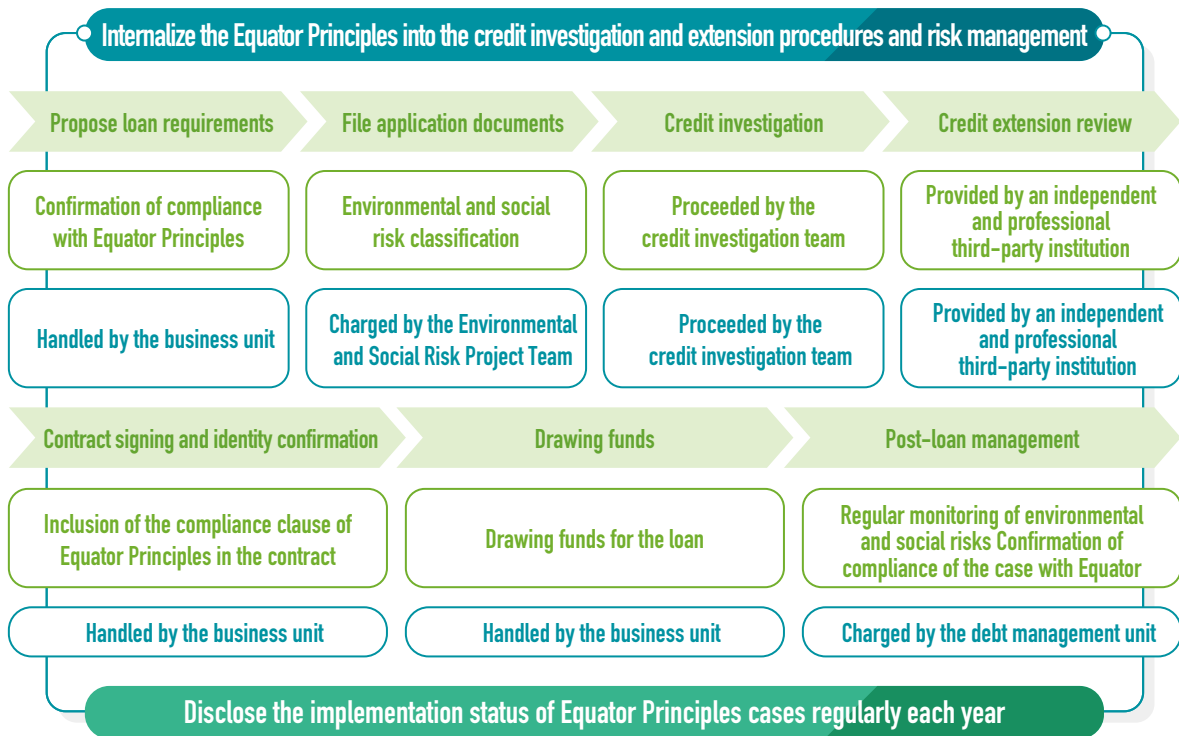
Uphold the sustainability commitment, the Group requires all domestic and offshore fund companies to sign the compliance statement for the "Stewardship Principles for Institutional Investors" and the "Principles for Responsible Investment (PRI)" before the launch of a new product. Insurance companies of the launched products are also 100% prepared "Sustainability Report" or "Sustainable Development Commitment" to protect the rights and interests of customers and beneficiaries.



3-1 Corporate Banking/Investment Business

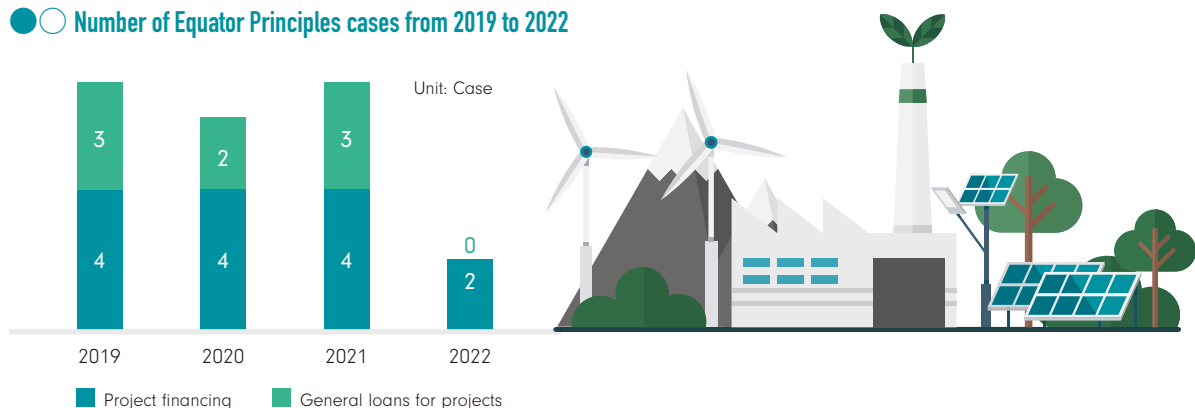
Equator Principles

In order to accelerate international connectivity, implement the sustainable finance policy, and encourage companies to pay attention to environmental protection and social responsibility, First Bank joined the Equator Principles Association on December 21, 2020, becoming the first among domestic state-owned banks to do so and the 114th bank member in the world. To comply with Equator Principles, First Bank issued an official letter on January 6, 2021 to establish the "First Bank Equator Principles Guidelines for Loan Application". To comply with the Equator Principles, before accepting financing applications from all corporates, First Bank must determine the applicability of the Equator Principles in accordance with the amount and purpose of each case. The "Environmental and Social Risk Project Team" is established by the business, review, post-loan management and other units to be in charge of risk classification for applicable cases. In addition, based on the "Environmental and Social Risk Assessment Report" and "Environmental and Social Monitoring Report" issued by an independent and qualified third-party institution, First Bank will conduct credit risk review and post-loan monitoring to confirm that cases undertaken are in accordance with the guidelines of the Equator Principles.

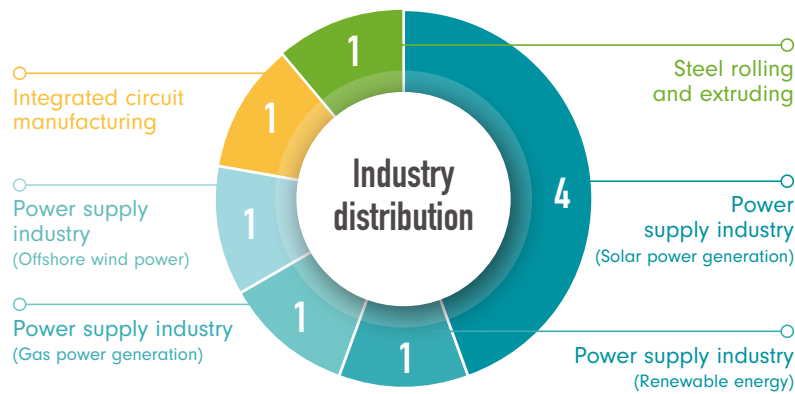


2019-2022 Compliance to review requirements of the Equator Principle in project financing and general project loans, a total of 22 cases; After officially signing the Equator Principle in December 2020 and becoming a member bank, the bank has approved 9 cases involving the Equator Principle from 2021-2022. The cases were all located in Taiwan, mainly in the power industry in projects such as solar energy, renewable energy, gas, and offshore wind energy.

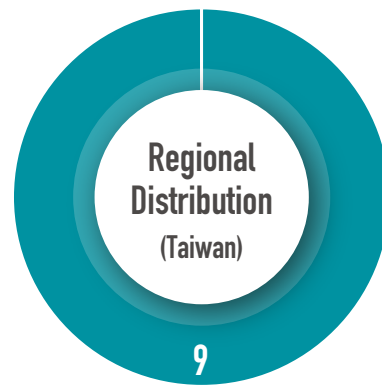
●○ Number of Equator Principles cases from 2019 to 2022



22021-2022 Equator Principle Cases



Unit: Case



Equator Principle cases

01. Power supply industry/joint loan for rooftop type (indoor farming) fishery and electricity symbiosis solar energy project 3rd party institute: AECOM

In 2022, First Commercial Bank co-sponsored a joint loan case for rooftop type (indoor farming) fishery and electricity symbiosis solar energy project located in Yizhu Township and Budai Township within Chiayi County. The project featured a device capacity of approximately 130MW and the current site consisted mainly of fisheries or abandoned fisheries; it was not classified as an ecological sensitive area, cultural asset/heritage protected area, or indigenous protected area. In May 2020, the Environmental Protection Administration agreed that environmental impact assessment was unnecessary but due to the independent review mechanism and bank financing ESG negotiations required by the Equator Principle, an "Environment and Social Due Diligence Report" was obtained by an independent third party institute for the project, which was graded a Level B project (meaning the negative environmental and social impact caused by the project is limited or negligible, or can mostly be solved through mitigation measures depending on the project's site).

The joint loan contract of this project required the borrower and the construction or operation of the solar energy plant to comply with all applicable environmental and social regulations as well as maintain all relevant permits; additionally, the project was required to comply with the various rules and requirements of the Equator Principle at any time, including but not limited to providing an annual monitoring report issued by an independent third party institute to the managing bank of the loan quota. The managing bank must audit the borrower and determine if they have completed the necessary improvement or action plans for the development of this project within the credit period. Additionally, the borrower must submit a detailed report to the managing bank within 3 days of gaining knowledge relating the environmental or social requests related to the solar power plant, environmental pollution, major occupational safety incidents, or significant social complaints and protests. Subsequent investigative results shall be submitted in a report or improvement plan (if applicable) to the managing bank.

02. Power supply industry/Joint loan for waste-to-energy power plant project 3rd party

institute: WSP

In response to the government's promotion of the six core strategic industries and active development of green and renewable energy industries to achieve the vision of net zero 2050, the borrower planned to build a 20MW waste-to-energy (WtE) power plant and solid recovered fuel (SRF) processing site in Taoyuan Science and Technology Industrial Park. The project site was an empty lot without indigenous residents and cultural heritage or risk of harming biodiversity. The project would utilize the SRF processing plant to apply non-hazardous industrial waste (such as waste plastic, rubber, wood, fibers, and general waste produced from business activities) as a raw material to produce solid fuel which is then transported to the WtE to generate power. Compared to common fossil fuels, SRF reduces carbon emissions by 30%-70% while also providing the benefit of reducing both waste and carbon emissions. It's estimated that the project's completion will generate 1.6 billion kWh of electricity annually while processing 150,000 tons of industrial waste.

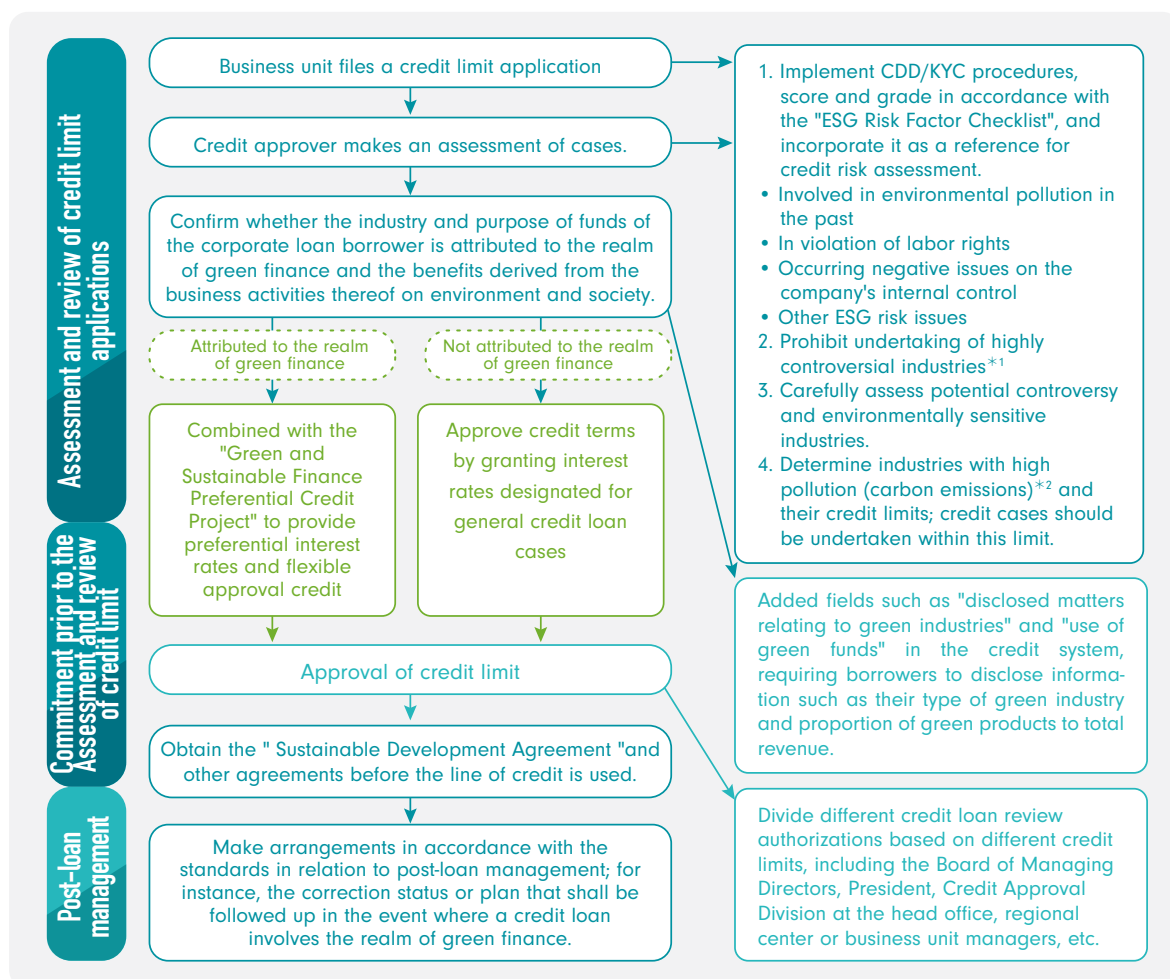
The project has obtained an Environment and Social Due Diligence Report issued by third party consultants WSP. Their assessment of aspects such as environmental impact, air pollution, water pollution, waste, chemical project management, soil and groundwater pollution, noise, occupational health and safety, and human rights were found to be in compliance with Taiwan's laws and regulations and have limited impact to the environment and society. Additionally, the project has obtained permits for pollution emissions, assessment reports for soil pollution, approval letters for test data, approval letters to utilize sewers for waste (sewage) water pipes for a total of 12 permits and approval letters. In order to prevent project construction from infringing on the rights of stakeholders, First Commercial Bank has also actively communicated with the borrower to request a stakeholder negotiation plan and ensure an unobstructed channel of communication.

03. Joint loan for semiconductor/fab construction project 3rd party institute: Environmental Protection Administration, Taiwan

In response to the government's efforts and policy goals of transforming and upgrading domestic industries to establish Taiwan as a "High-end Production Hub for Asia" and an "Advanced Manufacturing Process Center for Semiconductors", the borrower planned to construct two 12-inch fabs in Miaoli's Tongluo Science Park. After completion, it is expected to produce the equivalent of 100,000 12-inch wafers per month; the fully automated smart factories were designed to the highest environmental protection standards, recycling over 85% of the plant's wastewater and implementing solar energy power generation and storage facilities as well as green energy for a total capacity of 7500kW. On December 21, 2021, the borrower passed the Environmental Protection Administration's 5th audit of the "Analysis of Differences in Current Environmental Conditions", committing to a reduction to emissions of toxic substance hydrofluoric acid (a necessary raw material in semiconductor etching and polishing processes). The borrower guaranteed of a 10% reduction within 3 years, 20% in 5 years, and 30% in 10 years after passing the audit and made a commitment to implement air pollution prevention facilities as well as strengthen conservation measures for protected species such as leopard cats and the mountain scops owl; other commitments included an increase in plants, environmental improvements, and reinforcing environmentally friendly integration measures with nearby environments, depending on the results of ecological surveys. First Commercial Bank actively negotiated with the borrower to request an energy conservation rate exceeding 1% (inclusive), recycling rate of over 85% (inclusive) for water used in manufacturing processes, and company-wide waste recycling rate of over 85% at their plant located in Hsinchu Science Park. The aforementioned effects of energy conservation and environmental protection were linked to the interest rate of their loan, allowing the bank, acting in the role of a capital provider, to encourage the borrower to focus on environmental protection.

Lending / Due diligence

First Commercial Bank practices responsible finance to evaluate whether enterprise borrowers fulfill their responsibilities in environmental protection, social responsibility, and ethical management as key criteria of financing. We continue to advocate ESG review mechanisms to credit examiners through meetings related to risk management; the three stages of reviewing applications for line of credit, commitments prior to credit allocation, and post-loan management are as follows:



Practice procedures such as Client Due Diligence (CDD) and Know Your Customer (KYC) in business dealings and utilize the "ESG Factor Checklist" to separately review borrowers for their ESG related risks, conduct scoring and grading, and incorporate them into credit risk assessment. If customers have previously engaged in environmental pollution, infringement of human rights/labor rights, suffered negative allegations within the company, and other ESG controversies, negotiations shall be conducted with the customer immediately to clearly state their current handling or improvement plan during credit limit application. The credit examining unit shall modify restrictive conditions based on the severity assessment of hazards; if involvement in ESG risk factors cannot be eliminated or improved, the loan should be refused to fulfill the finance industry's social responsibility.




In order to strengthen risk management for specific industries, additional clauses have been implemented to prohibit involvement in highly controversial industries such as the tobacco manufacturing industry, pornographic industry, or illegal arms industry*¹. Other potentially controversial industries (such as alcohol and gaming) and environmentally sensitive industries (including involvement in biodiversity, climate change, energy use, or industries related to forests and water such as the mining industry, forestry, agriculture, gas, and natural gas) must be carefully assessed during the credit application stage; For high pollution (carbon emissions) industries*², a restriction limiting the proportion of their credit limit to not exceed 14% of the bank's total line of credit was implemented in 2022 and set to decrease annually, achieving the mid to long-term goal of not exceeding 13% in 2026; Also, in response to the net zero 2050 goal of Taiwan's government, de-carbonization mechanisms have been established for our financing business beginning in 2023. A commitment has been made to avoid undertaking new enterprise financing for the mining of coal, project financing coal-fired power plants, and enterprise financing where atypical oil and gas revenue exceeds a specific proportion. The gradual decrease of financing for the coal industry continues to deepen First Commercial Bank's financial influence in promoting net zero transformations.

*1 : Applicable starting March 13, 2023.

*2 : Starting in March 13, 2023, the high pollution (energy consumption) industries has been renamed to high pollution (carbon emissions) industries. The industry definition has been adjusted to encompass the power supply industry, iron steel aluminum and copper smelting, petrochemicals (including artificial fiber), cement, paper making, agriculture and animal husbandry, water and air transportation, printing and dyeing, leather, metal processing, printed circuit boards, and battery manufacturing.

As of December 2022, ESG has been included in the loan decision review process for 100% of enterprise credit loans with a total of 11 cases that received "conditional approval" (e.g.: loan amount decrease or increased interest rates) or "rejected" due to ESG risk factors as described in the following:

Unit: case/million NTD

ESG risk factors	Conditional pass (including reduced approval and restrictive terms)		Refusal of credit loans (including tabled or withdrawn applications)	
	Case	Amount	Case	Amount
 Environmental factors <ul style="list-style-type: none"> • Pollutant source list as an object of regulation and related punishment records • High carbon emission industries • Controversial industries such as coal and energy • Whether the objects and carbon emissions of "emission sources of registered greenhouse gas emissions should be checked" regulated by the Environmental Protection Administration of the Executive Yuan has increased for 2 consecutive years 	5	1,300	1	3,000
 Social factors <ul style="list-style-type: none"> • Status of compliance with the labor rights and the Labor Standards Act • Status of salary payment and retirement reserve fund appropriation • Occupational health and safety • Gender equality • Food Safety • Controversial industries 	0	0	1	221
 Governance factors <ul style="list-style-type: none"> • Issuance of sustainability report • International ESG related evaluations and participation in initiatives • Shareholding ratio of directors and supervisors • Change of the management • Accountant's financial statement review opinion • Negative news events 	1	400	3	556
Total	6	1,700	5	3,777

* : 2022 Adjustment involves ESG risk factors due to the primary reasons resulting in the aforementioned cases of conditional approval/unapproved.



Cases that were conditional approved or not approved due to ESG risk factors identified by the reviewers, the following are the top three borrowers based on the amount:

Unit: Million NTD

Name of borrower	Details of ESG risks	Amount
XX Power Co., Ltd.	Environmental Factors: The borrower's main business is in thermal power generation which is a high carbon emission industry and a pollution source listed for regulation. Their utilization of funds is for the import of coal but industry profits are decreasing, resulting in massive financial debt. Considering the ESG and credit risks, the case was reconsidered.	3,000
XX Steam Power Co., Ltd.	Environmental Factors: The borrower is a cogeneration plant which utilizes coal as fuel for power generation fuel and is a pollution source listed for regulation. The company was penalized in the past 5 years for their violation of the Air Pollution Control Act and Environmental Impact Assessment Act, in addition to suffering from poor financial conditions. As such, the borrower's interest rate was raised.	1,000
XX Construction Co., Ltd.	Social, Governance Factors: In recent years, the borrower and person-in-charge was involved in fraud and a constant number of lawsuits as well as severe accidents related to occupational safety. Considering social safety and poor governance, the amount in this case was reduced from NT\$600 million to NT\$400 million.	400
Total		4,400

In order to guide borrowers towards sustainable development practices, the domestic and foreign branches of First Commercial Bank, FCB Leasing, FCB Leasing (Chengdu), and First Financial AMC are actively urging customers to place an emphasis on sustainable development and soliciting borrowers to submit a Declaration of Sustainable Development; foreign branches are urging customers to comply with local environmental protection and human rights laws. Starting in 2023, "Strive to control greenhouse gas emissions and continued management of various indicators in operating environments to develop sustainable development practices for the goal of net zero 2050" has been incorporated into the Letter of Commitment (Negotiated Version) for high pollution (carbon emissions) borrowers to urge participation in response to national policy. In 2022, First Commercial Bank succeeded in soliciting Sustainable Development commitment from approximately 99.9% of its borrowers.

●○ Sustainable Development commitment signed by domestic and foreign borrowers over recent four years

Unit: no. of borrowers

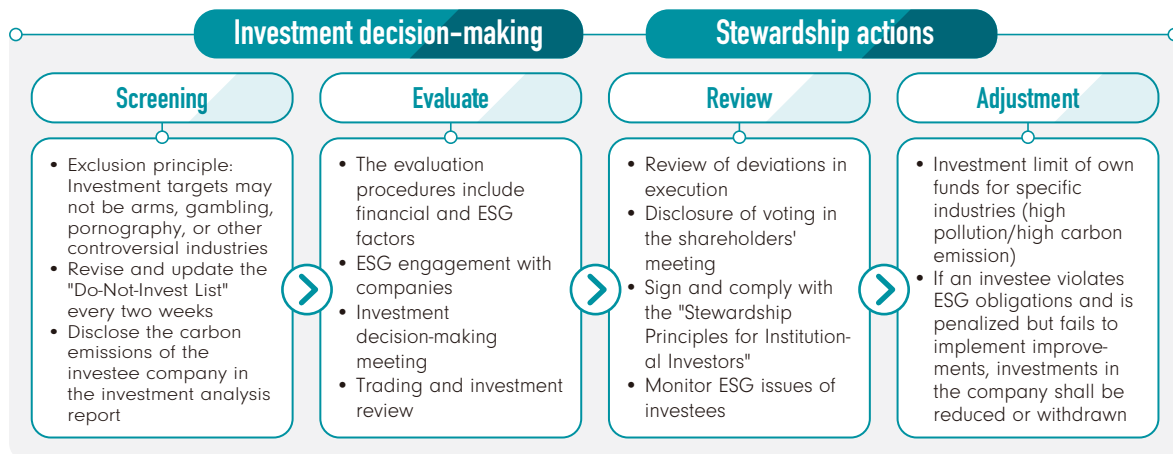
Item	Year	2019	2020	2021	2022
Domestic Sustainable Development commitment		24,353	41,705	51,713	53,682*
Sustainable Development Evaluation Form for Overseas Branches		3,703	4,520	5,389	6,317

* : Includes the Declaration of Sustainable Development obtained by First Financial AMC.

For the purpose of strengthening the post-loan management and fulfilling the responsibility of being a financial institution for environmental protection and social sustainability, First Commercial Bank finds out whether the operations of early warning cases of borrowers who have been punished by government environmental protection agencies for violating environmental protection laws violate ESG principles and proposes improvement measures to these borrowers. In 2022 there are a total of 1 cases that meet the early warning signal of "those who violated environmental protection laws and regulations were punished by government environmental protection agencies", and the customer has been continuously tracked to determine if they have complied with the environmental protection authority's request to obtain a permit for waste disposal. In addition, if the borrower's loan is suitable for the purpose of green financing, the verification of the actual use of the fund after the review operation will be strengthened. If it is discovered that circumstances of environmental pollution are in violation of ESG principles, it shall be stated in the review opinion as a reference for future credit limit review. After review conducted by reviewers in 2022, no such matters have occurred.

Responsible investment

First Financial Group establishes standard evaluation procedures for responsible investment, abides by the Stewardship Principles, complies with related regulations, and fulfills fiduciary duties as an asset manager to maximize interests for beneficiaries and shareholders.



Since 2015, First Capital Management has revised and updated the "Do-Not-Invest List for Sustainable Development Violations" every two weeks. It continuously reviews investees based on product sustainability, governance, social, and environmental criteria. Any company that is found to have engaged in conduct which is not in the spirit of sustainable development is added to the do-not-invest list. In the fourth quarter of 2016, we fine-tuned our screening guidelines for social factors to better safeguard human rights based on the content and spirit of the "Universal Declaration of Human Rights," with particular emphasis on Articles 6, 7, and 8 of the "International Covenant on Economic, Social and Cultural Rights." The number of companies included in the do-not-invest list from 2020 to 2022 were 10, 15, and 13 companies, respectively. The list was provided to First Financial Holding, First Bank, First Securities, First Securities Investment Trust, First Life Insurance, and First Venture Capital for reference purposes. In 2022, the invested stock pool of the 6 domestic funds (small, innovative trends, electronics, core strategic, storefront, and balanced China) of FSITC did not include stocks from the "non-investment list of companies that violate sustainable development". Additionally, 73.89% of companies in the stock pool of domestic funds compiled their own sustainability reports. A decarbonization mechanism was established in coordination with the Group while subsidiaries in banking, securities, investment trust, and life insurance committed in 2023 to suspend additional investments into enterprises whose revenue of coal and atypical oil and gas exceeds a specific proportion.*

* : Considering the nature of business in each subsidiary, different revenue proportions have been established for each.

Screening Standards	Main Basis	No. of individual stocks excluded from the investment pool in the past three years		
		2020	2021	2022
Product sustainability	Excluding enterprises involving animal welfare(Biodiversity), climate change, ozone layer destruction, betting games, genetic engineering, nuclear energy, the sex industry, tobacco, and weapons systems.	7	7	7
Governance	Incidents involving corporate embezzlement, food safety violations, accounting fraud and market manipulation, and other controversial social issues in the most recent six months, leading to being investigated by the law enforcement agency.	3	0	0
Social	<ul style="list-style-type: none"> It is determined whether a major labor dispute, employee strike, or other similar incident has occurred and whether union negotiations have not yet been concluded. The company has laid off employees without warning. Screening guidelines for safeguarding human rights were adjusted based on the content and spirit of the "Universal Declaration of Human Rights," with particular emphasis on Articles 6, 7, and 8 of the "International Covenant on Economic, Social and Cultural Rights." 	0	8	6
Environmental	<ul style="list-style-type: none"> List of Sanctioned Entities announced by the Environmental Protection Administration, Executive Yuan (Environmental Protection Administration, Executive Yuan / Public Administrative Announcements / List of Entities Sanctioned by the EPA); sanctioned entities which have not made improvements. Those which have legal actions taken against them by the prosecutor are entered on the watchlist. 	0	0	0
Total		10	15	13

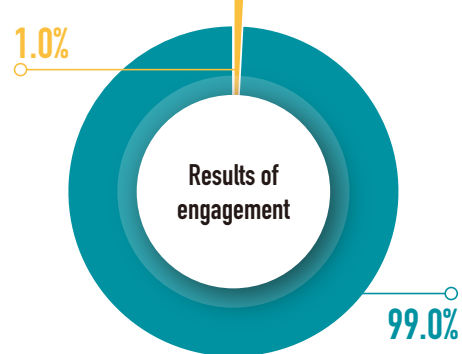
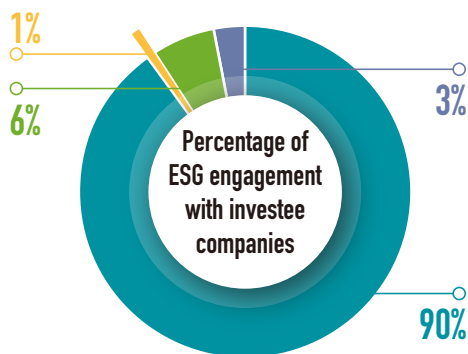
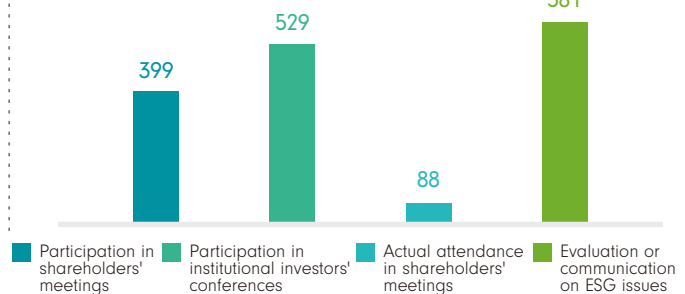
The Group aims to fulfill responsibilities as an asset owner or administrator and increase long-term value for the Group and fund providers. First Bank, First Securities, First Securities Investment Trust, and First Life Insurance have signed the compliance statement for the "Stewardship Principles" and shall disclose their performance of due diligence governance on their company websites. First Commercial Bank and First Securities were both listed on the "List of Companies with Better Institutional Investor Stewardship Disclosure" announced by the Taiwan Stock Exchange (TWSE) in 2022; ESG risk factors are incorporated into the decision-making process of long-term investments through a self-established ESG assessment checklist or results from an external third party ESG assessment. In principle, investments are not made if assessments determine there is high ESG risk or if the score is excessively low; instead, the invested company is regularly reviewed and engaged through ESG negotiations via e-mail, phone interviews, questionnaires, plant visits, and voting at the shareholders' meeting to give attention to the ESG related opportunities and risks of the invested company. Voting at shareholders' meetings are conducted based on the spirit of sustainability; if the invested company's proposals result in negative impact to the environment or society, they shall be opposed on principle. Also, if the invested company violates ESG related laws, is penalized but does not implement effective improvements, investments in the company will be gradually reduced or disposed of. The attendance in shareholders' meetings of investees and ESG engagement with investees in 2022 are as follows:

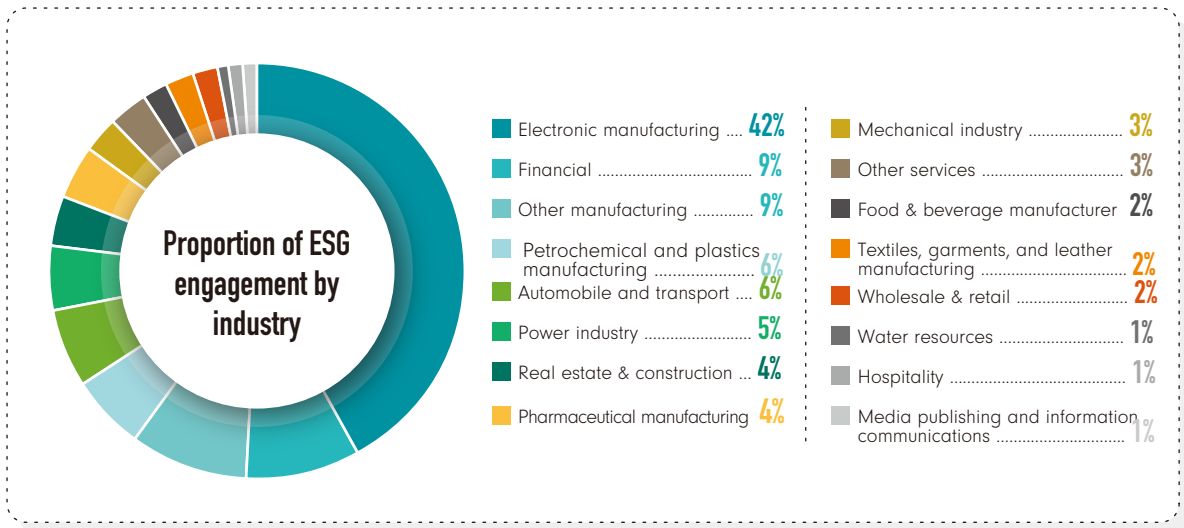
Attendance rate in shareholders' meetings of listed investee companies in 2022 [Number of (attendance in person + electronic voting) / number of attendances expected]

First Bank	100%
First Securities	100%
First Securities Investment Trust	100%
First Life Insurance	100%

Responsible investment/stewardship implementation status

Unit: Attendances

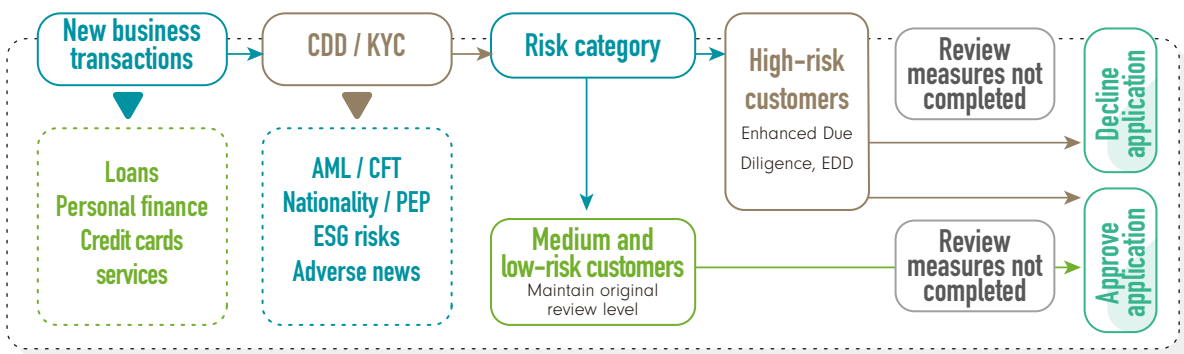




3-2 Retail Banking / Individual Finance

CDD/KYC Review Procedures

In order to improve the quality and resilience of credit assets, we incorporate ESG risk factors into the review process of our retail bank business for small and medium enterprises (including sole proprietorship and partnerships) and personal finance. Customers must pass 100% of the financial assessment and ESG risk review procedure to ensure their financial sustainability and resilience against unforeseen risk events.



When new accounts are opened, or if existing customers add projects to their businesses Customer Due Diligence (CDD) and Know Your Customer (KYC) are diligently conducted. This includes checklists for anti-money laundering (AML) and countering the financing of terrorism (CFT) for individuals and persons in charge of small and medium enterprises (SMEs); high risk customers must undergo Enhanced Due Diligence (EDD). Additionally, investigations are conducted into whether customers have been involved in ESG risks and transactions are refused and customers declined if their ESG risks are deemed excessive. This reduces the negative social and environmental impact caused by their products and services; The financing business for SMEs incorporates similar credit limitations comparable to those imposed on high pollution (carbon emissions) industries as well as restrictions on undertaking controversial and environmentally sensitive industries based on an assessment of their impact on environmental and social sustainability.

In order to take the risks of value loss of collateral into appraisal considerations, information for "geologically sensitive areas" and "potential areas of soil liquefaction" are obtained from the Central Geological Survey on a case by case basis and disclosed in the appraisal report. This allows auditors to comprehensively consider climate change risks of collateral; if the real estate collateral is building on a type C construction site* and is a new or loan increase case, it must be appraised by the management department of First Commercial Bank headquarters, regional center, or independently appraised on its own.

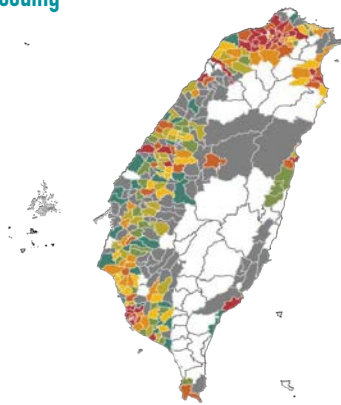
* : This refers to land lots zoned for type C construction use (for users of buildings in forest zones, slope land conservation zones, scenic zones, and slope agricultural zones) in the land registration transcript.

2022 ESG Review Results of Retail Banking and Credit Business

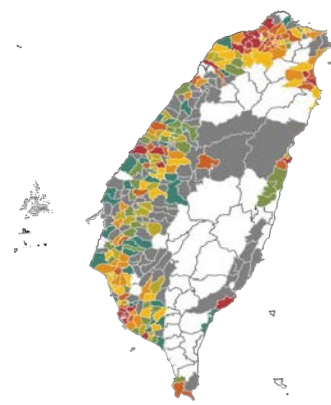
Type	Category	ESG risk factors	Review results
Small and medium enterprises	Environmental factors	According to the review factors of general corporate finance	Conditionally approved 2 cases
	Social factors		No relevant cases
	Governance factors		3 Unapproved cases
Individuals and persons in charge of SMEs	Environmental factors	The area where the real estate collateral is located (geologically sensitive area and soil liquefaction potential area)	<ul style="list-style-type: none"> • 12% located in geologically sensitive areas • 16% located in high potential areas for soil liquefaction
	Social factors	Money laundering Combating financing of terrorism Involvement in illegal affairs or negative media reports	<ul style="list-style-type: none"> • 57 Individuals were sanctioned and refused in business dealings • 7 Individual mortgages were denied due to excessive AML risks

Also, to further understand climate scenarios under different "Representative Concentration Pathways" (RCPs) and future trends in global or regional temperatures, rainfall, or rise in sea level for the purpose of estimating potential damages that natural disasters (flooding, landslides, etc.) caused by abnormal climate can cause to mortgage credit, First Commercial Bank selected SSP1-1.9 and SSP5-8.5. Literature review of reports on slope and flooding disasters in all regions and their impact on housing prices were modeled in simulations to evaluate impact assessment parameters and analyze the impairment amount of collateral, enhance control of risk exposure in the locations of collateral, and reinforce the protections for debt.

Flooding



Top 5 townships and cities with the greatest loss in value under 2030s SSP1-1.9



Top 5 townships and cities with the greatest loss in value under 2030s SSP5-8.5

Unit: Million NTD

Year	Scenario	SSP1-1.9		SSP5-8.5	
		Region	Impairment amount	Region	Impairment amount
2030	2030	Zhongli District, Taoyuan City	1,565	Sanmin District, Kaohsiung City	1,147
		Zhubei City, Hsinchu County	1,381	Taitung City, Taitung County	1,060
		Sanmin District, Kaohsiung City	1,147	Taoyuan District, Taoyuan City	986
2050	2050	Zhongli District, Taoyuan City	1,565	Zhongli District, Taoyuan City	1,565
		Zhubei City, Hsinchu County	1,381	Zhubei City, Hsinchu County	1,381
		Sanmin District, Kaohsiung City	1,147	Sanmin District, Kaohsiung City	1,147
2090	2090	Xinzhuang District, New Taipei City	1,783	Xinzhuang District, New Taipei City	1,782
		Zhongshan District, Taipei City	1,697	Zhongshan District, Taipei City	1,697
		Zhongli District, Taoyuan City	1,565	Zhongli District, Taoyuan City	1,565

* : High impairment amounts are due to greater climate hazards or higher loan balances.

●○ Slope disasters



Top 5 townships and cities with the greatest loss in value under 2030s SSP1-1.9

Top 5 townships and cities with the greatest loss in value under 2030s SSP5-8.5

Unit: Million NTD

Scenario	SSP1-1.9		SSP5-8.5		
	Year	Region	Impairment amount	Region	Impairment amount
2030		Xindian District, New Taipei City	1,170	Xindian District, New Taipei City	801
		Neihu District, Taipei City	883	Neihu District, Taipei City	575
		Xizhi District, New Taipei City	749	Xizhi District, New Taipei City	518
2050		Xindian District, New Taipei City	746	Xindian District, New Taipei City	924
		Neihu District, Taipei City	475	Neihu District, Taipei City	537
		Xizhi District, New Taipei City	452	Xizhi District, New Taipei City	519
2090		Xindian District, New Taipei City	1,609	Xindian District, New Taipei City	1,714
		Neihu District, Taipei City	1,333	Neihu District, Taipei City	1,059
		Xizhi District, New Taipei City	1,033	Xizhi District, New Taipei City	943

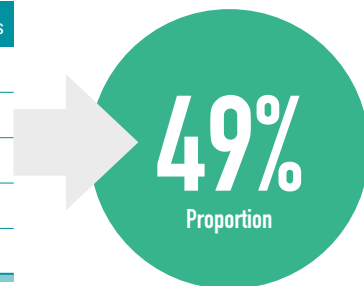
* : High impairment amounts are due to greater climate hazards or higher loan balances.

Retail Banking Credit Review and ESG Engagement

To strengthen the communication with retail banking customers and identify ESG related risks and opportunities, First Bank interacts with customers and conveys ESG information from time to time through face-to-face conversations, lectures, dynamic/static publicity and community interaction before engaging with customers, and also collaborates with the reinvestment East Asia Real Estate Management Company and government agencies to provide customers with ESG related consulting services so as to comprehensively enhance customer's ESG awareness; potential ESG risks and opportunities will be identified by integrating ESG risk factors audit mechanism when establishing business relationship, and more active actions will be taken in customers communication and the invitation of using perpetual financial products and services, including Green Industry/Enterprise ,Loan Green Consumption Loan, Green Credit Card and relevant consulting services, in order to enable customers to actually participate in ESG actions through every financial behavior; it will continue to monitor whether customers are in violation of ESG, and take corrective measures to reduce the negative impact of goods and services on the environment and society after the establishment of business relationship.

●○ Percentage of customers invited to interact or participate in ESG engagement in 2022

Item	Number of households
Green consumer loans	1,010
Urban renewal and reconstruction of urban unsafe and old buildings	38
Public Welfare/Green Credit Card	69,558
ESG fund*1	62
Individual financial customers*2	143,846



*1 : 15 Select ESG funds that comply with the EU's Sustainable Finance Disclosure Regulation (SFDR) in 2022.
 *2 : Number of housing loan, credit loan, and credit card loan customers in 2022.

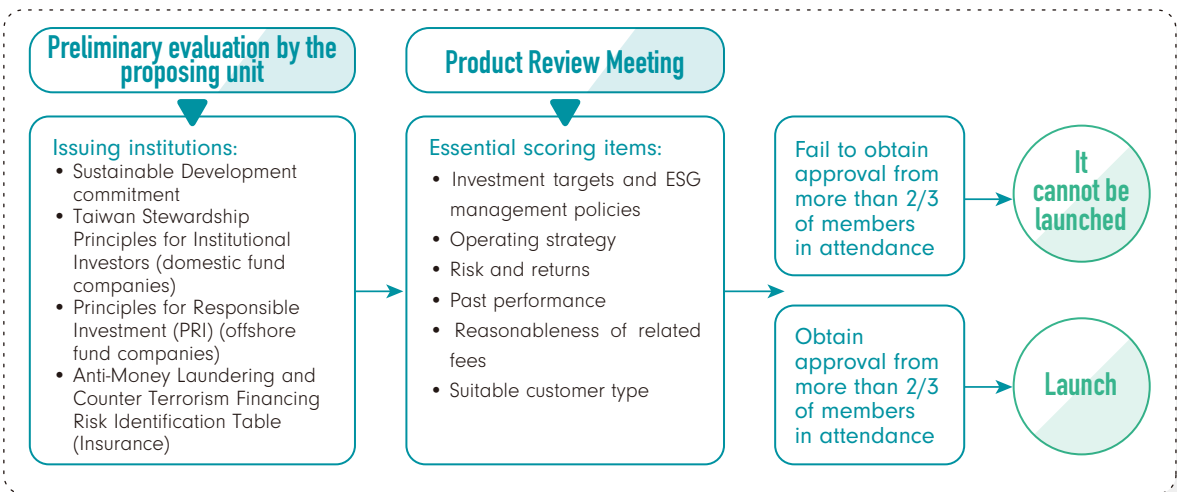
Additionally, we utilized green credit cards to organize the "Your First in Sustainability and Carbon Reduction" marketing campaign which invited customers to participate in the 9 major commitments to reduce carbon. The campaign encouraged customers to take designated public transportation and take action to protect our Earth. The number of green consumers and their spending amount were 390,000 customers and NT\$910 million, respectively

In 2022, nearly 6,600 customers responded to the 9 major commitments to reduce carbon

- Select local and seasonal ingredients to reduce the energy consumption of food transport or storage
- Prioritize walking and public transportation
- Use eco-friendly utensils
- Refrain from using air conditioning/heaters whenever possible
- Apply for electronic bills, re-use paper or envelopes
- Reduce waste when shopping by determining your wants and needs
- Turn off power when not in use
- Properly sort and separate garbage
- Encourage friends and family to join the green movement

Product Review - Include ESG risks and opportunities into the evaluation items for product launch reviews

In order to prevent our provided financial products and services from causing negative environmental and social impact, subsidiaries in banking, securities, investment trust, and life insurance have incorporated ESG factors in the selection criteria for the release of financial products. Rigorous product review that caters to risk controls and sustainable social and environmental development provides customers and investors the ability to pursue sustainable and long-term rewards. To fully understand product suitability, the financial products released by First Commercial Bank must utilize an evaluation chart to review whether ESG criteria are involved in significant negative ESG issues (such as air pollution, water pollution, violation of human rights and labor rights, poor internal control and unethical employee behavior, etc.) in combination with the competent authority's standards for ESG funds. The listing of ESG funds must pass review by the Financial Supervisory Commission and be listed in the dedicated ESG fund area on FundClear to prevent the act of greenwashing for listed products; After passing review by the proposing unit, relevant information is submitted to the "Financial Product Review Committee" for further review. Review items include at least the investment targets, ESG management guidelines, operating strategy, risks return and past performance, reasonableness of related fees, and suitable customer categories. The product risk ratings are established based on product characteristics and the product must obtain the approval of more than 2/3 of members in attendance before it can be launched and sold. In 2022 a total of 208 products were reviewed before launching, a total of 8 products were recalled and 100% of the launched products passed ESG review. The Bank must also implement anti-money laundering and counter terrorism financing regulations in the sales process and evaluate the compatibility of product risks and customer risks to ensure that the risks of the products sold are commensurate to the customers' risk tolerance to protect the interests of the customers and investors.



ESG Products and Services

GRI : 201-1、203-1、FS1、FS2、FS3、FS7、FS8、FS11、FS14、FS16

SASB : FN-CB-240a.1、FN-CF-000.A、FN-CF-000.B

4-1 Corporate Banking / Investment Business

Corporate finance - ESG-related products and their respective proportions

Unit: NT\$100 million

Item	Amount	Product content description
ESG/Green Finance	6,637.56	<ul style="list-style-type: none"> G Sustainable Financing of Renewable Energy, Preferential Financing Projects for Green Industries and Corporation S ESG Infrastructure Financing G S Preferential Financing Projects for Six Core Strategic Industries
Sustainability Linked Loan	243.17	
Corporate loan financing balance	11,113.03	
Percentage (%)	61.92	

Unit: NT\$100 million

Item	Amount	Product content description
ESG-based fixed-income product issuance amount	35	<ul style="list-style-type: none"> G Green finance bonds G S Sustainable financial bonds
Total issued monetary value of fixed income products	530	
Percentage (%)	6.60	

Unit: NT\$100 million

Item	Amount	Product content description
Financing for ESG-based entrepreneurship investment consulting services	6.75	<ul style="list-style-type: none"> G S Invest in companies involved in industries such as eco-friendly green energy, biomedicine, and medical supplies G Solar power plant construction services and consulting services for the operation and entrusted management of power plants
Volume of entrepreneurial investments and consulting services	17.99	
Percentage (%)	37.52	

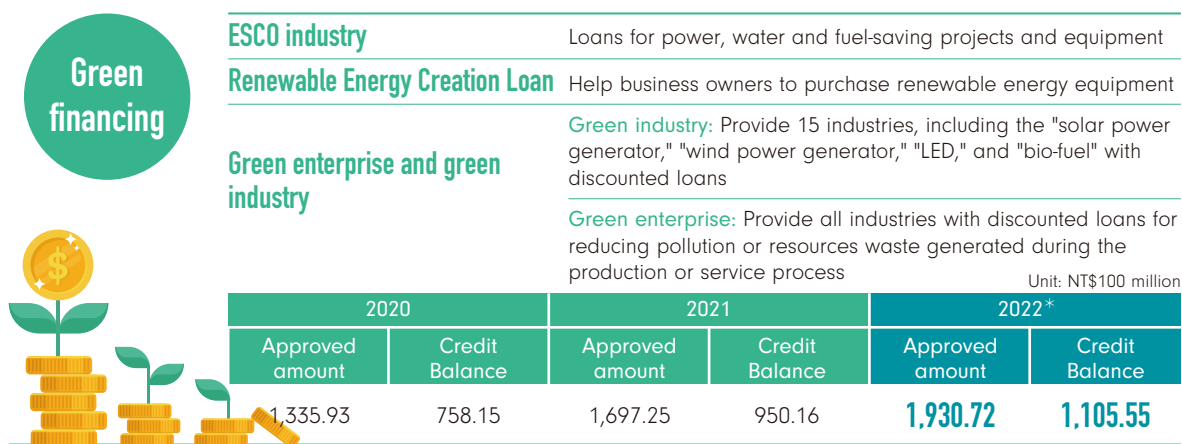
G Green S Social S Sustainable



We provide the following products and services with environmental benefits to help companies reduce pollution or resources waste in the production or service process:

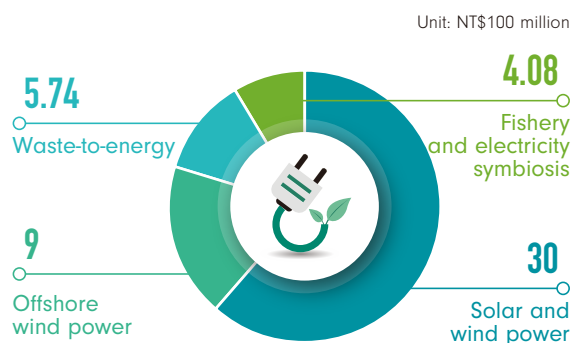
Green Finance

To help companies reduce the pollution and resources waste in the production or service process, First Bank launched the "No.1 Promoter in the Energy Industry" financing program in 2010 to support energy service companies (or "ESCO Industry"). First Bank also used the "Renewable Energy Sustainable Loan" in line with the "Million Solar Roof" policy by Bureau of Energy, Ministry of Economic Affairs (MOEA) and the power purchase guarantee from Taiwan Power Company to achieve three wins for the equipment user, supplier, and the Bank. To implement Green Renewable Finance policies and to coordinate with the "Productivity 4.0 Industry Transformation Loan" policy of government, First Bank issued "Loans for Green Sustainability-based Industry Transformation", helping Taiwanese corporations transform, and catch up with the global market trend of low-carbon production. Furthermore, FFHC organized "Green Finance Committee," with our President as the chairman in March 2017. The committee is responsible for setting up policy goals and reviewing the results. It is also responsible for incorporating the green industry financing projects mentioned above, and expanding the scope of green financing to "Green industries" and "Green enterprises". In 2018, the applicable scope was expanded to overseas branches across the globe to help achieve conservation of the local environment and help local industries complete their low-carbon transformation.



* : Includes green financing loans from overseas branches in the amount of NT\$20.067 billion and balance of NT\$9.858 billion.

First Bank actively supports national policies and renewable energy financing. In 2022, the solar PV syndicated loans organized or co-organized by First Bank totaled NT\$39.696 billion, and the amount of syndicated loans provided by First Bank totaled NT\$4.882 billion. The total installed capacity was 449.57MW and the annual power generation is approximately about 562 million kWh. The projects reduce annual carbon emissions by approximately 299,500 million tons CO₂e each year which is equal to the carbon absorption of 769 Da'an Forest Parks.



Case Study

In coordination with the government's energy transformation policy and net zero goal, First Bank has co-sponsored the joint loan of a solar photovoltaic power plant. A plot of land unsuitable for agriculture from Taiwan Sugar Corporation was selected as the site for a ground-type solar power plant, utilizing a public bid to select a suitable vendor for leasing. The borrower is responsible for the development of this project which is expected to achieve a total device capacity of 178.21MW and reduce approximately 118,700 tons of CO₂e annually.



ESG Infrastructure Financing

First Bank is dedicated in our support of domestic transportation infrastructure by actively financing construction projects for mass transit tools such as Taiwan High Speed Rail and Taipei Metro. This relieves the domestic north-south transportation capacity, improves the regional transportation of remote areas, and boosts transportation around airports to promote the development of travel and transportation both domestically and abroad, promote Taiwan's economic development, and improve benefits for the general public.

Unit: NT\$100 million

ESG Infrastructure Construction Loan Balance	2020	2021	2022
	268.47	251.53	223.21

Preferential Financing Projects for Six Core Strategic Industries

In order to support the developmental requirements of key national policies and industries in the implementation of the Executive Yuan's "Program for Promoting Six Core Strategic Industries", First Bank initiated the "Preferential Financing Project for Six Core Strategic Industries" in 2022 to provide for the funding requirements of daily operations, R&D, plant expansion, transformation, and other various stages of operations for customers in the six core strategic industries.

Information and Digital Industries	Cybersecurity Industry	Precision Health Industry	National Defense and Strategic Industries	Green and Renewable Energy Industry	Strategic Stockpile Industries
<ul style="list-style-type: none"> Computers and their components AI IoT Media production Broadcasting and information communication service industry 	<ul style="list-style-type: none"> Semiconductors AI 5G 	<ul style="list-style-type: none"> Nutritional supplements and foods Drugs Hospitals/clinics Healthcare services 	<ul style="list-style-type: none"> Aviation Ships Aerospace 	<ul style="list-style-type: none"> Photovoltaics Fuel batteries Wind power generation Biofuel 	<ul style="list-style-type: none"> Energy Daily commodities Medical care Food Disaster relief resources Gravel and cement
2022 Financing balance					
1,741.94	686.82	250.70	3,128.65	1,831.85	2,644.09
5,407.38*					

Unit: NT\$100 million

* : Excludes double counting.

Sustainable performance-linked credit project

In order to be in line with international ESG trends, First Bank launched the "sustainable performance-linked credit project", which differs from green loans in that the funds can be used without being confined to specific purposes. Through long-term monitoring of ESG indicators, connecting corporate borrowers' sustainability performance in controlling greenhouse gas emissions, electricity, energy, and total waste, etc. to loan interest rate pricing. The Bank will reduce the financing costs if the borrower meets the relevant ESG performance indicators to encourage corporate borrowers to actively manage their low-carbon transformation risks and support corporate borrowers that implement ESG governance in this engagement manner. The credit accounts tracked in 2021 accounted for a total decrease of 142,622,700 tons CO₂e and conserved 71.2126 million kWh of electricity for the year.

Unit: NT\$100 million

Sustainable performance-linked credit project	2021		2022	
	Approved cases	Approved amount	Approved cases	Approved amount
	20	439	49	626

Case Study

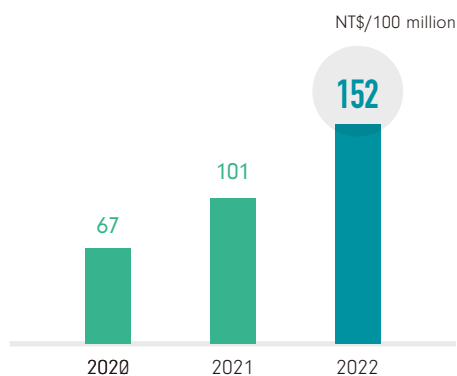
First Bank coordinated and sponsored the "Sustainability Performance" joint loan of NT\$13 billion to Ennostar and their subsidiary Epistar. The project provided funding for plants, machinery, and equipment to increase the application of green energy and achieve the goals of reduced pollution, water conservation, and energy conservation in the fulfillment of the financial industry's social responsibility. Also, the NT\$9 billion "Sustainability Performance" joint loan was sponsored for Chen Loong Corp. to manage and perform annual reviews of the company's indicators such as "recycling rate of industrial paper" and "proportion of alternative fuels" to issue corresponding adjustments to interest rates, thereby supporting the customer in combining strategic goals for operations and sustainability.



Green Bonds and Solar Energy Fund

First Bank has continued to increase its proportion of investments into green bonds each year, taking actions to support invested companies in achieving their low carbon economy and carbon reduction plans as well as comply with the Green Bond Principles of the International Capital Market Association (ICMA), Sustainability Bond Guidelines (SBG), and Taiwan's "Taipei Exchange Operation Directions for Sustainable Bonds" in the issuance of green/sustainable development bonds and obtaining third party verification. Additionally, First Consulting raised and managed a green energy fund of NT\$780 million and First venture Capital also invested NT\$333 million in the construction of solar power plants with a total installed capacity of approximately 66.5MW. Once the power plants are completed, they are expected to reduce 66,500 tons CO_{2e} of carbon emissions each year, which is equivalent to the annual carbon sequestration of 170 Da'an Forest Parks.

Investment balance of sustainable development bonds in the past three years



Issuance date	Issuer	Bond type	Currency	Issuance amount (Million NTD)	Balance of 2022 (Million NTD)	Main purpose
2020/3/27	First Bank	Green bonds	TWD	1,000	1,000	Provide enterprise loans for the production and construction of renewable energy
2021/12/8	First Bank	Sustainability bond	TWD	1,000	1,000	<ul style="list-style-type: none"> Provide enterprise loans for the installation of solar PV or wind power generation equipment Support small and micro enterprises to carry out project loans
2022/9/19	First Bank	Sustainability bond	TWD	1,500	1,500	

4-2 Retail Banking / Personal finance

Retail Banking - ESG related products and their respective proportions

Unit: NT\$100 million

Item	Amount	Product Descriptions
Balance of green/ESG consumer loans and financing	234.48	Green consumer loans, e-speed loans
Urban renewal financing loan balance	176.54	Urban renewal financing projects and financing projects for the reconstruction of dangerous and old buildings.
Total retail banking business loan balance	6,570.55	
Percentage (%)	6.26	

Unit: NT\$100 million

Item	Amount	Product Descriptions
ESG/Green Financing Balance for SMEs	4,535.8	<ul style="list-style-type: none"> G Preferential Loans for Green Industries and Green Enterprises G S Preferential Loans for Six Core Strategic Industries
Total loan balance for SMEs	9,300.4	
Percentage (%)	48.77	

Unit: NT\$100 million

Item	Amount
Compliant to a fund scale of more than 4 globes (inclusive) in the Morningstar Sustainability Rating	122.51
Scale of listed ESG funds	70.8
Total assets under management (AuM)	2,681.66
Percentage (%)	7.21

Green / ESG Loans

Green / ESG Consumer Loans

In order to guide customers into adopting low carbon products, First Bank has launched "Green Consumer Loans" which targets the procurement of green energy or energy saving products (e.g.: green architecture, hybrid vehicles, electric vehicles, energy-saving appliances, etc.) in customers to provide preferential interest rate loans, thereby increasing incentives to procure green energy or energy saving products. Additionally, to build a paperless digital financial environment and meet the demand for zero contact financial services due to COVID-19, the "e-speed loan" service was launched so that customers could apply for loans through the internet from the comfort of their own homes.

Unit: NT\$100 million

Category	Related Products for Green / ESG Consumer Loans	Number of households	Balance
 The Environment	• Green consumer loans (provide customers with funding for the purchase of green energy or energy-efficient products)	1,010	122.26
	• E-speed loans (create a digital financial environment and provide customers with convenient online application services for consumer loans)	13,247	112.22

Urban renewal

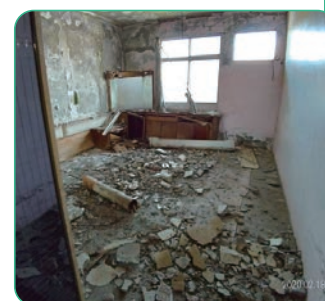
We use core businesses of the finance industry to promote environmental sustainability. Since the launch of its urban renewal financing businesses in 2009, First Bank has provided financing loans for regular construction, encouraged applicants to apply for the Green Building mark, and provided financing guarantees for green building projects. We launched the "preferential financing loans for accelerating the reconstruction of dangerous and old buildings" in 2017. Old buildings that meet the criteria in the "Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings" or "New Taipei City Simple Urban Renewal or Disaster Prevention Renewal" are eligible for preferential loan applications for reconstruction with business units of First Bank. Applicants may receive full loans for the reconstruction and related fees with a maximum period of five years. And working hand in hand with the re-invested related company East Asia Real-Estate Management Company to provide comprehensive financial services of one-stop service for urban renewal, so that homeowners can have no worries in the reconstruction process. After urban renewals, the renewed buildings must meet the greening indicators; lower the emission of waste heat, carbon dioxide, methane and waste water as much as possible; transform into communities of energy saving, carbon emissions reduction, and eco-friendliness; and establish all-win situation for the environment, residents and the Group. To date, a total of 105 projects related to urban renewal and reconstruction of dangerous old buildings have obtained Green Building Labels of silver or above and are expected to decrease carbon emissions by approximately 4,200 tons CO₂e.

Unit: NT\$100 million/Case

Item	Year	2020	2021	2022
Self-managed urban renewal and the reconstruction of dangerous and old buildings		68.57 / 16	72.65 / 20	124.09 / 38
Developer-consolidated urban renewal and the reconstruction of dangerous and old buildings projects		507.13 / 65	801.38 / 116	1,350.5 / 165
Landowners benefited		2,466	2,555	3,157


Case Study

First Financial Holding has designed a comprehensive plan for disadvantaged communities. In 2022 First Bank partnered with East Asia Real Estate Management Company, a reinvestment affiliate, to implement self-renewal construction projects for sea-sand houses in Beitou District, Taipei City. The project assisted approximately 65 land owners in the tearing down and reconstruction of sea-sand houses by performing construction engineering management, financial auditing, and consulting services for continuing construction. Throughout the construction period, land owners were not required to put up funds for reconstruction but ultimately generated income of NT\$2.69 billion and is expected to decrease CO₂e emissions of 2.7 tons per year. The project constructed safe and comfortable homes that assisted with government policies such as beautifying the city and improving living environments.



ESG / Green financing for SMEs

First Bank supports domestic enterprises through long-term coordination with credit guarantees of the SME Credit Guarantee Fund of Taiwan to expand financing services to domestic SMEs and earning the 14th "Credit Guarantee Gold Award" in the 2022's Credit Guarantee Financing Business for SMEs in addition to striving for the low carbon transformation and sustainable development of SMEs. We actively undertake green industries and enterprise loans to act as the financial backing of SMEs as they shift towards net zero. We also support the enterprise development of long-term care SMEs, having undertaken 55 SME accounts for the financing of long-term care enterprises in 2022. We will continue to inject capital into projects that provide benefits to society and our environment as we join with borrowers to develop ESG sustainable business opportunities.





Item	Green Finance	Financing of long-term care enterprises
Approved loans in 2022	1,160.53	12.65
Balance of loans in 2022	667.95	4.58

Case Study

In 2022, First Bank assisted a hotel SME in Kaohsiung with development of their renewable energy business, providing the capital for the business to install roof-type solar power generation equipment in the Luzhu Industrial Park of Taoyuan City; the total device capacity is estimated to be 1920kWp. Currently, the business has accumulated over 50 project sites across Taiwan for total power generation of up to 51MW; of these, 19 plants are in operation, generating 10MW of power and achieving annual revenue of over NT\$30 million. Additionally, 5 power plants currently under construction will offer a capacity of approximately 7MW and is expected to inject annual revenue of approximately NT\$40 million. Aside from supporting businesses in achieving stable income outside of their core business, the project establishes mutual benefits by also promoting national development of green energy.

Public Welfare / Green Credit Card

First Bank consistently appropriates a fixed proportion of public welfare/green credit card customer spending to the promotion of environmental protection and charity events. We initiated the "carbon reduction label" certification program to track the carbon reduction throughout the life cycle of credit cards. In 2022, the "Join First for Sustainability and Carbon Reduction" marketing campaign (refer to the chapter on Responsible Finance) was launched to practice eco-friendly measures with our customers.

Card type	Content	Carbon footprint / card	2022 Number of cards in circulation	Proportion to the whole	Accumulated donation amount
Environmental conservation 	Living Green Card Donate 2% of domestic payments made with the card to the First Bank Culture & Education Foundation for charity programs dedicated to environmental sustainability and carry out the "Green Light to Spread Love" program to assist remote elementary schools and social welfare organizations replacing energy-saving LED lamps.	500g CO ₂ e	265,397	17.70%	156,787
	Leezen Card Donate 6% of domestic and overseas spending with the card to the "Tze-Xin Organic Agriculture Foundation" and the "Bliss and Wisdom Foundation of Culture and Education" to promote the idea of organic, pesticide-free vegetables, assist organic agriculture, and restore land.				
	Yilan Card Donate 3% of domestic payments with the card to Yilan County Government for use in social welfare, tree planting and tree protection activities to provide care for disadvantaged groups in such County and environmental protection.	900g CO ₂ e			
	Taoyuan Card Donate 3% of domestic payments made with the card to Taoyuan County Government for use in promoting innovative smart city applications including smart water resource recycling cloud integration platforms, green transportation, diverse energy integration systems, and regional resource and circular economy industry chains to create a smart, energy-efficient, green, and low carbon city.				
Social Welfare 	Glory+ World Card Donate 1% of the domestic payments made with the card to the First Bank Culture & Education Foundation to sponsor education activities, school lunches, classes after school, etc. for disadvantaged schoolchildren in remote areas through the "Edusave" platform of the Ministry of Education.		5,390	0.36%	5,503

- * : 1. First Bank does not provide pre-paid card products.
 2. In 2022, the total number of valid credit card customers of First Bank was 691,301, and the number of cards in circulation reached 1,499,813.
 3. For the social and environmental benefits of credit cards, please refer to the chapter "Social Impact - Public Welfare Strategy".











Sustainability Investment Product

FFHC integrates core competencies to support the transformation to a low-carbon economy and makes full use of the influence of the financial industry for sustainability. We provided the following products or services in 2022 that benefited the society and environment:

●○ First Securities Investment Trust offers Morningstar Sustainability Rating compliant fund asset management at a scale of 4 or more globes

As of the end of 2022, First Securities Investment Trust has issued 4 funds that are above average (4 globes) and comply with the Morningstar Sustainability Rating note as well as 6 funds that meet the high end (5 globes) Morningstar Sustainability Rating for a total scale of NT\$12.251 billion, accounting for 13.4% of the funds offered by First Securities Investment Trust.

Unit: NT\$100 million

Category	Rating	AuM	Fund Name
Active		3.74	First Securities Major Global Trends Fund
		5.88	First Securities Small Selection Fund
		3.35	First Securities OTC Fund
		37.04	First Securities AI Global Precision Medicine Fund
		12.60	First Securities Innovative Trends Fund
		11.34	First Securities Global AI FinTech Fund
Passive		15.15	First Securities Global eSports Fund
		4.81	First Securities Global Fitness Fund
		1.18	First Securities Global Real Estate Securitization Fund
		27.42	First Securities Taiwan Industrial 30ETF Fund

* : Morningstar includes 3 major ESG factors in their rating of sustainable investments. The grading is classified into 5 tiers (bottom, below average, average, above average, and high end) represented by 1 to 5 globes. A rating of 5 globes represents an investment combination with extremely low ESG risks while 1 globe represents an investment combination with extremely high ESG risks.

●○ Asset scale of ESG funds under the management of First Bank

Unit: NT\$100 million



* : All ESG funds comply with the domestic competent authority's definition of ESG funds.

●○ ESG products of First Bank and First Life Insurance

The assessment, development, and listing operations of funds and insurance products consider ESG factors. All ESG funds listed by First Bank are compliant with the laws and regulations of the competent authority; The linked objects of First Life Insurance's investment type policies prioritize green funds compliant to the EU's SFDR. In 2022, First Bank and First Life Insurance listed a total of 154 ESG and investment type policy funds.

	First Bank	First Life Insurance
Funds compliant to the laws and regulations of the domestic competent authority/total number of listed funds	22.35%	
Green (linked objects) funds compliant to the EU's SFDR/number of listed (linked objects) funds	25%	75%



4-3 Inclusive Finance Products and Services

In response to the UN's promotion of financial inclusion for micro enterprises, low income households, residents of remote areas, disadvantaged women, youths, the elderly, and those with disabilities, basic financial services are provided for the goal of sustainable development. First Financial Holding continues to develop various products and services that support disadvantaged groups and provide them with a channel to obtain funding and financial services.

Unit: Households/Number

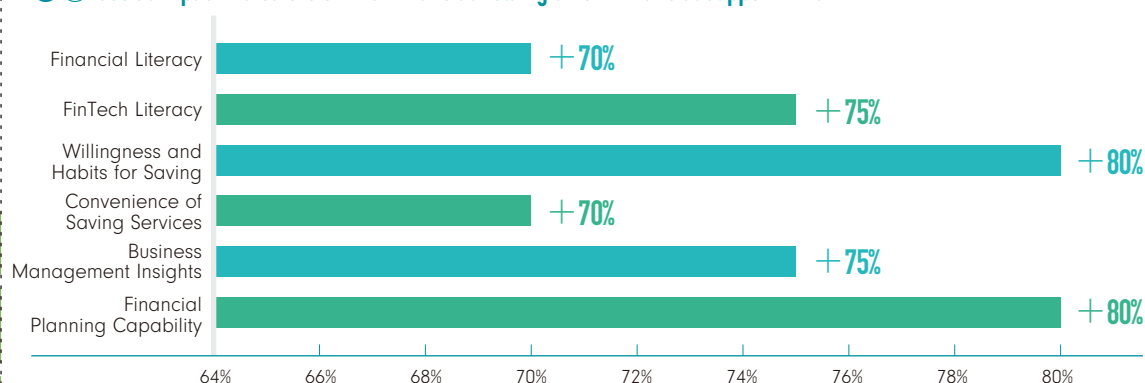
Products	Recipients of Services	Content of Products and Services	Number of customers in 2022	Transaction volume in 2022
Checking Accounts	Low Income Households	In order to practice fair treatment of customers, fulfill our corporate social responsibility, and reinforce measures for accessible financial services, the banking business is waiving processing fees for overseas remittance/deposits for vulnerable customers (low/medium income households).	9,734	139,865
	Residents in Remote Areas	The 9 sub-branches (including Chorm Chaov, Olympic, Chamkamorn, Toul Kork, Chraoy Chongvar, Mean Chey, Siem-Reap, Phsar Derm, and Sen Sok sub branches) under the jurisdiction of First Bank's Phnom Penh branch offers a service network that provides local residents with convenient checking account services including internet/mobile banking services (e.g.: view interest rates, view deposit balance/details, designated/non-designated wire transfer and remittance, and a service interface that can be changed to display Traditional Chinese, English, and Khmer). In order to practice fair treatment of customers, forms related to deposit business are simultaneously provided in Chinese, English, and Khmer at each branch (including sub branches) to facilitate customer use.		
Savings Accounts	Low Income Households	In order to practice fair treatment of customers, fulfill our corporate social responsibility, and reinforce measures for accessible financial services, the banking business is waiving processing fees for overseas remittance/deposits for vulnerable customers (low/medium income households).	80	756
	Residents in Remote Areas	The 9 sub-branches (including Chorm Chaov, Olympic, Chamkamorn, Toul Kork, Chraoy Chongvar, Mean Chey, Siem-Reap, Phsar Derm, and Sen Sok sub branches) under the jurisdiction of First Bank's Phnom Penh branch offers a service network that provides local residents with convenient savings account services such as allowing customers to utilize internet/mobile banking to review details of their time deposits; in order to practice fair treatment of customers, forms related to deposit business are simultaneously provided in Chinese, English, and Khmer at each branch (including sub branches) to facilitate customer use.		
Loans	Micro Enterprises	For small scale enterprises, preferential/standard loans and young entrepreneur loans are provided to small and micro enterprises in coordination with the Ministry of Economic Affairs' Small and Medium Enterprise Administration to offer loan conditions at superior interest rates (one year fixed deposit rate plus annual interest rate of 0.79%) compared to standard loans. Additionally, enterprises are provided with a maximum quota of NT\$3 million for operation turnover with the preferential condition of lower processing fees and only requiring 1 principal as guarantor. The loan balance in 2022 is NT\$3.222 billion.	4,845	9,315
	Low Income Households	A variety of mortgage and credit products are provided for individuals whose income is below NT\$185,000, satisfying funding needs such as financial planning, home renovations, housing or car purchases, marriage, starting families, and children's education for this specific group.	1,010	1,189
	Residents in Remote Areas	A variety of mortgage products have been planned for residents of remote areas as defined by the Ministry of the Interior. Plans offer the maximum period of 30 years and a grace period for repayment to alleviate the financial pressures of residents in remote areas looking to purchase homes.	29	57
	Disadvantaged Women	In order to increase the participation of middle aged and disadvantaged women with lower incomes in the workforce and relieve the funding pressures at the onset of entrepreneurship, we have coordinated with the Ministry of Labor to offer micro entrepreneurship phoenix loans that provide enterprises with a maximum quota of NT\$2 million for operation turnover and without interest for the first 2 years; borrowers with special status may even enjoy the first 3 years without interest and 1.5% partial payment by the Ministry of Labor from the 4th year onwards. This reduces burden on borrowers through benefits such as an interest rate applicable to the 2-year mobile rate of Chunghwa Post +0.575% without the need to provide a guarantor or processing fees; For unemployed middle-aged and middle-aged entrepreneurship loan borrowers, benefits such as a maximum quota of NT\$2 million for operation turnover and no interest for the first 3 years followed by 1.5% partial payment by the Ministry of Labor from the 4th year onwards with a maximum subsidy period of 7 years massively decreases burden on borrowers; other benefits include interest rate applicable to the 2-year mobile rate of Chunghwa Post +0.575%.	32	64

Unit: Households/Number

Products	Recipients of Services	Content of Products and Services	Number of customers in 2022	Transaction volume in 2022
Loans	Youth Groups	Coordinate with government policy to offer the "Young Families" loan which provides citizens who are first time home buyers with an NT\$8 million quota home loan for up to 30 years with the option of one or two stage variable interest rate or hybrid fixed interest rate to help youths achieve their dream of purchasing a home and realizing housing justice.	1,420	1,420
		In order to create an environment that facilitates young entrepreneurs in obtaining the funding necessary to start their business, we've coordinated with the Ministry of Economic Affairs to offer the "Young Entrepreneurs Seed Money Loan". The loan provides enterprises with a total financing quota of NT\$16 million for operation turnover and benefits such as interest rate applicable to the 2-year mobile rate of Chunghwa Post +0.575%. Additionally, preferential loan conditions such as only requiring 1 principal as guarantor is provided for loans under NT\$1 million for enterprises in which 95% guarantee is obtained.	1,621	3,504
	Elderly Groups	"Reverse mortgages" are designed for elderly groups over the age of 60, allowing them to mortgage existing real estate to the bank, which will offer monthly payments during the mortgage period to provide the funds necessary for daily life. In 2022, the number of newly undertaken "reverse mortgages" amounted to NT\$1.4 billion, accounting for 0.96% of newly undertaken mortgages.	208	213
Insurance	Low Income Households	"Micro insurance" has been launched to care for the financially disadvantaged and groups with specific identities, hoping that the relatively low premiums will provide the most basic assurances for members of disadvantaged families.	396	396
	Residents in Remote Areas	In order for residents in remote areas to enjoy comparable insurance protections as the general public, "micro insurance" and "micro lifetime insurance" has been marketed towards customer groups in remote areas.	53	53
	Disadvantaged Women	Micro insurance is provided to low income women, allowing relevant groups to enjoy comparable insurance protections as the general public.	210	210
Trust	Elderly and Individuals with Disabilities	Customers hand their property to the bank, allowing the bank to manage and utilize trust property in accordance with agreements to guarantee the future life, healthcare, and care of elderly customers. In 2022, First Bank earned the distinction of 1st place in Group A of the Elderly Care Trust Award for the "Evaluation of the First Trust Industry 2.0 Trust Plan". A total of 39 cases were undertaken in 2022 amounting to a trust asset balance of NT\$18.511 billion, accounting for 1.97% of the total trust business. For customers above 55, the cumulative number of elderly trust beneficiaries for every 10,000 account holders is 207 people.	6,145	6,145

Aside from striving to provide various groups with fair and accessible financial products and services, First Financial Holding is actively combining core businesses to offer diverse non-financial support, such as training and seminars, free of charge. Relevant incentives are offered to encourage disadvantage groups into using financial products and services to fulfill the social responsibility of the financial industry.

●○ Social Impact Indicators of First Financial Holding's Non-Financial Support in 2022



Training in Financial or Digital Literacy

- **Remote Areas:** Each year, First Securities visits remote areas to provide FinTech training as well as financial examination services to residents in areas that lack financial resources. In 2022, 111 customers across Yuanlin City of Changhua County, Fengyuan District of Taichung City, Luzhu District of Kaohsiung City, Toufen City of Miaoli County, and Penghu County were provided with FinTech training.
- **Youth Groups:** The "Research Award for Financial Innovation and Sustainable Finance" was organized to encourage young students to strive towards academic research and financial innovation. Scholars from various sectors and industry experts from across Taiwan were invited to form a judging committee to issue a total of 16 awards, including gold, silver, bronze, excellence, and merit awards. These active efforts to deepen industry-academia exchanges and FinTech training is for the purpose of producing a reserve of future talent.

Providing Incentives for Savings Accounts

- **Remote Areas:** Active development of mobile banking apps in developing countries and least developed countries such as Cambodia and Vietnam. By increasing the digital convenience of financial services, the willingness to save will increase in local residents.
- **Youth Groups:** iLeo digital accounts, with their cute and intuitive interface design, have been developed for younger groups to provide discounts such as small amount deposit amount from NT\$100 to NT\$120,000 (inclusive) enjoying 2% high current interest rates, and adopting monthly interest payment method to encourage the habit of saving amongst younger audiences.
- **Persons with Disabilities:** All business units of First Bank offer accessible environments and facilities such as "accessible service counters", "service bells", and "accessibility slopes" as well as dedicated receptionists to help guide disabled individuals in conducting various financial operations. Information such as real-time exchange (interest) rates and standard business fees are provided on "exchange (interest) rate billboards" and "electronic bulletin boards" and offer more convenient saving services for persons with disabilities.
- **Foreign Nationals:** First Bank's accessible financial services allow customers of various cultures and nationalities to receive professional financial services based on kindness and compassion. As of December 2022, the Bank has implemented 62 bilingual branches, 11 of which provide services in Chinese, English, and Japanese. Each year, 25 additional bilingual branches are implemented in order to complete full bilingual coverage for all 188 branches across the nation by 2028.

Technical Assistance

- **Microenterprises, disadvantaged women:** First Bank has partnered with Industrial Technology Research Institute ("ITRI") so that the institute may provide enterprises with counseling in terms of patents, technologies, and market conditions while the bank handles financing loans for technology, intellectual property, or other matters. Also, long-term support for microenterprises has been provided in coordination with the Workforce Development Agency. Consultation and services for micro startup businesses, female entrepreneurs, and pre/post loan operations are provided by dedicated consultants stationed at the Ministry of Labor. Furthermore, the Bank has partnered with Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF) to co-organize annual counseling and planning seminars for the purpose of improving the financial competitiveness of SMEs. Expert economists or business owners are invited to provide two-way communication and counseling services in the aspects of industry, economy, and technology.

Business Management Tools or Training

- **Micro Enterprises:** First Bank has partnered with Taiwan SME Counseling Foundation (Taiwan SMECF) in coordination with the government's development policy to support small, medium, and micro enterprises by providing them with financial examination and diagnosis counseling services. The plan hopes to elevate small, medium, and micro enterprise customers through comprehensive financial planning, thereby ensuring they are financially sound. In 2022, financial examination and diagnosis counseling services were provided to 50 small, medium, and micro enterprises; each year, enterprise seminars are organized to provide overall economic and industry trend analysis to small, medium, and micro enterprises in an attempt to cultivate business insights in business owners. In 2022, a total of 7 seminars were organized.
- **Micro enterprises, low income households, residents of remote areas, disadvantaged women:** The "Daily Fan" column offers professional articles on business management, managing investments and finances, industry trends, and financial knowledge to support young entrepreneurs with improving their professional job skills, thereby increasing their success rate of entrepreneurship.



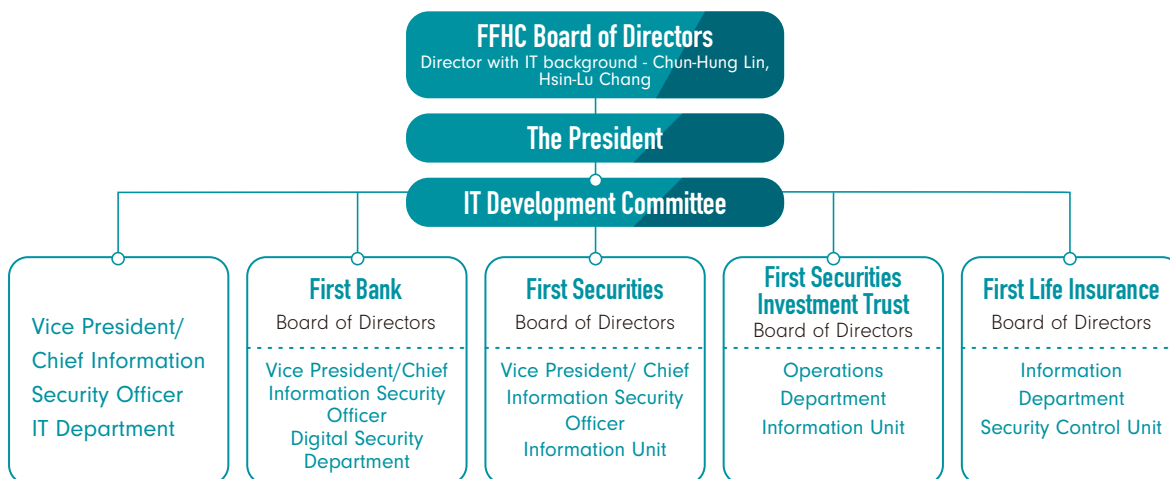
Information security and privacy protection

GRI : 418-1

SASB : FN-CF-220a.1 \ FN-CF-220a.2 \ FN-CF-230a.1 \ FN-CB-230a.1 \ FN-CB-230a.2 \ FN-CF-230a.3

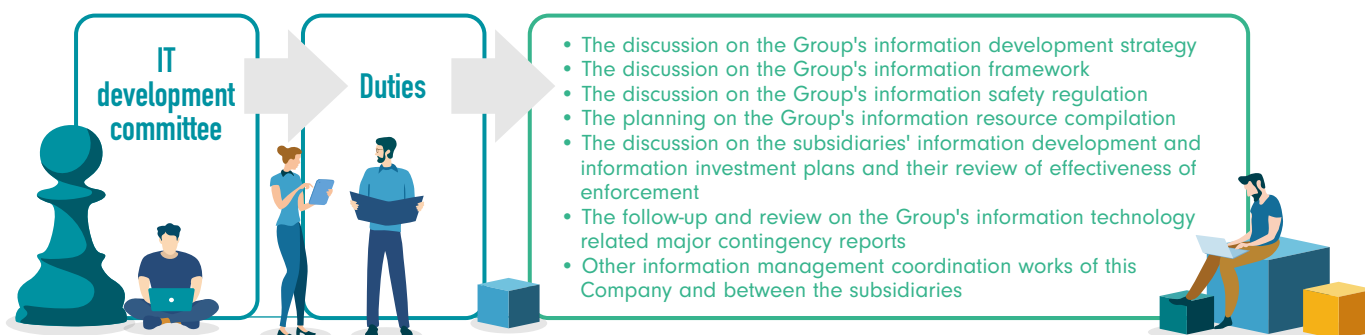
5-1 Information Security Management Framework and Strategies

In order to comprehensively improve digital financial business and information security management efficiency, the Company has hired two Ph.D.s with backgrounds in computer science and information management as directors and set up a Chief Information Security Officer, which is assumed by the former director of the National Center for Cyber Security Technology of Executive Yuan and deputy director of the CyberTrust Technology Institute of the Institute for Information Industry. It is in charge of the Information Technology Department and is responsible for the planning, establishment, promotion and management of the Group's information systems and information security control measures, as well as the sharing and integration of related resources.



We established an IT Development Committee with the president of FFHC as the chairperson. Committee members include vice presidents, the head of the Information Technology Department, presidents of subsidiaries, and vice presidents responsible for IT operations (or managers with an expertise in IT). The IT Development Committee is convened regularly to discuss and review IT development, IT security and management issues at each subsidiary. To comply with the authority's rules, banks, securities, investment trust and life insurance subsidiaries have included the overall implementation of information security in 2022 into the internal control system statement, and such companies' chief information security officer or the supervisor or top supervisor of the dedicated unit responsible for information security and its chairman, president, chief auditor, and the head office's legal compliance officer jointly issued the internal control system statement.

Please refer to the MOPS for the Declaration on Overall Information Security of each company



In order to support business development of the Group, make sure effective use of information resources and secure safety of the information system and operation, the amended "Information Management and Safety Policy"* approved by the board in 2022 stated that the Company and its subsidiaries shall according to its industry peculiarities enact relevant information operation management regulations. Furthermore, the IT Management Guidelines was established in coordination with information management related laws and regulations to strengthen the information systems, network equipment, and data security of FFHC and subsidiaries, and also to strengthen internal control functions. Provisions on the use and security of IoT equipment were added to the Information Security Management Regulations in response to the requirements of the Bankers Association of the Republic of China on IoT equipment. The Internal Control System contains detailed rules and manuals for information security/online security risks, including application system operations management, hardware and environment management, network management, webpage management, e-mail security management, computer user access rights management, disaster recovery procedures, subsidiary supervision and computer file preservation, storage and processing principles.

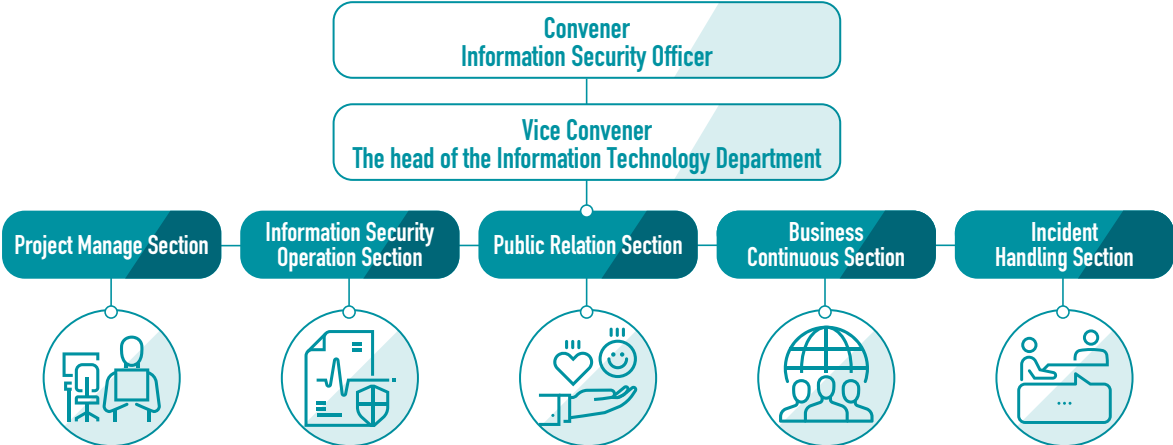
* : In May 2022, "Information Management Policy and Guidance" is renamed as "Information Management and Security Policy and Guidance"

The FSC published the "Financial Information Security Action Plan" in 2020. To provide secure, convenient, and uninterrupted financial services, the FFHC, bank, securities and life insurance have implemented relevant planning and handling as follows:

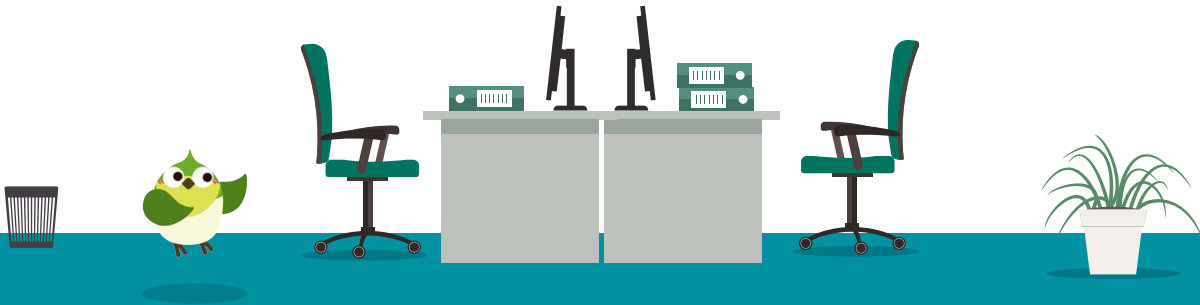
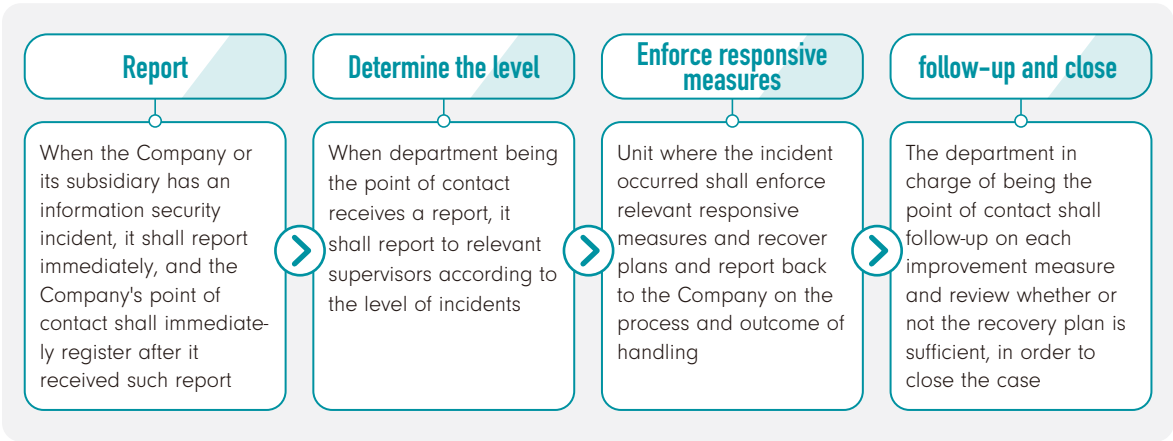
Execution measures	Execution Schedule	Execution results
Encourage financial institutions exceeding a certain scale or Internet-only banks to appoint a Chief Information Security Officer	Completed	FFHC has set up a Chief Information Security Officer in 2022. First Bank and First Securities have set up Chief Information Security Officers in 2021 and 2022 respectively. All were assumed at Vice President level.
Encourage the appointment of Directors or consultants with information security background or information security advisory teams.	Two years	The Digital Security Division of First Bank has set up an "Information Security Advisory Team", which has recruited two external information security experts from academia as members of the team. The team provides decision-making advice for information security framework, development blueprint planning, major information security incidents and information security implementation.
Encourage financial institutions to assess the maturity of their information security governance	Two years	First Bank has cooperated with the Financial Information Sharing and Analysis Center (FISAC) in evaluating the Cybersecurity Assessment Tool (CAT), and has produced the F-ISAC Taiwan's version of cybersecurity maturity assessment.
Encourage financial institutions to adopt international information security management standards and obtain related certifications	Continuous	First Bank, First Securities, FSITC and First Life Insurance have all introduced the ISO 27001 information security management system. First Bank and First Life Insurance also have acquired BS 10012 Personal Data Management System certification and First Bank has already imported ISO 20000 IT Service Management System and enhanced the effectiveness of information operation and information management through third party independent external institution's inspection and review.
Encourage financial information security personnel to obtain international information security licenses	Continuous	First Bank's Digital Security Division has established a KPI for adding two international information security licenses each year. First Securities also set up a management goal that all personnel of information security units shall acquire information security licenses, and this goal has been accomplished for three years in a row.
Encourage financial holding companies to establish computer information security incident response team	Continuous	In 2022, the "Computer Information Security Incident Response Team" was established and the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." was enacted.

5-2 Information Security Measures



To ensure the security of the IT operating system, network, and data, and ensure continuity of operations, the Company established the "IT Operating Management Guidelines" and "Guidelines for Disaster Recovery Plan" which serve as the basis for emergency response for IT operations. The Company executes disaster recovery drills every six months. In order to enhance handling mechanisms of major information security incidents, in 2022, the Company enacted the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." and established the "Computer Information Security Incident Response Team", which appointed the Information Security Officer of the Company to be the convener, the head of the Information Technology Department of the Company to be the vice convener, the information security supervisors of the Information Security Section of the Information Technology Department, the Information Planning Section of the Information Technology Department and the subsidiaries to be the Team member, and divide the Team into five groups to be receptively in charge of responding, handling, contacting externally and safety managing information security incidents.



In order to immediately know the efficiency of handling information security incidents, the Company has enacted the "Information Security Incidents Report Operation Rules" for companies of the Group to follow, the procedure to handle information security incidents is stated as follows:



To build the right concepts of information security among employees and encourage them to abide by related regulations, the Company organized 61 information security training sessions in 2022 which were attended by 30,173 people with 121 total training hours. Details are shown in the table below:

Training Recipients	Sessions	Number of Trainees	Hours	Course Content
Regular employees 	24	26,419	34.5	Social Engineering protection training, Internet browsing security, social media information security risk dealing, introduction to the information continuous operation management, BEC fraud, Social Engineering on email practice and other information security issues needed to be aware of in the IoT time, etc.
IT personnel 	37	3,754	86.5	The latest trend of hacker attack and case sharing, learning about Personal Data protection management system and BS 10012:2017 international standard training, OWASP Mobile Application Security Testing Guide (MASTG) and the new version of MASv3.2 testing points training, operation system and software development safety, etc.
Total	61	30,173	121	

The Company enhanced information security education to prevent malicious programs from penetrating the Company's information system through social engineering. First Bank, First Securities, First Securities Investment Trust and First Life Insurance organized 2-4 social engineering drills irregularly within the scope of security monitoring for all employees. The employee test coverage rate was 100% and drill items included opening mail, clicking on the link, delivery receipt, opening the attachment, and successful phishing. For units that have not passed the drill and employees with insufficient information security awareness, in addition to strengthening education and training and information security dissemination, information security-related items such as the completion rate of the drill and the occurrence of information security hazards causing the Company or its subsidiaries to be severely punished by the competent authority are listed as annual performance appraisal indicators for employees. Those who fail to meet the standard will face performance bonus reduction in the current year according to the Company's Employee Bonus Rules to reduce the risk of threats due to potential weaknesses. In 2022, FFHC and subsidiaries did not experience material incidents that require reporting or IT infrastructure incidents that cause damage to revenue. They were also not imposed penalties by the competent authority.

To ensure the security of network and information systems and provide customers with secure automated services, First Bank, First Securities, FSITC and First Life Insurance have all obtained the ISO 27001 certification. The subsidiaries commission a certification unit for annual renewal and triennial re-certifications to maintain the effectiveness of their certificate, so as to provide more secure financial products and trading procedures.



To enhance information security resilience, First Bank continues to purchase the "information system illegal conduct insurance" to mitigate the financial losses of the penetration of the system. It also appoints an independent third party to conduct information security evaluations, examine the completeness and appropriateness of existing control measures for the overall computer system, and uncover potential information security threats and vulnerabilities. This provides the basis for implementing control measures in technical and management aspects to build key defensive capabilities in information security, including continuing the transitioning of core systems, expanding the capabilities of backup centers through containerized security protections, automating deployment of firewalls, optimizing the integrated code, and expanding platform support for accounts with special permissions etc. Additionally, the organization of "Red Team Exercises" utilized the strategy of third party infiltration or white hat hackers in goal oriented themed exercises. These Red Team Exercises allow external cyber attacks that expose the security strength of network environments and application systems, the effectiveness of defensive equipment, management systems and implementation of procedures, the rationality of surveillance scope, and appropriateness of response time; in 2022, no incidents of information security or data leaks occurred in the Group.

●○ First Bank's information security emergency response plan

Emergency response plans and drill scenarios	Time drill was completed	Drill results
1. Response plan and procedure practice for abnormal ATM withdrawal incidents : Emergency response measures to simulate the bank's ATM being stolen by hackers.	2022/04/01	Met expectations
2. Response plan and procedure practice for website under DDoS attack : Simulated emergency response measures for branches under DDoS attack by hackers.	2022/10/23	Met expectations
3. Local backup plan for servers : Simulated emergency response measures for switching to backup servers of the Taipei Center when servers in the Taipei Center malfunction.	2022/03/07	Met expectations
4. Phishing websites and Phishing application (APP) information security prevention emergency response plans and drills : A scenario simulation of the emergency response plans and drills when the bank's external website and application (APP) is attacked by hackers to be phishing websites or APP	2022/08/31	Met expectations
5. Remote backup plan for servers : Simulated emergency response measures for switching all information services to the Taichung Center when the Taipei Center encounters a disaster.	2022/09/17	Met expectations
6. SWIFT abnormal remittance response plan and procedure practice : Simulated emergency response measures for when hackers hack the SWIFT system and transfer funds.	2022/10/27	Met expectations

●○ First Bank take the following measures according to the UK General Data Protection Regulation (UK General Data Protection Regulation) and EU General Data Protection Regulation (EU GDPR) :

Steps	Measures
01 Designate a Data Protection Officer (DPO)	The chief compliance officer of London branch will be the DPO; The Frankfurt branch will require a consultant company to appoint a coordinator to be the DPO.
02 Retain outside counsel to provide consulting service	In order to make sure that the protection of Personal Data of UK and EU residents is in accordance with GDPR and EU GDPR relevant regulations in the International Data Transfer Agreement ("IDTA") and the Standard Contractual Clauses ("SCC"), the London branch has retained a law firm to conduct Transfer Risk Assessment ("TRA") and draft International Data Transfer Agreement ("IDTA"), the Frankfurt branch has retained a consulting company to review SCC clauses.
03 Forbid cross-border data flows in accordance with GDPR	The London branch and the Frankfurt branch has already signed IDTA and SCC and has conducted cross-border data transfers under their framework.
04 To establish a report mechanism when there's a Personal Data breach in accordance with GDPR	To complete a response, report and prevention mechanism when there's a Personal Data breach, and conduct a Personal Data incident response drill at least one time every year.

5-3 The protection of clients' privacy

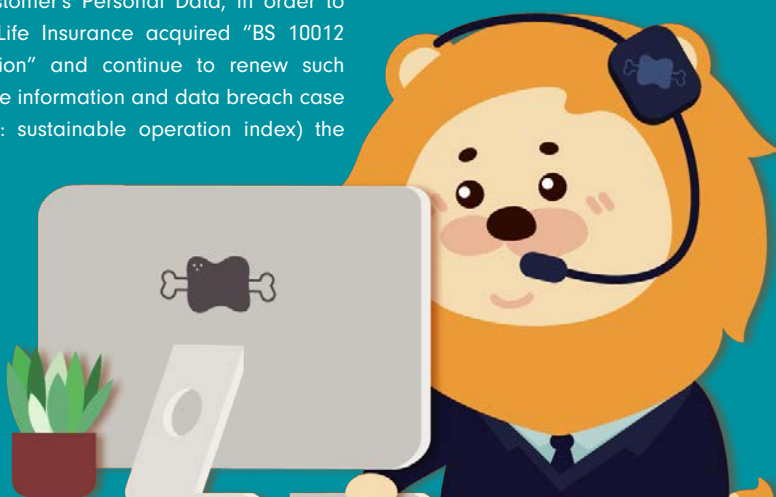
Value customer privacy, FFHC and its subsidiaries has enacted Personal Data Protection Policy and Guidance, its relevant range, regulation, measures and internal controls is stated as follows:

Policies	The Company and its subsidiaries has enacted Personal Data protection policy or guidance in accordance with relevant regulations of "Personal Data Protection Act", "The Safety Management Regulation of Personal Data Document held by Non-Government Agencies Designated by the Financial Supervisory Commission", "UK General Data Protection Regulation (UK GDPR)" and "EU General Data Protection Regulation (EU GDPR)".
The range of protection	Set up relevant Company personnel's rights to access Personal Data collected, processed, used when performing duties, management their contact of these Personal Data and agree with these personnel on their confidential obligations to strictly forbidden disclosure of Personal Data or customer's data.
Regulations and measures	<ul style="list-style-type: none"> • FFHC established the "Personal Data Protection and Management Committee", which the President is the chairman to be in charge of promoting and supervising the operation of Personal Data protection and management system, and established the "Personal Data Incident Response Team" in order to effectively respond to and handle Personal Data incidents which is inspected externally by accountants every year. • To announce confidentiality measures for customers' information on the front pages of the companies of the Group's websites and specify the range and measures of confidentiality to each confidential documents (including paper and electronic documents), diagrams, messages, computer programs, media or objects. • When Personal Data is stolen, tampered with, damaged, lost, leak or when there's other major Personal Data security incident, the Risk Management Department and the Compliance Department shall be notified and the Financial Supervisory Commission shall be notified within 72 hours of such incident. • Conduct periodical training to employees, in 2022 the Group has conducted Personal Information Protection Act training, GDPR and customer privacy training and other related trainings to all employees, the total number of employees trained is 10,145 and the total hours trained is 6,515.5 hours, the completion rate is 100%. • Shall at least inspect Personal Data protection policy once a year in order to keep up with latest governmental laws and regulations, rules of industries, information technologies and business development of the Company.
Internal control	<ul style="list-style-type: none"> • Include Personal Data breach information security risks as newly arisen risks, establish main risk identification, evaluation, risk reducing measures, supervision and management procedures and report newly arisen risks of the year to the President. • Stated that all subsidiaries shall include Personal Data protection procedure into their internal control system, hold self-check periodically and audit units shall conduct checking for Personal Data protection.

* : Include employees of the Company, temp worker sent by the temp agency and appointed institution which has appointment relationship with the Company and personnel of such institution.

Except that the domestic units of First Bank shall follow EU General Data Protection Regulation (EU GDPR) and relevant regulations, other overseas branches shall also follow regulations policies of competent authorities of each country (for example: UK General Data Protection Regulation (UK GDPR)) and in order to request employees to follow Personal Data Protection Act, the breach of Personal Data has been included into deduct items of business units' evaluation and personal punishment will be made according to the degree of seriousness of the violations.

First Bank highly value the security of their customer's Personal Data, in order to manage Personal Data, First Bank and First Life Insurance acquired "BS 10012 Personal Data Management System certification" and continue to renew such certification every year, in 2022 First Bank has one information and data breach case fined by competent authorities (see Appendix: sustainable operation index) the number of customers impacted is 1, the amount of the fine is 50,000 NT Dollars, however, employee training is strengthened and the case was properly handled, also we give a 100% supervision to the use of customers' data, about 3.4 million (36.93%) customer data were secondly used without violation of relevant regulations and agreements with customers (for example to promote the quality of products/services, etc).



Corporate governance

GRI : 2-9 、 2-10 、 2-11 、 2-12 、 2-13 、 2-15 、 2-17 、 2-18 、 2-19 、 2-20 、
2-21 、 201-1 、 404-3 、 405-1

6-1 Board Structure and Operation

The board members of First Financial Holding are re-elected every 3 years through a "candidate nomination system". The qualifications of all candidates for directors and independent directors is reviewed by the board before they are elected from a list of candidates at the shareholders' meeting, thereby ensuring that the nomination and selection procedures of directors is open and transparent. Additionally, the Company has established targets for the board meeting attendance of all directors to exceed an average of over 85%; the actual attendance of independent directors must exceed 80%. In 2022, 12 board of directors meetings were convened with an average attendance rate of 98.86% for all directors (100% when including attendance by proxy) and more than 80% for all independent directors, thereby fulfilling their supervisory duties.

For 2022 attendance of board of directors meetings,
please refer to pages 41~42 of the Company's annual report



1. Diverse board members

After analysis of the Company's development of operations in the future, a diversity policy must be implemented to address the Group's emerging risks. The Company's directors possess industry and professional knowledge in banking, insurance, securities and laws, accounting, finance, tax affairs, technology, or risk management. Generally speaking, directors are capable in operations, management, leadership, accounting, financial analysis, crisis management, and decision-making as well as possessing plenty of knowledge in global market perspectives, industries, and risk management.

The Company's 7th-term board of directors is composed of 10 directors and 5 independent directors. Currently, including the Chairman and President, there are a total of 8 female directors who make up 53% of all directors; this is higher than the female director ratio (14.47%) of publicly listed companies in Taiwan.

Implementation of the diversity policy for the Company's 7th-term Board of Directors

Core Items of Diversity		Basic Composition					External Independence (* 1)	Industry Experience (* 2)	Professional Background and Ability						
		Nationality	Gender	Age *3					Law	Accounting	Finance	Tax	Technology	Risk management	Economic
				<50	50-60	>60									
Title and Name															
Chairman	Yue-Chin Chiu	Republic of China, Taiwan	▲		●	●	Finance							●	
Director and President	Fen-Lan Chen		▲		●		Finance					●	●		
Director	Chun-Yi Lee		▼		●	●	-	●							
Director	Hsing-Jung Lo		▲		●	●	Finance		●						
Director	Chih-Chuan Chen		▼		●	●	Finance								
Director	Hsin-Lu Chang		▲		●	●	-					●			
Director	Shih-Yuan Tai		▼			●	●	Finance				●			
Director	Li-Ling Yao		▲			●	●	Finance							
Director	An-Fu Chen		▼		●	●	Finance, Medical Insurance, Information Technology								
Independent director	Yen-Liang Chen		▼		●	●	Finance	●							
Independent director	Rachel J. Huang		▲		●	●	Finance			●		●			
Independent director	Chun-Hung Lin		▼		●	●	Finance				●		●		
Independent director	Wen-Ling Hung		▲			●	●	Finance	●						
Independent director	Hung-Yu Lin		▲	●			●	Finance						●	

*1 : The following criteria and standards have been adopted for the external independence compliance of directors. Directors cannot be executive directors and must meet at minimum 4 of the 9 following indicators; they must meet at least 2 of the first 3 criteria

- The director must not have been employed by the company in an executive capacity within the last year.
- The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.
- The director must not be a "Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer."
- The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.
- The director must not be affiliated with a significant customer or supplier of the company.
- The director must have no personal services contract(s) with the company or a member of the company's senior management.
- The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- The director must not have been a partner or employee of the company's outside auditor during the past year.
- The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

Refer to the Company's website for compliance to external independence



*2 : Categorized by level 1 of the Global Industry Classification Standard (GICS Level 1).

*3 : The number of directors less than the age of 50 is 7%, those 50-60 years of age is 57%, and those over the age of 60 is 36%; the average tenure is 3.71 years.

*4 : Please refer to page 20~29 of the Company's Annual Report for detailed information on the Company's Directors and their independence determined in accordance with the standards of domestic regulations



2. Independence of directors and conflicts of interest prevention

"First Financial Holding Corporate Governance Best Practice Principles" clearly states that independent directors may not serve more than 3 consecutive terms in order to facilitate their objective use of authority and to prevent a reduction of their independence due to prolonged tenure; currently, all 5 independent directors have not served for more than 3 consecutive terms. Separate individuals, who are neither spouses or first-degree relatives, have been appointed as Chairman and President; furthermore, there are no instances of spouses or second-degree relatives between the directors.

"First Financial Holding Rules and Responsibilities of Independent Directors" provides clear terms stating "if independent directors have objections or reservations, they must be clearly documented in the board of directors meeting minutes", and "the Company may not obstruct, refuse, or avoid the execution of the independent director's duties. If an independent director finds it necessary when conducting duties, they may request the board of directors to assign personnel or independently hire a specialist for assistance, or request an internal audit to conduct special investigations or follow-up after the fact" to establish sound governance and system of independent directors, thereby allowing directors to express their function for the board and company operations.

Additionally, the Company's board of directors rules of procedure, the organizational rules of various functional (audit, remuneration, and ethical) committees, and managerial code of conduct include stipulations for directors or committee members to recuse from the discussion and voting of agenda matters in which individuals have personal interests or that which may harm the Company's interests.



For director's recusal in motions relating to their interests in 2022, please refer to pages 42~43 of the Company's annual report

6-2 Board Functionality

1. Evaluation of board performance

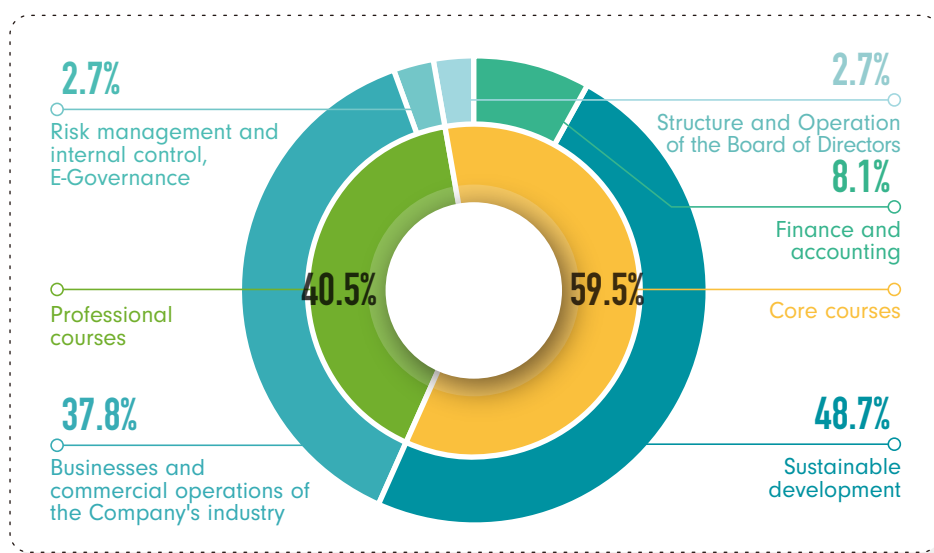
In 2016, the Company established the "Performance Evaluation Method for the Board of Directors" to conduct annual internal performance evaluations for the board of directors. At minimum, a performance evaluation should be conducted by an external professional and independent institution or team of expert scholars once every 3 years. The average score of the internal performance evaluation indicators of directors in 2022 was 4.93 points, resulting in the evaluation result of "excellent"; the internal performance evaluation indicators of the audit, remuneration, and ethical operation committees received an average score of 4.98 for the evaluation result of "Excellent". A report of can be checked in the 21st meeting of the 7th term of the board of directors from February 23, 2023

2. Training for directors

In order to improve the professional knowledge, capabilities, and decision making ability of directors, the Company's 2022 training roadmap for directors scheduled a total of 111 hours in core courses and professional programs to exceed the number of hours required by the competent authority.



The results of performance evaluations for the board of directors from 2016 to 2022 are disclosed in the Company's website.



Please refer to the Company's website for information on the continuing education of all Directors in 2022

6-3 Functional Committees

In order to establish sound supervisory functions and reinforce management, the Company's board of directors began in 2011 by establishing the specialized functional committees composed of independent directors such as the "Remuneration Committee", "Audit Committee", and "Ethical Management Committee". Each committee is authorized under their organizational rules to reinforce the board of director's supervision of finances, remuneration systems, and ethical management.

Committee	Year of Establishment	State of Operations in 2022
Remuneration Committee	2011	<ul style="list-style-type: none"> Three independent directors are committee members and Independent Director Chun-Hung Lin served as the convener. A total of 8 meeting was convened in 2022 and average attendance was 100%.
Audit Committee	2012	<ul style="list-style-type: none"> All of the Company's independent directors are committee members and Independent Director Rachel J. Huang served as the convener. A total of 6 meeting was convened in 2022 and average attendance was 100%.
Ethical Management Committee	2015	<ul style="list-style-type: none"> Three independent directors are committee members, Independent Director Yen-Liang Chen served as the convener. A total of 2 meeting was convened in 2022 and average attendance was 100%.

Please refer to Pages 45~59 of the Company's Annual Report for information on the primary responsibilities, members and attendance of each functional committee in 2022



6-4 Remuneration Policy

1. Remuneration policy of directors (including independent directors) at First Financial Holding

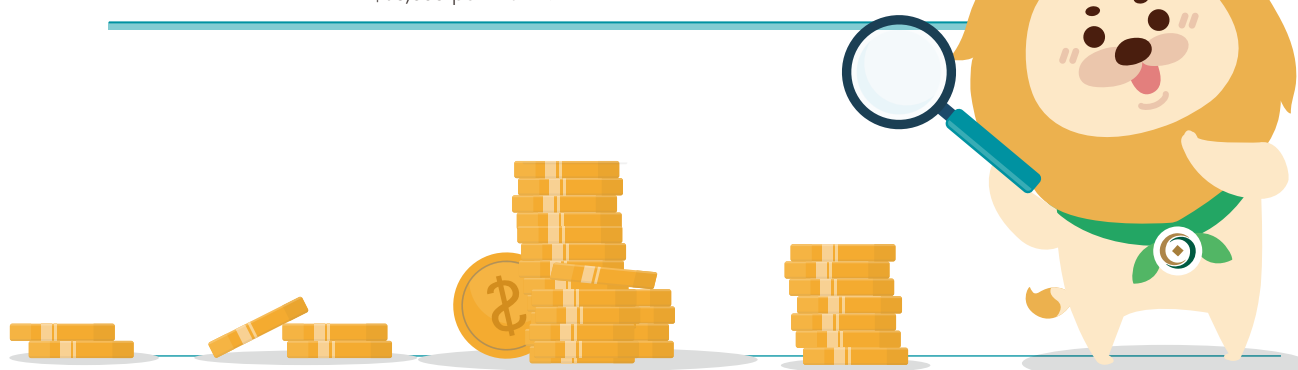
Directors



- **Remuneration of directors:** Director's compensation, monthly remuneration, health examination fees, and transportation fees (reimbursable).
- **Director's compensation:** The Remuneration Committee refers to the results of performance evaluations, operating performance, promotion and execution of sustainable development, and major incidents of risk for the board of directors (including independent directors) in the current year. A recommendation is proposed based on the stipulated distribution ratio determined by the Articles of Incorporation for review and approval by the board of directors before it is reported at the shareholders' meeting.
- **Director's monthly remuneration:** The directors' remuneration has been approved in the shareholders' meeting which authorized the Board of Directors to determine the remuneration of each individual Directors within a scope of NT\$2,400,000 per month. The remuneration of the Chairman shall be 1.25 times that of the remuneration for the President.

Independent director

- **Remuneration of independent directors:** Monthly remuneration, health examination fees, and transportation fees (reimbursable).
- **Independent director's monthly remuneration:** The board of directors reached a resolution to compensate each independent director with NT\$60,000 per month.



2. President remuneration standards and approval procedures at First Financial Holding

In accordance with *1 Articles of Incorporation / Employee Salary Rules / Employee Bonus Rules / Employee Compensation Rules

Fixed salary : Standards, which are regularly reviewed by the Remuneration Committee, are proposed by the Remuneration Committee for approval by the board of directors

Floating wages : Elements such as measured operating (including financial and non-financial) performance, individual performance evaluations, and the Company's future risks are considered by the Remuneration Committee before a recommendation is proposed to the board of directors for approval

1. Performance bonus

Indicator	Contents of indicators	2022 Achievement status
Strategic indicator	<ul style="list-style-type: none"> Performance of corporate governance execution Results of sustainable development Results of corporate image and credit rating 	<p>First Financial Holding continues to advance in the field of sustainable development through world class standards, obtaining excellent performance in the 3 major global sustainability indicators of DJSI, MSCI, and FTSE. Through innovation and sustainable actions, First Financial Holding leads the group to improve our corporate influence and competitiveness.</p> <ul style="list-style-type: none"> Select for 5 consecutive years as a constituent stock of DJSI World Index, selected for 7 consecutive years as a constituent stock of the "Emerging Markets Index", ranking at the top 1% of the global banking sector Awarded the highest rating of AAA in ESG Ratings for the banking sector by MSCI All Country World Index (ACWI) Included as constituent stock in the FTSE4Good Emerging Index on the London Stock Exchange for six consecutive years CDP climate change questionnaire achieved 4 distinctions in the highest score of "A", establishing First Financial Holding as the sole organization that has achieved 5 consecutive years at the Leadership Level in Taiwan's financial sector Joined PCAF and SBTi TCFD report published in 2021 received the highest BSI Level 5+ certification Rated as a top 5% listed company in the TWSE Corporate Governance Evaluation for the 7th consecutive year Selected by the Financial Supervisory Commission as the only public financial institution in the "Coalition of Movers and Shakers on Sustainable Finance"
Risk indicator	<ul style="list-style-type: none"> Asset quality Customer complaints Compliance and major incidents of internal control 	<ul style="list-style-type: none"> Both the capital adequacy ratio and double leverage ratio comply with standards set by the competent authority Total of 4 cases penalized by the Financial Supervisory Commission in subsidiaries First Bank, First Securities, and First Life Insurance
Profitability indicator	<ul style="list-style-type: none"> Achievement rate of pre-tax surplus budget target Pre-tax surplus growth rate 	The achievement rate of this indicator score allocation is 101.54%
Joint marketing indicator	<ul style="list-style-type: none"> Achievement rate of joint marketing revenue budget target Joint marketing revenue growth rate 	The achievement rate of this indicator score allocation is 115.80%
Cost saving indicator	<ul style="list-style-type: none"> Reduction rate of operating expense ratio 	The achievement rate of this indicator score allocation is 93.27%
Other indicators	<ul style="list-style-type: none"> Management and leadership skills, judgment, ethics, and other competency indicators Compliance to government policies to achieve various targets in inclusive finance, green financing, responsible investment, cybersecurity management, and climate governance. 	

2. Remuneration

If the Company was profitable during the year, then no more than 0.02% to 0.15% of the profits may be allocated as employees' compensation after deducting the employee and directors' bonuses from the pre-tax profits. The actual percentage is based on the target completion rate that year in terms of pre-tax profits, earnings per share, return on equity, return on assets, and comparison with other financial institutions.

Indicator	Benchmark	Proportion (%)	2022 achievement rate (%)
Pre-tax surplus	Target value of the Company's budget surplus	60	100.45%
Earnings per share (EPS)		15	119.08%
Pre-tax return on equity (ROE)	Simple average value of industry peers	15	110.47%
Pre-tax return on assets (ROA)		10	114.97%

The ratio of fixed to variable salary of the President's remuneration*2 was approximately 3:1 in 2022

Title	Fixed salary (A)	Floating wages		Total remuneration (A+B+C)
		Bonuses (B)	Bonuses (B)	
President	4,416	1,500	0	5,916
Proportion of remuneration	75%	25%	0%	100%

*1 : All formulations and revisions of salary, bonus, and compensation standards of senior executives (including the President) must be recommended by the Remuneration Committee and reviewed and approved by the Board of Directors.

*2 : The President's salary (highest annual salary for an individual at the Company) in 2022 was 3.39 times the average salary of employees (excluding the President, the same applies in the following), 3.94 times of the median employee salary, and 0.46 times the percentage increase compared to the percentage increase of median employee salary.

*3 : The Remuneration Committee is formed by all independent directors, please refer to the Company's website for information on the independence of directors.



Ethical Management and Fair Customer Treatment

GRI : 2-25 、 2-26 、 205-2 、 205-3 、 417 、 FS14 、 FS15 、 FS16

SASB:FN-CB-510a.1 、 FN-CB-510a.2 、 FN-CF-220a.1 、 FN-CF-220a.2 、 FN-CF-230a.1 、 FN-CB-230a.1 、 FN-CF-270a.4 、 FN-CF-270a.5

7-1 Ethical corporate management execution status

The Company has established a "Guideline for Ethical Operations and Code of Conduct" as a policy for the compliance to ethical operations for enterprises and organizations within the Group. The guideline clearly stipulates anti-corruption and bribery, confidentiality mechanisms, antitrust and anti-competition practices, prohibits insider trading, and includes preventative measures to prohibit, supervise, and report unethical conduct. Regulations are in place to combine the ethical operation policy, employee performance evaluations, and human resource policy to enterprises and organizations within the group. Major violators of ethical conduct shall be punished according to the relevant laws or human resource management rules; the employee's job title, name, date of violation, contents of violation, and handling will be disclosed on Company's internal websites. In order to establish a clear and effective reporting and punishment system, the corporate governance group of the administrative management department shall plan and manage affairs relating to ethical operations; an "Ethical Management Committee", under the board of directors, will be established as a dedicated team to promote ethical operations. Three independent directors shall be appointed as members responsible for the establishment and revision of the Group's ethical operating policy. For the purpose of sound ethical management, the "Ethical Management Committee" will provide the board of directors with a report of the group's fulfillment and adopted measures in ethical operations once every six months. The report should also include regular analysis and assessment of the Group's risks in unethical conduct, establish plans to prevent unethical conduct, as well as the status of internal/external training for ethical operations and whistleblowing systems in the Company and all subsidiaries. Relevant departments should plan and propose response measures for key issues of ethical operations such as the practice of fair treatment to customers and protecting the consumer rights of disadvantaged groups such as the elderly and disabled. Relevant execution is as follows:

1. Ethical management policy formulation and plan

Revised the Company's "Guideline for Ethical Operations and Code of Conduct" in 2022 by adding provisions requiring the legal compliance department to act as the recipient of whistleblowing cases, thereby facilitating each company within the Group to implement flexible adjustments according to the laws and regulations set forth by the competent authority. Subsidiary First Bank has established a "Rules for Implementing Accountability Systems for the High Asset Wealth Management Business" which clearly defines the basis of accountability, suitable subjects, and procedures of the high asset wealth business; an "Accountability Committee" has been established at the board of directors level to manage accountability in the high asset wealth management business to comply with the Financial Supervisory Commission's requirements to reinforce accountability management in high asset wealth businesses. Also, the "Investigative Procedures and Supervision of Abnormal Behavior or Transactions by Financial Specialists" as well as the establishment of an "Independent Investigations Task Force" provide effective surveillance and reduction of fraud. In order to implement sound management systems for intellectual property, First Bank passed certification by Taiwan Intellectual Property Management System (TIPS) on November 14, 2022 as a bank with TIPS certification (A grade) in both patents and trademarks.

2. Ethical corporate management education and training

The Company conducts education on regulations related to integrity management of subsidiaries through the "Group Chief Compliance Officers Meeting" quarterly. We urge subsidiaries to organize education, training, and promotion events related to ethical management for employees, and to communicate the group's ethical management policy and whistleblower system. In 2022, the group provides all employees worldwide with a total of 89,961 hours of education and training for 49,512 participants. Counterparts that do business with the Company are invited to participate in the activities, so that they fully understand the Company's unethical conduct prevention plans and zero tolerance policy.



●○ Ethical Management Education and Training in the past three years

Target	Year	Method	Total number of hours	Persons/ Companies	Coverage Rate (*)
Employees (persons)	2022	Each subsidiary organized at least two ethical management training sessions	89,961	49,512	100
	2021		92,570	36,630	100
	2020		91,343.25	39,389	100
Suppliers (companies)	2022	Advocated the Group's "Supplier Management Guidelines" to suppliers	0.25	359	100
	2021		0.25	294	100
	2020		0.25	207	100
Subsidiaries (companies)	2022	Promoted during the quarterly "Group Chief Compliance Officers Meeting"	0.4	32	100
	2021		0.4	32	100
	2020		0.4	32	100

* : Coverage Rate= Required Participation (Persons/Companies)/Actual Participation (Persons/Companies)

7-2 Whistleblower System, Process, and Results

**Whis-
tblewing
Policy** A board of directors reviewed and approved "Implementation Rules for Whistleblowing Systems" is disclosed in the "Corporate Governance - Rules" on the Company website. Our subsidiaries each established a whistleblower system that was reviewed and passed by their respective board of directors.

**Receiving
unit** The legal compliance department and internal audit unit/supervisor at the Company and subsidiaries is responsible for handling whistleblower cases

**Whis-
tblewing
Channels** The Company set up the "Stakeholder Communications" section on our official website and a whistleblowing section official website, and provides whistleblowing channels by telephone, email, and mail.

Compliance Department

Address: 18F, No. 30, Sec. 1, Chung King S. Rd., Zhongzheng Dist., Taipei City

Tel : 02-23481458 Complaint mailbox : compliance@fhc.com.tw



**Whis-
tblewing
Methods** Any individual who discovers that an employee of this Company is suspected of a crime, fraud, or violation of laws may submit a whistleblowing report to the receiving unit by stating their real name, contact method, the specific incident, and supplementary evidence through written notice such as mail and email; whistleblowing can also be conducted by phone or personally recounting the incident. The receiving unit must establish records stating the details of each incident, real names, and contact methods.

**Case
Accep-
tance
Principles** The "Whistleblowing Review Committee" ("the committee") reviews all whistleblowing cases and determines if they will be accepted. The committee may decide not to accept whistleblowing reports if it falls under any of the following circumstances:

- The whistleblower has not provided his/her real name and contact information. However, in cases where the content of the whistleblowing report is specific and there are verifiable materials, it still can be processed with care and discretion.
- The whistleblower' report does not fall under Article 3 as an accepted category of the implementation rules or is unrelated to the execution of business.
- The whistleblowing report is obviously made with malicious intent, is obviously false, or has no substantial content.
- The whistleblower was requested to provide or supplement the evidence materials within a certain period of time. However, the whistleblower failed to do so, which hindered the investigation.
- The reported matter is regarded as the same as a case that has already been investigated to completion, and the whistleblower has failed to present new facts or new evidence.
- The reported matter has been investigated by relevant judicial agencies, or is already under investigation by a court of law, or has been subject to non-prosecution or deferred prosecution, or has already received a verdict therein.

**Case
Handling
Proce-
dures**

1. **The committee approves acceptance of a case** : The report should be registered confidentially and separate investigations should be established based on the contents and category of each report. The Investigation Panel is required to produce an investigation report within thirty days from the day after receipt. The investigation report shall be sent to the receiving unit within thirty days after the report is completed; this deadline may be extended if necessary.
2. **Investigation method** : Based on the necessity of the case, telephone, written review, or interviews should be performed. When an investigation is conducted, related units shall cooperate with the investigation and provide necessary documents and data. The information involving related parties in the reported contents and the data or information they provide must be kept strictly confidential and may not be leaked. The Investigation Panel may give the reported person an opportunity to make a statement verbally or in writing, which shall, in principle, be processed in a non-public manner.

In 2022, the Company had no financial losses resulting from litigation involving fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, corruption, or other violations of financial industry laws and regulations.



3. The Group's "First Financial Holding Code of Conduct for Directors and Managers" and "First Financial Holding Code of Conduct for Employees" include reports on the execution of agreement procedures by impartial third parties; the signature rate of directors, managers, and employees at the Company and all subsidiaries is 100%. Employees hired locally at subsidiary First Bank's overseas offices also achieved a rate of 100% of signing the "First Financial Holding Code of Conduct for Employees" offered in local languages (English, Simplified Chinese, Lao, Japanese, Vietnamese, and Cambodian).



Case Handling Procedures

3. Recusal in conflicts of interest : During the process of processing, investigating, deliberating, reviewing and reporting the whistleblowing reports, any person who has interests in individual whistleblower reports or other persons that may affect a fair investigation shall recuse themselves.

4. Notifying the results of investigation : The receiving unit shall update the whistleblower on the status of the investigation in writing or by other means within ten days after the investigation report is completed and approved. Where the whistleblowing report is transferred to a subsidiary for processing, the said subsidiary shall notify the whistleblower and submit a copy to the Company. The receiving unit shall send the investigation result to the head of the responsible unit of the reported person, and the unit head shall inform the reported person and take corrective action. If the reported person is the chairman, its supervisors/independent directors shall be notified.

5. Follow-up actions : Where a whistleblowing report is verified to be true or with an audit opinion, the inspected unit and the Company shall report it at the next month's board of directors meeting or the next board of directors meeting, submit it to the Company's dedicated unit (Ethical Management Committee) for future reference, and comply with the following procedures:

- Related units shall be assigned to review the internal control system and operating procedures, propose improvement measures. A copy shall be submitted to the audit unit.
- The audit unit shall include the whistleblowing report in the most recent business audit items.

Major incidents or illegal cases shall be referred to or reported to the Company and relevant authorities in accordance with the "FFHC Incident Reporting Guidelines" and "First Financial Group Compliance Notification Guidelines".

6. Incentive measures : To encourage reports on illegal and unethical conduct, if a report is verified as true in an investigation, the Company shall grant a reward based on the severity of the reported violation; Where a whistleblower files a false report or a malicious accusation, the whistleblower shall be processed in accordance with related HR management rules.

7. Record retention : Documentation of case acceptance, investigation processes, and investigation results shall be retained in complete written format or digital files for at least five years. In the event of litigation related to the whistleblowing case before the retention period expires, the documentation shall continue to be retained until the conclusion of the litigation.

The Group received 42 whistleblowing reports in 2022; of these, 22 did not fall into the category of accepted whistleblower reports and were not investigated. The 20 remaining reports have been investigated and found not in violation of ethical management; all investigation results, review, and improvement measures have been reported to the board of directors in each company and have been reviewed by the Company's Ethical Management Committee.



Categories of whistleblower reports	Number of cases violating ethical management
Corruption and bribery	0
Discrimination	0
Confidentiality of information	0
Conflicts of interest	0
Money laundering or insider trading	0
Antitrust / anti-competitive practices	0

7-3 Implementation of Fair Customer Treatment

The first step for financial industries to fairly treat their customers is to operate business by ethical management, therefore, the “Code of Conduct for Ethical Management” is enacted in accordance with the “Principles for Fair Treatment of Customers in the Financial Services Industry” and the “Friendly Financial Service Principle” to regulate companies of the Group not to damage rights of customers or other interested person when inventing, providing or selling products or services, to enact relevant operation procedures, code of conduct and to offer training. First Bank, First Securities, First Securities Investment Trust, and First Life Insurance have established the "Fair Customer Treatment Policy and Strategy", which were submitted to the Board of Directors of each subsidiary for review and approval. Audit opinions of internal audit units related to improvements on deficiencies in consumer protection are also included in semi-annual compliance reports submitted to the Board of Directors. In 2022, all companies have instructed their compliance units to complete the evaluation of the implementation status of the fair customer treatment principles and submit reports to their Board of Directors. First Bank was recognized by the FSC as top 25% of “the Fair Customer Treatment Principles Evaluation Rankings” in 2022. In addition, each company has also established a dedicated committee to oversee the promotion and implementation of the “Principles for Fair Treatment of Customers in the Financial Services Industry”. They review the implementation status of the fair customer treatment principles every quarter or every six months and propose improvement measures to the board of directors of the companies and report to the Ethical Management Committee and the board of directors of the Company. They also organized related training for the "Principles for Fair Treatment of Customers in the Financial Services Industry" and a total of 10,195 participants completed the training with a completion rate of 100%.



In order to enhance the protection of rights of elderly people, persons with disabilities and other vulnerable financial customers, First Bank has included customer complaints or disputes arising under inappropriate promotion to vulnerable customers or violations into business units’ items for annual evaluation and into Compliance Risk Assessment (CRA) and Institutional Risk Assessment (IRA), it has also included “Banks’ service in practice to people suffered with dementia or likely suffered with dementia for references” announced by the Bankers Association of the Republic of China into “Friendly Financial Service Guidance Book”; What is more, in 2022, First Bank, First Securities and First Securities Investment Trust enacted financial service operation regulation or procedure for elderly customers, for example, to adjust KYC scores, to include factors more influential to elderly customers in product designs and to set cooling-off period for investment, etc., and also encouraged 160 employees to acquire certification for eldercare financial planning consultant; Also, for high-asset financial management business, an accountability committee was established, and the “Enforcement Rules of the Accountability system for High-Asset Financial Management Business of First Bank” was enacted and stated that the highest person in charge and the chief business officer may hold the responsible person accountable by the accountability system for a major violation or error in order to implement compliance, protect consumers and manage risks.

To protect consumers' rights and interests, banks, insurance, securities, and investment trust subsidiary companies all implement Know Your Product (KYP), During the first quarter of 2016, First Bank completely ceased offering complex high-risk products. Moreover, for structured products, in addition to issuing investment risk notices, we also formulate special notices for customers to ensure they fully understand the content of available products. In 2022, the Group had 6 sanctions by competent authorities and lawsuits related to product sales and services, with a total loss of NT\$ 2.53 million (see appendix for details: sustainable operation indicators), the Group has improved the relevant deficiencies and added relevant control mechanisms, effectively enhancing the protection of consumers’ rights and interests.

7-4 Customer complaints and satisfaction surveys

We value rating and suggestions for products or services by customers, every year we conduct complete sampling to savings, foreign exchange, credit, financial management, credit cards, insurances, securities, investments lectures, APP functions, etc and through phone calls, email surveys, activity pages, customer service or retaining market survey companies we conduct customer satisfaction survey, and since 2022 we has conducted an online satisfaction survey and disseminated information about fraud prevention to on-site elderly customers in order to protect their rights and provide a service more close to their needs. At the same time, we use Net Promoter Score (NPS) to count and relevant departments will conduct improvements on items of lower satisfaction scores and customer suggestions.

Customer satisfaction survey of past years

	First Bank	First Securities	First Securities Investment Trust	First Life Insurance
Satisfaction Survey Item	The experience of visiting the counter and guest greeting, the convenience of digital channel services and the satisfaction of product marketing campaigns, etc.	On-site customer satisfaction survey at participating locations and investment information services	Investment information services	Sales personnel's attitude and familiarity with products
2022 Performance	89.9%	85.5%	96.6%	81.3%
2022 Performance goals	86.6%	85.4%	96.3%	73.5%
Sampling coverage rate in 2022*	100%			
2021 Performance	87.1%	85.5%	96.3%	79.3%
2020 Performance	86.5%	85.2%	96.0%	83.9%
2019 Performance	86.2%	85.0%	96.0%	74.0%
2022 NPS score	55.86 points	53.58 points	56.70 points	14.70 points
2022 NPS goals	46.40 points	53.50 points	56.30 points	10.00 points
Improvement	<ul style="list-style-type: none"> • Include enforcement effectiveness of customer complaints into business units' performance evaluation; Establish a customer complaint review system. • Set up an exclusive service section for the underprivileged. 	<ul style="list-style-type: none"> • Improve transaction service system. • Provide more complete online account open guidance and delivery binding service. 	Optimize transaction process, improve convenience and clear explanation by personnel.	Planning on acquiring an official LINE account, building a micro customer service, improve convenience for customers to search transactions and pay bills.

* : The samples drawn by each subsidiary covers the main business of each such company, which is sufficient to infer the current status of the overall active customers.

In addition, establish consumer complaint and dispute resolution mechanism, aside from enacting "Customer Complaint Handling Operation Guidelines" and disputes resolution procedures for all types of businesses, the "Stakeholder Communications" item in the official website of FFHC has listed online customer service, 0800 free customer service hotline, business consulting service hotline and complaint mailbox, etc. What is more, First Bank built a 24-hour customer service hotline and email to directly contact with customers, it also built a "Friendly Financial Service Network" and the elderly hotline for the disabled and elderly customers, hoping that through different groups' accustomed languages and speed of speaking, communications could be made smoothly. To be in accordance with competent authority's fairly treat customers evaluation mechanism, in 2022 First Bank, First Securities, First Securities Investment Trust and First Life Insurance continue to improve customer complaint handling procedure, periodically compile and categorize major customer complaint cases and report to the board, also for cases which customer filed complaints through the Financial Ombudsman Institution, the type, number, amount of compensation and dealing of these cases were reported periodically to the board for their future reference.

In order to improve operation procedure to reduce customer complaints, in 2022 First Bank has included the effectiveness of the enforcement of customer complaints into business units' performance evaluation, and built a customer complaint review system to request units which often committed errors to propose specific improvement measures and impose training to personnel who is ill mannered. In addition, a customer complaint area of the internal website is built to provide an analysis and statistical forms to the customer complaint cases for business units' reference, in 2022, the total number of customer complaint cases received through all kinds of channels is reduced to 230, among which the number of cases through competent authorities is 183 (Appendix: sustainable operation index), most of the cases filed were able to complete customer calm and reply within time limit and customer opinions were analyzed, counted according to business types and then sent to relevant departments for improvement references.

7-5 Customer Care Events

To promote financial knowledge and improve different groups' ability to utilize financial tools and services, we strengthened the people's understanding of financial products and services and improved financial risk resistance. We organized various seminars that tour rural, urban and remote areas and provide customers with information on different financial products and offer investment analysis and advice. We promoted regional revitalization and community development while increasing the financial tolerance of the entire society to help customers start businesses, grow, live in happiness, and retire with security.

2022 Customer Care and ESG Engagement Activities

Reaching the Next Pinnacle of Corporate Success – Lecture Series

The Reaching the Next Pinnacle of Corporate Success - Lecture Series toured each industrial park, providing the latest financial information and investment advice, promoting regional revitalization and micro loans for female Entrepreneurs, green financing review principles and preferential loan programs for innovative industries and green enterprises, and sharing the measures and results in energy conservation and carbon emissions reduction.

Reaching the Next Pinnacle of Corporate Success Lecture and Dinner (Hsinchu)	1 session	132 participants
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Financial Planning Workshop for Customers

Promote the correct consumer finance and wealth management concepts through financial product introduction, explanation of key topics and promotional offers.

First Bank business units	210 sessions in total	5,652 participants
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Financial Planning Clinic Seminar

FC personnel conduct one-on-one review of customers' assets and provide advice. The FC staff will conduct regular live broadcasts through thematic courses, and the financial consultants will train the branch's wealth management team to strengthen the wealth management staff's response to changes in the investment market.

31 branches throughout northern, central and southern Taiwan	31 sessions in total	611 participants
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Financial Literary Seminar for Regional Communities

Provide customers in the metropolitan area with the latest financial product information and advice

Kaohsiung City, Taichung City, Chiayi City, Hsinchu City, Taoyuan City	5 session	125 participants
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Customer care investment checkup seminar in rural communities

First Securities organized customer care investment checkup seminars in rural communities to provide customers with information and recommendations of the latest financial products.

Yuanlin Township, Changhua County, Fengyuan District, Taichung City, Luzhu District, Kaohsiung City, Tufen City, Miaoli County, Penghu County	5 sessions in total	111 participants
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Wealth Management Seminar, Celebrity Wealth Management Seminar

First Securities Investment Trust promotes investment and wealth management concepts through wealth management seminars and webinars and introduced financial products and investment trends.

Financial management lecture and First Securities Investment Trust official website online lecture	37 session	1,124 participants
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Seminars and regular live broadcasts of financial management courses

Online thematic lectures to promote the popularization of financial knowledge

3 online seminars, 4 financial management lectures	7 sessions in total	5,499 participants
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Online and offline interactive course for environmental education

"The Story of Money, The History of Seals and DIY" and other online lectures and "Environmental Education Class. Carbon Reduction Pioneer Summer Camp"

Enterprises, government agencies and schools	27 sessions in total	718 participants
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Tax Governance

GRI : 207-1~207-4 \ FS1

8-1 Tax Governance Policy

The Company has followed the "Responsible Tax Principles" and established the "Tax Governance Policy" for the Company and subsidiaries of the Group to respond to international trends in tax governance and taxation information transparency. The Policy states that the Board of Directors is the highest-ranking taxation risk management unit and it is responsible for forming the tax governance policies and supervising the execution and effective implementation of tax governance policies. The Administration Management Department is responsible for tax management and it regularly reports the implementation status of tax governance to the Board of Directors. It also pays the income tax for profit-seeking enterprises certified by the CPA in accordance with regulations each year.

Please refer to the Company's website for the Company's Tax Governance Policy



8-2 Tax Governance Risk Management

- **Tax compliance risk and management** : All subsidiaries of the Group file and pay taxes in accordance with tax laws. The Administration Management Department is responsible for compiling information and notifying subsidiaries for confirmation. The results are reviewed by the CPA of the Group and reported based on the internal hierarchical delegation of responsibilities. The Administration Management Department is the tax management unit and it is responsible for conducting 2 independent audits each year to ensure that tax personnel comply with internal operating procedures and tax laws for routine tax filing, filing for suspension of payment, annual filing and payment, and filing of various types of income. It is also responsible for reporting tax management to the Board of Directors.
 - **Tax law management** : Related personnel are consulted on the latest changes in regulations each month. In the event of changes in tax laws, we actively inquire the opinions of other financial institutions and discuss response strategies with the Group's CPA to adjust internal operating procedures and related policies at appropriate times and ensure that internal operations and management are consistent with regulations.
 - **Improve tax governance capabilities** : To ensure personnel responsible for tax governance are familiar with tax laws, the Group's CPA provides information on the latest developments in tax laws whenever necessary. Personnel also participate in external tax training courses whenever necessary to improve their professional skills.
 - **Publication of tax information** : The Group's disclosure of tax information is based on the tax information in financial statements audited and certified by the CPA firm, and it is disclosed through public channels such as the official website and the annual report for the shareholders' meeting.
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8-3 Stakeholder Management

A. Internal stakeholders : All related-party transactions of the Company comply with the Transfer Pricing Principles and are implemented in accordance with standards for arm's length transactions. The income is mainly derived from non-related-party transactions.

B. External stakeholders :

- **Methods and channels for stakeholder engagement** : The Company's main external stakeholder is the government's tax authority which directly affects the Company's tax compliance. The Company completes routine tax filing, filing for suspension of payment, and annual filing within the deadline. Where there are questions regarding tax affairs, the Company actively communicates and consults personnel of the tax authority. In the event of notifications regarding supplementary explanation for tax affairs, the Company immediately prepares related information and responds to stakeholders within the deadline.
- **Methods for promoting tax initiatives** : The Company's Tax Policy stipulates compliance with local tax laws and regulations. The Company mostly uses "exchange of ideas and proposals in the trade association" to discuss tax issues. The Bankers Association forms a consensus of a majority of members for the association or its Financial Holdings Tax Team to propose recommendations and communicate with stakeholders.
- **We collect and consider the opinions of external stakeholders** : With regard to the collection of opinions on tax issue drafts, the Company actively communicates and discusses with stakeholders. We also collect and compile the opinions of other financial institutions or consult the Bankers Association before proposing the Company's views within the deadline for the solicitation of opinions.



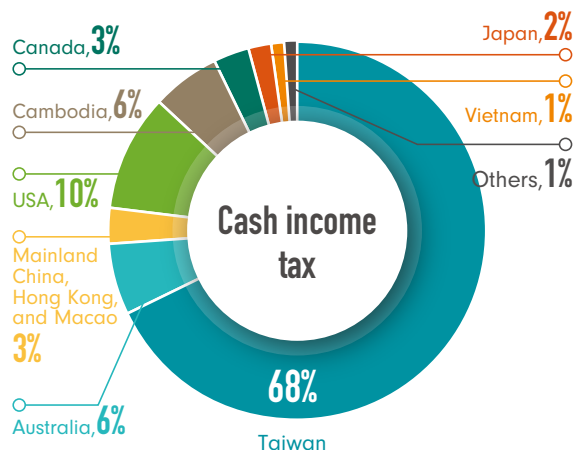
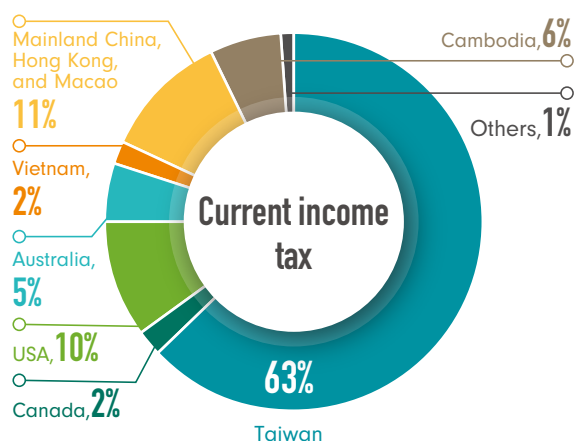
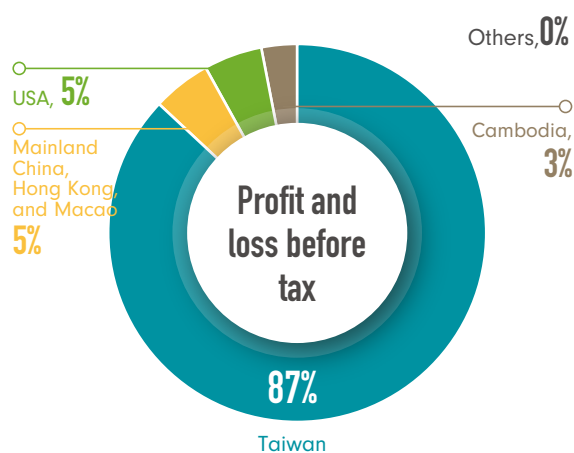
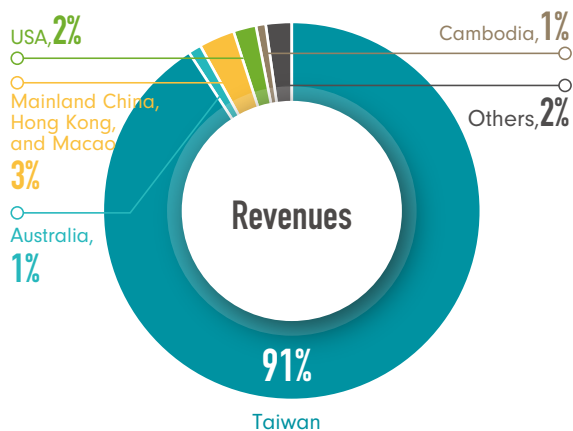
8-4 Tax information by country

Unit: million NTD, %

Country of operation	Revenues	Revenues from unrelated party	Revenues from related party	Tax paid	Current income tax	Profit and loss before tax	Number of employees	Tangible assets	Effective ax rate*1	Estimated income tax rate*2
Taiwan	164,700	138,543	26,157	2,801	2,663	40,144	9,359	41,453	6.63%	20.00%
Mainland Cina, Hong Kong, Macao	4,332	3,979	353	117	469	2,367	260	443	19.84%	20.70%
USA	3,973	3,932	41	391	442	2,198	182	730	20.09%	28.59%
Cambodia	2,262	2,262	0	236	242	1,222	179	158	19.77%	20.00%
Canada	773	762	11	104	104	391	30	32	26.61%	26.75%
Australia	1,758	1,754	4	241	218	690	19	9	31.67%	30.00%
United Kingdom	806	759	47	22	22	121	20	8	18.07%	19.00%
Japan	395	395	0	101	-	-1,505	20	10	0.00%	30.62%
Others	1,656	1,514	142	81	90	541	146	159	16.58%	20.90%
Total	180,655	153,900	26,755	4,094	4,250	46,169	10,215	43,002	9.21%	20.31%

* :

- Total effective tax rate 9.21%=(40,144/46,169)*6.63%+(2,367/46,169)*19.84%+(2,198/46,169)*20.09%+(1,222/46,169)*19.77%+(391/46,169)*26.61%+(690/46,169)*31.67%+(121/46,169)*18.07%+(-1,505/46,169)*0.00%+(541/46,169)*16.58%
- Expected income tax rate refers to the weighted average of pre-tax profit and loss and statutory tax rate of each country; (pre-tax profit and loss in country A * country A's statutory tax rate + pre-tax profit and loss in country B & country B's statutory tax rate...)/(pre-tax profit and loss of countries A and B). If the pre-tax profit and loss generated by some countries is negative, they are removed from the table to avoid distortion.
- This table is based on the total number of members required by Article 22-1 (country-by-country reporting) of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing.



Prevention of money laundering, financial fraud and terrorism financing

GRI : 2-23 \ 2-24 \ 2-25

9-1 The Group's AML/CFT Management Framework

Formulate the Group's AML/CFT Culture - Board of Directors

Authority and responsibility Establishment and amendment of the AML/CFT Policy

Supervision mechanisms

- Follow-up and report on improvements for audit deficiencies
- Report the AML implementation status every six months

Handling status The database utilized by the bank subsidiary's PEPs list compilation review system and comparison engine is from external supplier World Check and a self-constructed list (collected from public PEPs information). Batch scans and comparisons are conducted for the list daily.

Assigned dedicated officer – Chief Compliance Officer of the head office

Authority and responsibility The Board of Directors assigned a Vice President to take charge of supervising the Group's AML/CFT compliance status.

Implementation Results

- Reporting the Group's AML/CFT implementation status and reviewing improvement measures to the Risk Management Committee every two months
- Reporting the AML/CFT implementation status to the Audit Committee and the Board of Directors every six months

Establishment of dedicated unit - Compliance Department

Authority and responsibility Establishment and management of the Group's overall AML/CFT plans.

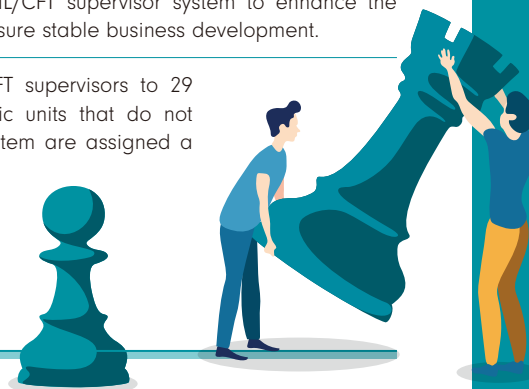
Implementation Results

- Bank and insurance subsidiaries set up dedicated AML units to take charge of the planning, coordination, and management of AML/CFT mechanisms and reporting suspected ML/TF transactions; Bank subsidiaries also established the AML/CFT Committee to learn about the Bank's ML/TF risks and the operations of AML/CFT plans
- Regularly organize Group's AML/CFT education and training sessions every year to increase Group employees' understanding and risk awareness of AML/CFT, and implement related preventive measures
- In order to strengthen the professionalism of the Group's money laundering prevention, more than 90% of the heads and personnel of domestic AML units of FFHC, the banks, securities, investment trust, insurance subsidiaries and FCB Leasing have obtained domestic or international certificates

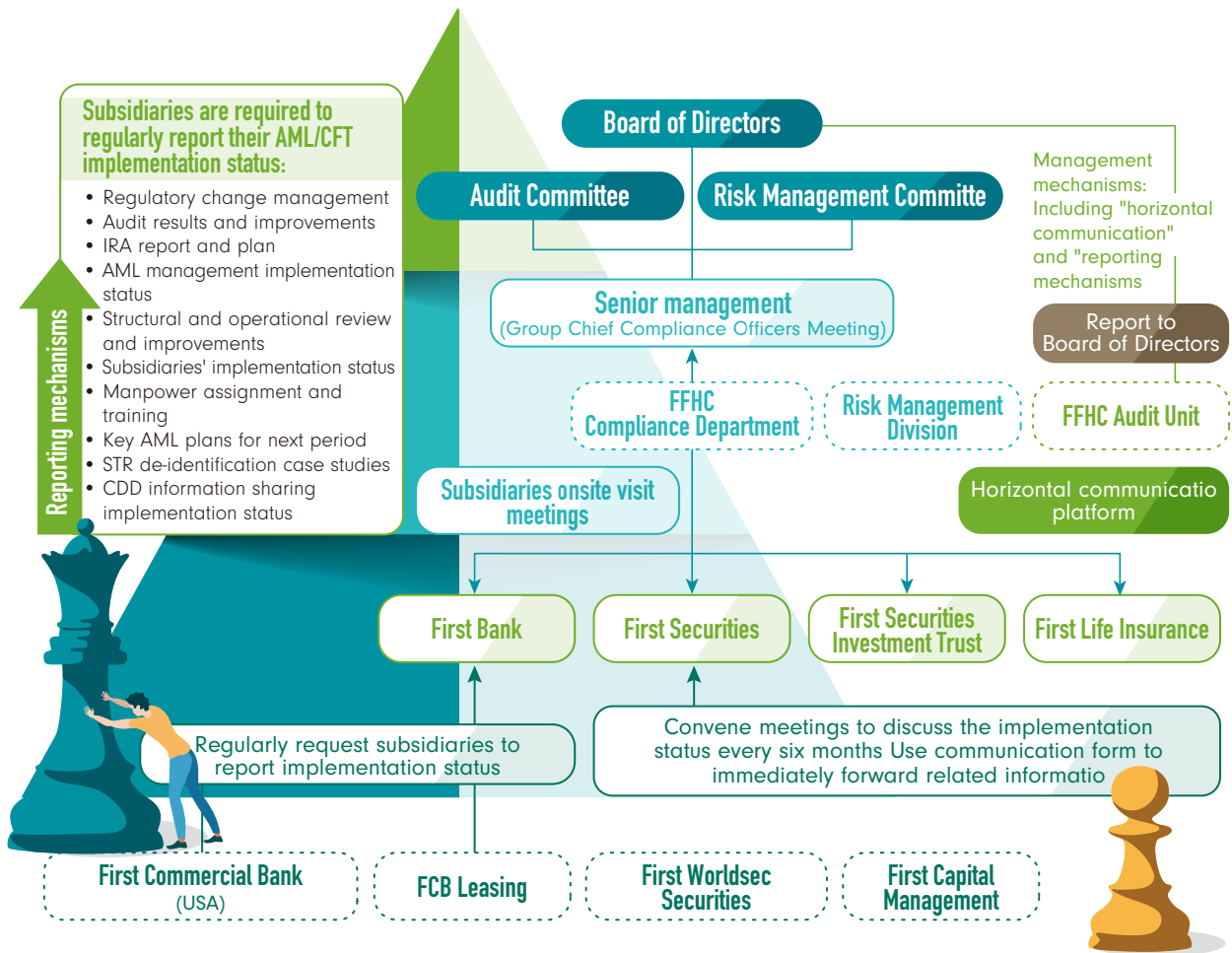
Assign supervisor

Authority and responsibility First Bank has set up a dedicated AML/CFT supervisor system to enhance the effectiveness of AML/CFT system and ensure stable business development.

Implementation Results First Bank assigned dedicated AML/CFT supervisors to 29 domestic business units. Other domestic units that do not implement the dedicated supervisor system are assigned a deputy supervisor.



●○ Anti-Money Laundering and Counter Terrorism Financing Organization Structure



2. Centralized suspicious transaction report (STR) project

First Bank began implementing the centralized suspicious transaction report (STR) project on May 25, 2020 to effectively monitor suspicious transactions and implement reporting operations. The alerts produced in the SAR module of the AML system are now directed to the dedicated unit of the head office for investigation, identification, confirmation, and reporting to enhance investigations, improve the quality of reports, and ensure that there are no omissions. Fully implemented on September 14, 2021.

3. Non-face-to-face customer due diligence

The bank subsidiary conducts a customer due diligence (CDD) procedure (as shown in the chart below) that has a similar effect to general CDD. Special and sufficient measures must be in place to mitigate risks and in principle, individual accounts must submit identification documents for the verification of identity, address, and to contact customers by phone or mail when necessary. In principle, non-individual accounts must submit business registration documents, operating permits, change of registration or similar documents, company policy, list of directors and shareholders, and evidence for the identity of substantial beneficiaries. Relevant specifications are set out in the "Group-wide AML/CFT Plan" and "Anti-Money Laundering and Countering Terrorism Financing Guidelines".

9-2 Implementation of Anti-Money Laundering and Counter Terrorism Financing

1. Education and training

To improve the abilities and performance of the group's employees in AML/CFT, categories of AML/CFT education and training courses organized by FFHC, First Bank, First Securities, First Securities Investment Trust, and AMC in 2022 are as follows:

	FFHC	Banks	Securities	Securities Investment Trust	Life Insurance	AMC
Regular internal training that uses cases for learning	-	2,388 persons 2,577.5 hours	129 persons 64.5 hours	56 persons 56 hours	54 persons 20.54 hours	22 persons 33 hours
Computer training course self-evaluation form	-	-	-	451 persons 753.17 hours	795 persons 795 hours	-
The laws/regulations manager is responsible for company-wide internal network training	-	10,814 persons 19,396.5 hours	-	7 persons 7 hours	-	-
The laws/regulations unit provides face-to-face training	-	100 persons 50 hours	16 persons 16 hours	275 persons 275 hours	-	61 persons 61 hours
Face-to-face training by external institutions	10 persons 30 hours	67 persons 317.5 hours	-	161 persons 419 hours	12 persons 99 hours	-
Mandatory annual training	8 persons 99 hours	309 persons 3,708 hours	1,907 persons 3,814 hours	-	62 persons 204 hours	7 persons 13 hours
Total		17,711 people attended the courses with a total of 32,808.71 hours				



Regulations on non-face-to-face account opening and transactions are explained below:

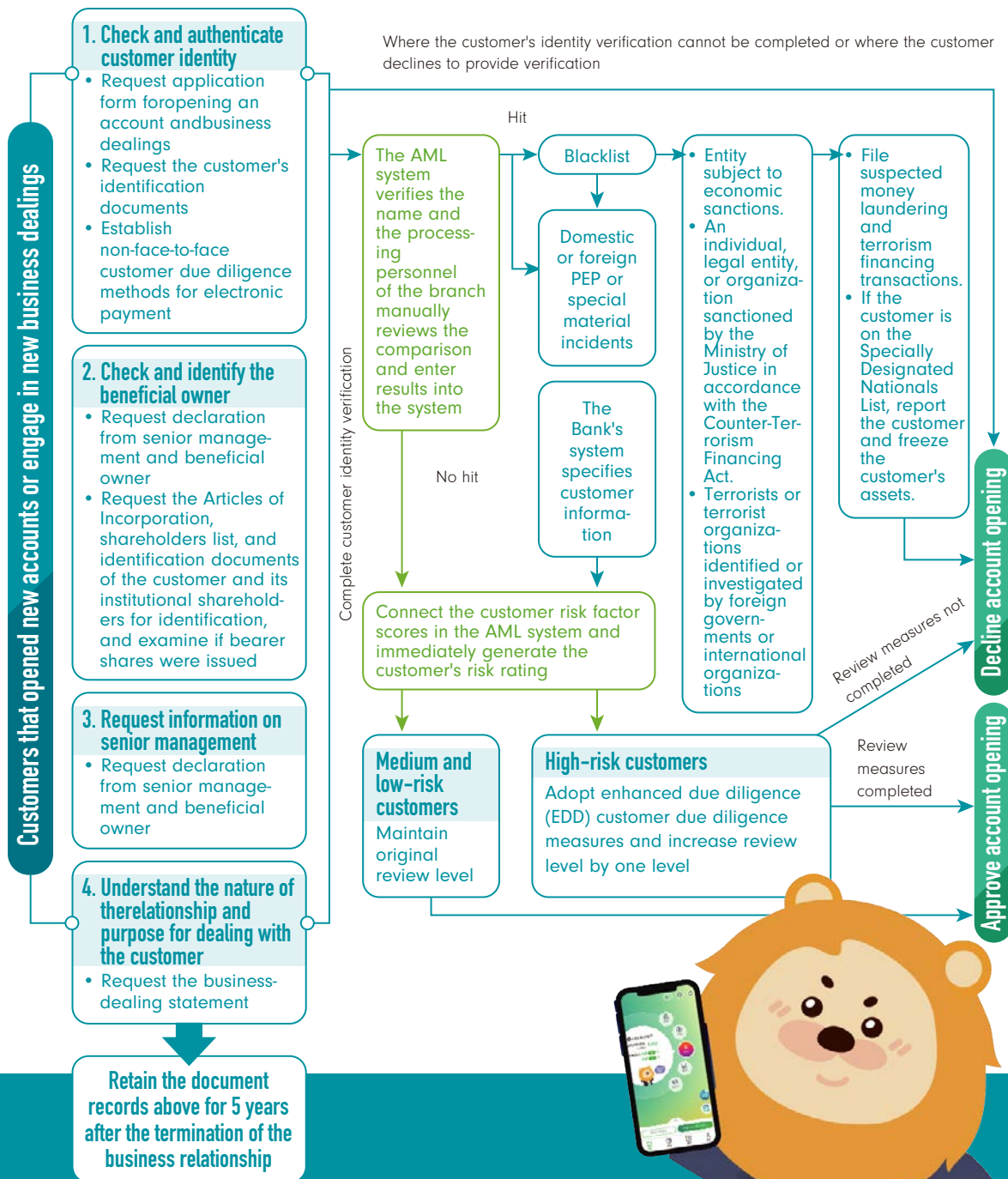
- (1) **First Bank's ATM services:** All users are customers of the Bank.
- (2) **Offshore electronic payment:** Restricted to the existing customers of the Bank and no online account opening services shall be provided.
- (3) **Digital deposit account:** Limited to natural persons and sole proprietorships and the identity certification methods are as follows:
 - **Natural persons:**
 - a. Individuals who are not existing customers of the Bank: Use the information platform for identity authentication with a deposit account opened in over the counter in another bank.
 - b. Existing customers of the Bank: Use the basic information and two-factor authentication for identity authentication.
 - **Sole proprietorship corporate accounts:** Use the citizen digital certificate of the legal representative and the commercial organization digital certificate for identity authentication, and complete the authentication with a video call to open the account.



All aforementioned information shall require identity review, name review, and risk assessments in the account opening procedures by the branch.

Aside from reinforcing the identity verification mechanisms of the bank subsidiary, appropriate measures have been adopted in the conduct of CDD procedures such as verifying the purpose and nature of new customer accounts, primary source of funds, estimated number and amount of transactions, and an understanding of the involved scope of financial activities. Perform name authentication and risk assessment operations as well as regular annual verification of whether information of customers and substantial beneficiaries are comprehensive to ensure the authenticity and correctness of updated information.

●○ First Bank Customer Due Diligence (CDD) procedures are as follows:



(4) **e-speed loan:** In response to changes in consumer behavior models, the bank subsidiary offers comprehensive online financial loan services to customers, who may submit loan applications, upload documents, receive approval notices, online insurance, and receive funds into accounts and complete all procedures online without having to visit a bank location. Applicants are restricted to natural persons over 18 years of age and are citizens of Taiwan. If the applicant is not an existing customer at the bank, their identity shall be authenticated through savings accounts they have opened in-person at the location of another bank. Aside from uploading identification documents, customers must provide authenticated accounts (limited to accounts opened in-person at a bank location) from a verified bank and mobile number to perform identity verification procedures. The system must conduct identity review, name authentication, and risk assessment operations on all data. If in doubt, customers can be requested to authenticate via video conferencing to increase the strength of identity verifications.

4. Policies, identification, regular review, and monitoring of PEPs and other high-risk customers

Politically exposed persons serving in important political roles in a domestic or foreign government or terrorists or terrorist groups receiving economic sanctions or determined and traced by foreign governments or the international AML organizations, and individuals, entities, or organizations designated for sanctions in accordance with the Terrorism Financing Control Act are directly considered as high-risk customers. Before the aforementioned individuals establish or add business relations, the approval of the supervisor one level above the original approval level must be obtained. A subsidiary may define the types of high-risk customers based on its business type and in consideration of relevant risk factors. We require subsidiaries to periodically examine whether if they have sufficient information for identifying customers and beneficial owners, and ensure that the information is updated. For high-risk customers, the information must be examined at least once a year, and different control measures must be adopted for high-risk customers and customers with specific high-risk factors based on the risk prevention policy and procedures, so as to effectively manage and reduce known risks.

5. Measures superior than what the law requires

- The Company commissioned Deloitte to provide the "AML/CFT system consulting service project" to guide and assist the Company, First Bank, First Securities, First Securities Investment Trust, and First Life Insurance to establish more comprehensive AML/CFT control measures to strengthen the implementation of AML/CFT systems of companies of the Group optimize the AML system, ensure the effective management of the Group's ML/TF risks, optimize the methodology and report contents of the Institutional Risk Assessment (IRA), review the reasonableness of customer risk factors and list scanning rules, and strengthen CDD mechanisms and information sharing in the Group.
- The FSC currently only requires banks and large insurance companies to appoint accountants to conduct special audits on their AML/CFT assurance projects. However, the Company has requested First Bank, First Securities, First Securities Investment Trust, and First Life Insurance to commission an accountant to conduct special audits on their AML/CFT assurance projects to ensure the effectiveness and implementation of the Group's AML/CFT operations. The Group continued to appoint PricewaterhouseCoopers, Taiwan to implement special audits on the AML/CFT assurance projects of First Bank, First Securities, First Securities Investment Trust, and First Life Insurance in 2022.



6. Monitoring criminal activity such as ML/TF

First Bank uses the 53 suspicious trading patterns of ML/TF in the appendix of the Model Guidelines for Banks' AML/CFT Policies and Procedures announced by the Bankers Association of the Republic of China for monitoring. In 2022, the Bank also analyzed 15,699 suspected ML/TF transactions reported by external inspection authorities and 657 STRs from the Bank and identified criminal risks faced by the Bank for formulating related operating procedures.

	Letter from external investigation institution		Bank files STR		Number of feedback incentive cases of FIU	
	Number of cases	Percentage (%)	Number of cases	Percentage (%)	Number of cases	Percentage (%)
Fraud	14,576	92.85	347	52.82	5	8.07
Tax crime	283	1.80	251	38.21	53	85.48
Organized crime	76	0.48	2	0.30	0	0.00
Drugs	267	1.70	23	3.50	2	3.23
Corruption	186	1.19	4	0.61	0	0.00
Securities crime	171	1.09	5	0.76	1	1.61
Underground banking	1	0.01	10	1.52	0	0.00
Illegal gambling	118	0.75	15	2.28	1	1.61
Intellectual property crime	21	0.13	0	0.00	0	0.00
Total	15,699	100.00	657	100.00	62	100.00

7. AML-related Information Disclosures

Subsidiaries First Bank, First Securities, First Securities Investment Trust and First Life Insurance have set up an AML section or information disclosure section on their official websites to disclose the signed AML questionnaire (Wolfberg AML Questionnaire) and AML/CFT internal control system statement to improve the transparency of AML information.



8. Application of legal compliance technology (Regtech)

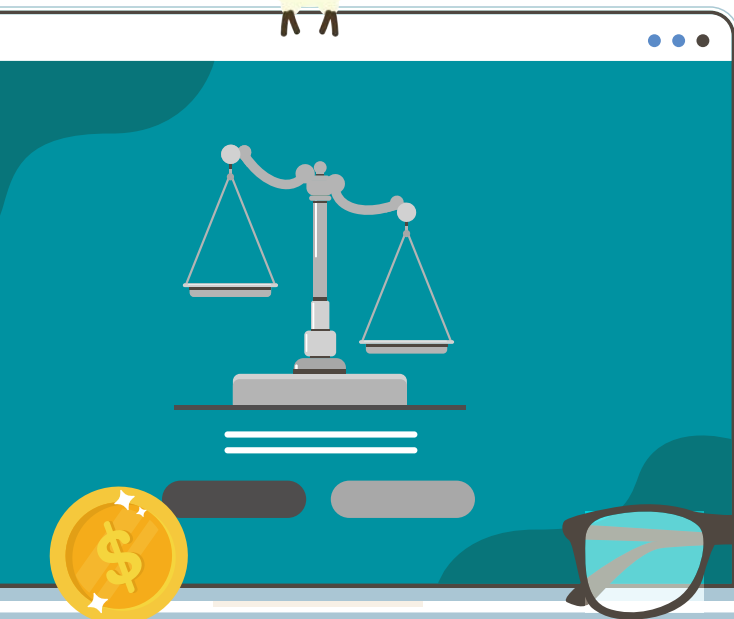
- The application of robotic process automation (RPA) increases efficiency and decreases the operational burden of regular customer reviews, list authentication, information share within the Group, reviewing alerted cases, and identifying substantial beneficiaries.
- Full implementation of AML system in regular customer review operations. Corresponding investigation frequencies are issued according to the money laundering risk level of customers. The AML system automatically initiates investigations and generates MIS reports to reinforce surveillance and management, thereby reducing the possibility of human error within operations.
- Implemented New Actimize system in overseas offices and introduced AI surveillance technology to strengthen surveillance of transactions in related accounts and increase the breadth and depth of transaction surveillance to better detect potential and complex money laundering risks within transactions.



9-3 Preventing financial fraud

In recent years, there has been a noticeable increase in the number of financial fraud incidents. To better safeguard its customers' assets, First Bank has formulated the "Over-the-Counter Caring Checklist" and "Fraud Prevention and Large-sum Withdrawal Precautions for Depositors at Business Units". Furthermore, with regard to withdrawals and transfers made by customers, in cases where transfer requests to designated accounts or cash withdrawals made by senior citizens exceed a certain threshold, or in cases where the monetary amount, frequency, or circumstances of a transaction are deemed suspicious or abnormal and thus potentially indicating fraudulent activity, it is the policy of First Bank to make a reasonable inquiry as an expression of concern to protect its customers. When necessary, local police precincts are notified to dispatch officers to conduct verification measures or provide a police escort for customers making large-sum cash withdrawals. First Bank is dedicated to complying with all government policies and regulations aimed at curbing fraud and abuse and helping to identify and report scammers and frauds to the authorities. In addition, we provide our bank tellers with detailed instructions and training on how to handle suspicious incidents in a courteous manner, including analyzing the details of actual cases of fraud provided by local law enforcement and media reports concerning the latest information on scams and other fraud techniques, thereby strengthening our ability to effectively stop these scams from occurring.

“ In 2022, a total of **230** fraud attempts were successfully prevented, resulting in **NT\$122.65** million in fraudulent funds being blocked. ”



Climate Strategy and Management

GRI : 201-2 、 203-1 、 203-2 、 FS1

ENVIRONMENTAL FACTORS

Building "the No. 1 Brand in Sustainable Finance" Milestones

2010

- Formed the "Green Building Certification Program" team to open the way to green finance.
- Promoted "Urban Renewal Financing" to encourage the renewal of aging communities.
- Launched the "No.1 Promoter in the Energy Industry" financial plan, making First Bank the first domestic bank to offer a financing program for the ESCO industry.
- Established the Organic Agriculture Assistance Project and launched the first charity co-branded card based on the concepts of "going organic to stay healthy" and "environmental conservation". The card enables First Bank to team up with customers to help small organic farmers that lack manpower and financing in order to protect the land of Taiwan.

2016

- Launched the "Preferential Loans for Key Development Projects" plan, which is a new lending service aimed at meeting the financing needs of key development projects in the areas of green technology, modern agriculture, and businesses involved in the circular economy.
- Established two solar-powered bank branches and six solar-powered electronic billboards.
- Introduced indoor air quality self-management at 189 company locations and established real-time indoor air quality monitoring systems at 8 company locations.
- Purchased electronic scooters for our corporate fleet, enabling us to more effectively reduce our CO₂ emissions.
- Held a Environmental Protection and Energy Conservation Competition which resulted in reducing our energy consumption by 89,000 kWh and issuing 18 awards to employees.
- Incorporated PAS 2060 - Carbon Neutrality guidelines at four locations including the Wanhua Branch building for the first time and received certification.
- Incorporated ISO 14046 Water Footprint guidelines at the headquarters building for the first time and received certification.
- Incorporated ISO 14064-1 Scope 3 (indirect emissions from transportation - business travel) for the first time and received certification.

2017

- First Bank set up "Green Finance Committee", supporting the development of "Green Finance" with four approaches as "Green Financing", "Green Consumer Finance", "Green Examination" and "Green Investment".
- First Bank, First Securities, First Securities Investment Trust, First Life Insurance and First Financial AMC all introduced "ISO 14064-1 Scope 3 (indirect emissions from transportation - business travel)" and had been tested and verified
- First Bank obtained "ISO 14001 Environmental Management System" verification for 7 operating offices
- The first one in the financial industry of Taiwan that obtained the "Counter Service Carbon Footprint PCR Formulation and Inventory of Environmental Protection Administration" verification
- Set up "Solar Power Generation and Rainwater Recycling Ecological Hydroponic Green Roof" at Wanhua branch
- Charitable event with cross-industry alliance-Green Light Love Project
- Rated as level B in both CDP questionnaires for climate change and water security.
- Launched "Green Credit Card - Living Green Card"
- Launched projects of "green consumption loan" for purchasing green energy or energy saving products
- The only one in the financial industry of Taiwan that extended the "ISO 14064-1 Greenhouse Gas Inventory" to its 33 foreign operating offices

2022

- First Financial Holding was selected by the Financial Supervisory Commission (FSC) as a member of the "Coalition of Movers and Shakers on Sustainable Finance" and appointed to the role of convener for the "Working Group for the Promotion of Net Zero Initiatives for Domestic/Foreign Financial Industries".
- First Financial Holding joined the Partnership for Carbon Accounting Financials (PCAF) initiative and the Science Based Targets initiative (SBTi) to reinforce the financial carbon emissions inventory for the group's financing and investment positions.
- First Financial Holding received a score of "A" for leadership in the CDP climate change questionnaire.
- The TCFD report by First Financial Holding obtained the highest graded certification of "LEVEL 5+" from The British Standards Institution (BSI) for 2 consecutive years.

2011

- Defined the CSR Policy and Code of Conduct, and also established a CSR Committee to set annual environmental conservation targets and action plans.
- Launched the "Green Energy Industry Loan" to support the development of the green energy industry.

2012

- Set a sustainable development target of "becoming the number one brand in green finance".
- Required the headquarters building to reduce its GHG emissions in 2015 by 12% compared to 2011.
- Launched the "Renewable Energy Creation Loan" to help business owners purchase renewable energy generation equipment.
- The FFHC headquarters building (opened in 1982) received the Green Building Mark certification (passing grade), making it the first redevelopment project of its kind in Taiwan to comply with the high standards of the new green building specifications.
- Cultivated the concepts of energy conservation and reducing our carbon footprint among employees and reinforced the application and implementation of environmental education principles.
- Installed a rainwater recycling system at the headquarters building, thereby helping to conserve water resources.

In 2012, a target was set to reduce the headquarters building's GHG emissions by 12% by 2015 compared to 2011, and the goal was achieved ahead of schedule in 2013.

Set electricity, water, fuel and gas conservation targets for each company. Signed up for the Carbon Disclosure Project (CDP)

Incorporated ISO 50001 Energy Management System guidelines for the IT Building for the first time and received certification. The annual reduction target must also be no lower than the ratio set for the previous year. Incorporated ISO 14064-1 Greenhouse Gas Inventory System guidelines for five company locations including the IT building for the first time and received certification.

2013

2015

- Defined the tenets of "Green Partners" and extended the ideals of the Equator Principles to banking and insurance products. A "Do-Not-Invest List for CSR Violations" was also established as a reference for group companies to use during investment reviews.
- Established the 3-step Supplier Management Procedure to join suppliers in protecting the local environment.
- Employees obtained "Environmental Educator Qualifications" certification, allowing them to plan and formulate the content of the Company's environmental education courses.
- Arranged for employees to take part in online environmental education courses to ensure all employees have a good understanding of environmental protection and sustainability awareness.
- Implemented the "zero waste bin" policy, which maximizes the effect of our recycling efforts by using more effective sorting methods.
- Completed the introduction of environmental accounting and reporting procedures at First Bank.
- Launched mobile credit cards and debit cards, which use smart phone functionality to reduce plastic waste and carbon emissions.
- Incorporated ISO 14001 - Environmental Management System guidelines at the FFHC Headquarters building for the first time and received certification.

2014

- Formulated the Green Financing Review Principles based on the Equator Principles, enabling us to better protect the environment and incorporate sustainable principles into our core business operations.
- Lighting systems at all company locations have been upgraded to only use LED fixtures.

2018

- FFHC received the Climate Change A List rating and Water Resources B List rating from the Carbon Disclosure Project (CDP) in 2018 and became the first Company in Taiwan's financial industry to attain Leadership A List.
- All First Bank's 188 domestic branches adopted the "ISO 50001 - Energy Management System certification".
- All 192 business locations of First Bank, First Securities, First Securities Investment Trust, First Life Insurance and First Financial AMC achieved "ISO 14001 Environmental Management System" certification
- Yilan Branch green building obtained the only "Diamond-class" Green Building Mark for historical site in Taiwan.
- First Bank collaborated with Yilan County Government and issued the "Forest Yilan Affinity Card". First Bank donated 0.3% of regular purchase payments for use in tree planting, tree protection, and social welfare activities.
- We coordinated the syndicated bank loan of over NT\$10 billion for the largest solar cell manufacturer in Taiwan as the lead arranger.
- We raised and managed a green energy fund of NT\$330 million for investment and construction of solar power plants with total installed capacity of approximately 27MW.

2019

- Rated as level A- leadership level in CDP questionnaires for climate change and B in water security questionnaire.
- First Bank Wanhua Branch became the first in the finance industry in Taiwan to obtain the "environmental education site certification" from the Environmental Protection Administration.
- First Bank Yung-Ho Branch became the first in the finance industry in Taiwan to receive the "Product Carbon Footprint Reduction Label" certificate.
- Established the Supplier Management Guidelines as the policy and guiding principles for companies in the group to manage suppliers.
- Expanded the statistics on domestic waste and recycled resources to all First Bank branches in Taiwan.
- Jointed organized the syndicated loan for the construction of a three-in-one bioenergy center with "anaerobic fermentation, incineration plant, and bottom ash landfill site".

2021

- Rated as level "A" leadership-class in both the CDP questionnaires for climate change and the Supplier Engagement Rating.
- Started carbon footprint inventory for 5 green credit cards, checked the carbon emission coefficient of each product, and obtained the "Carbon Footprint Label" certification from the Environmental Protection Administration of Executive Yuan.
- The UK London branch building obtained the green building mark from UK's Building Research Establishment (BRE), which was the first one among the overseas financial institutions in Taiwan.
- Completed the "ISO 20400 sustainable procurement guidance performance evaluation" and obtained the certificate.
- Introduced "ISO 46001 Water Efficiency Management Systems" at the headquarters building and obtained the certificate, which was the first one in the financial industry.
- FFHC's TCFD report obtained the highest level certification of "LEVEL-5+" by the British Standards Institute (BSI), which is the first case in the financial industry.

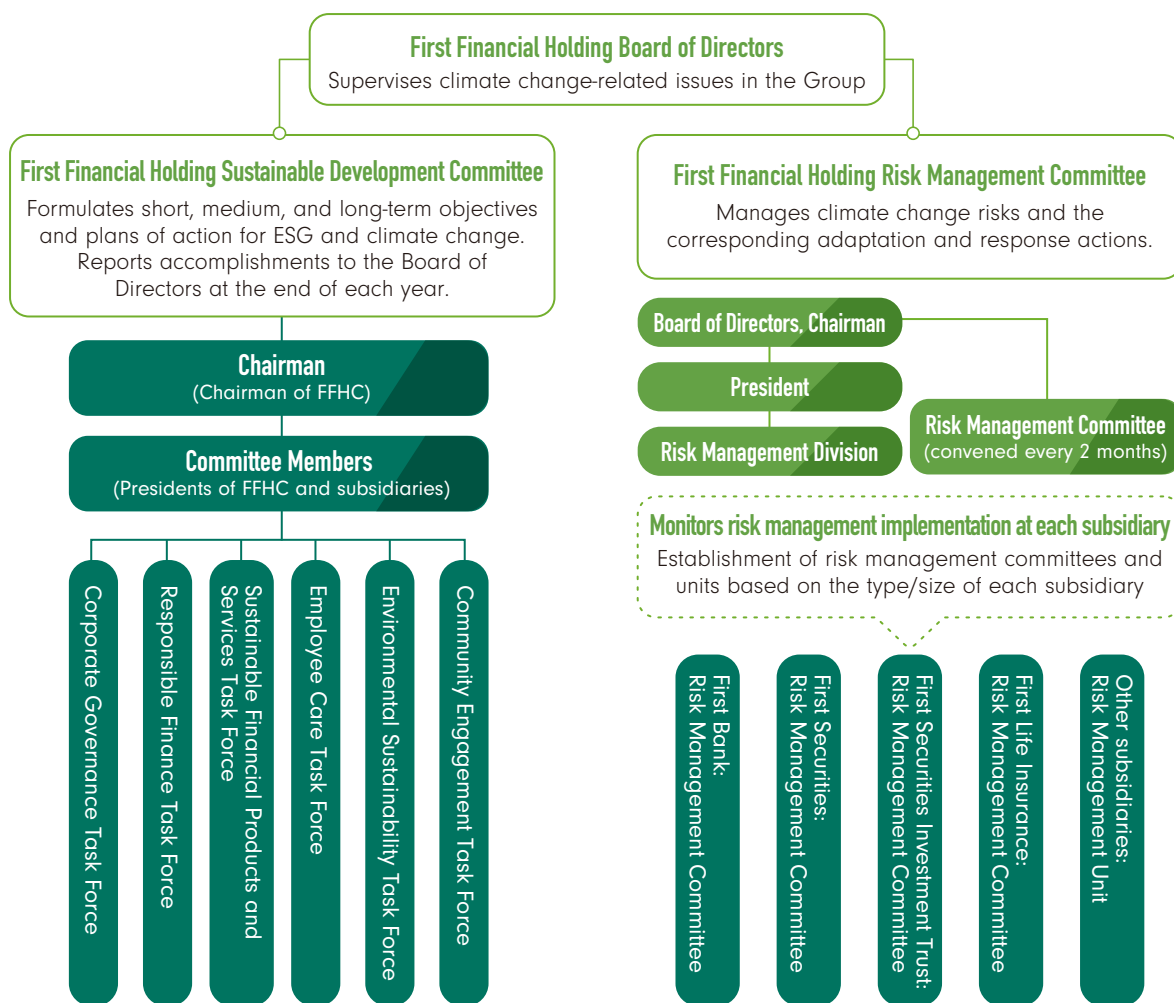
2020

- Rated as level A leadership level in CDP questionnaires for climate change and B in the water security questionnaire.
- "ISO 50001 Environmental Management System" certification was obtained for all domestic company locations.
- First Bank Wanhua Branch received the "Product Carbon Footprint Reduction Label" certificate.
- The Company has developed four green finance environmental education courses including energy conservation and carbon reduction in green buildings, climate change risk management, green loans and loan review, and green consumer finance.
- First Bank became the first domestic government-owned banks to sign the Equator Principles.

1-1 Climate change governance

First Financial Holding's Board of Directors is the highest governing body for the Group's climate-related risks; it is responsible for approving, guiding, and ensuring the effective operation of risk management policies. Under the supervision of the Board of Directors, the Sustainable Development Committee and Risk Management Committee are responsible for supervising the group's key climate strategies. It uses the "Climate-Related Financial Disclosures Recommendations published by the Task Force on Climate-Related Financial Disclosures (TCFD) to check and identify the operation risks and opportunities of the Company due to physical, transformation aspects. It shall establish a materiality of risks and possibility of opportunity matrix and use the outcomes of the matrix analysis to establish risk management strategy regarding the major risks as the core response action to the climate change accordingly.

In 2020, the board of directors reviewed and approved the incorporation of emerging risks including climate change risks into the risk management policy, and submitted the climate change risk assessment result, its mitigation measures and implementation status to the board of directors in 2021. The bank's subsidiaries also invited independent directors to the Risk Management Committee to provide guidance in September 2021 to effectively supervise various climate governance actions from top to bottom. In August 2022, First Financial Holdings officially joined the Partnership for Carbon Accounting Financials (PCAF) and complied with the PCAF's recommended methodology to conduct scope 3 financial carbon emissions inventory of financing and investments. In November, First Financial Holdings also joined the Science Based Target initiative (SBTi) to take inventory of carbon emissions from own operations as well as financing and investment positions. Net zero thinking is consistently included into processes for investment and financing decisions to decrease the weight of investments and financing in high pollution and high emission sectors to achieve Taiwan's commitment to net zero.



FFHC TCFD Indicator Disclosure Framework and Actions

	2011~2021	2022	2023 and 2024
Governance	<ul style="list-style-type: none"> Matters implemented after the resolution of the Board of Directors: <ul style="list-style-type: none"> ✓ Sustainable Development Policy ✓ Guidance on Sustainable Development for First Financial Holding Matters supervised by the Board of Directors: <ul style="list-style-type: none"> ✓ Green Financing Review Principles ✓ Environmental Management Policy ✓ Energy Management Policy The Board of Directors reviewed and established the Sustainable Development Policy: <ul style="list-style-type: none"> ✓ Integrated ESG factors into voting and product review mechanisms to implement requirements in the Stewardship Principles ✓ Integrated ESG issues into the development strategies and operating procedures of core businesses ✓ Supported the low-carbon economy transformation, provided funding needed by companies to improve their environmental performance, and reduced the impact of the products and services provided by the Company on the society and the environment. The Board of Directors reviewed and passed the "Sustainability Credit Policy", "Sustainability Investment Policy", and "Sustainability Insurance Policy" and included ESG issues into the planning and operating procedures for investments, financing, underwriting, and insurance businesses: Submission of the climate change risk assessment result, its mitigation measures and implementation status to the board of directors A Green Finance Committee was implemented with the President as Chairperson while 4 task forces for "Sustainable Credit", "Sustainable Investment", "TCFD", and "CDP" were established under the committee. Each quarter, task force meeting is convened to track the achievement of various plans Implemented the Supplier Management Guidelines based on the approval of the President as the policy and guiding principles for companies in the group to manage suppliers 	<ul style="list-style-type: none"> The Board of Directors shall continue to monitor related targets for countering climate change and the implementation status Regularly convene the "Risk Management Committee", invite independent directors to attend and give guidance, continuously monitor and manage the implementation of climate change-related risks and opportunities, and report risk assessment results and implementation of mitigation measures to the board of directors Incorporate climate change risk management and the mastering of business opportunities into the basic items of the 2022 ESG performance appraisal of each subsidiary 	<ul style="list-style-type: none"> The Board of Directors shall continue to monitor related targets for countering climate change and the implementation status Regularly report issues related to climate change risks and invite independent directors to attend and offer guidance at Risk Management Committee meetings Revised the Sustainable Credit Policy to include environmentally sensitive sectors with industries involving forests and water issues while expanding the "high pollution (carbon emissions) industry" category to non-manufacturing sectors (agriculture, livestock, and naval/aviation shipping industries) to strengthen responses to climate change risks Climate related financial disclosures (including quantitative and qualitative data) on the company website by end of June 2023
Strategy	<ul style="list-style-type: none"> Sign the Task Force on Climate-Related Financial Disclosures (TCFD) framework in April 2020 and became the supporter Completed signing of the Equator Principles in 2020 to reduce credit risks through inspecting the suitability of credit cases, grading of environmental and social risks, review, and monitoring Identify customer groups sensitive to climate change and evaluate the climate risks faced by investment/loan portfolios, and connect them to traditional risks of the finance industry Use the "General Circulation Model" (GCM) and Representative Concentration Pathways (RCP) for analyses of different scenarios and evaluate the current and future physical risks to establish future business, strategic, and financial plans Require high carbon emission industries who are domestic borrowers to disclose their greenhouse gas emissions and increase the number of the companies required to explain their measures to climate change adaptation for two consecutive years Identified the climate change risks and opportunities of the organization. Introduced parameters for different scenarios for the Group's clients in high-carbon emission industries and analyzed the climate change risks of these industries to enhance the Company's capacity or withstanding climate change risks. Issuing sustainable development bonds and launching the Sustainable Development Loan Connection Project to include management indicators such as borrower's greenhouse gas emissions, electricity saving, and reduction of total waste as key points for assessing preferential loans. Connect adaptation to climate change to the performance of employees and implement internal carbon management contests to reward employees of high-performing units. 	<ul style="list-style-type: none"> Include the short-, medium-, and long-term targets of scope 1 and 2 of the SBT methodology from the Science Based Target initiative (SBTI) Apply the recommended methodology of PCAF to conduct scope 3 financial carbon emissions inventory of financing and investments Continue to identify the short, medium and long-term impacts of climate change risks the high carbon emission industries pose on the Group's operations, strategies, products and financial planning, etc. Use the test results of climate change scenarios of different paths to evaluate and adjust climate change risk strategies Purchased 1,517 million kWh of green energy and gradually transferring to supply 18 domestic operating locations 	<ul style="list-style-type: none"> Perform carbon emissions inventory of financing and investment positions belonging to high pollution (carbon emissions) industries to plan and engage target enterprises based on inventory results to urge the establishment of net zero targets Introduce functions to take public transportation with credit cards or calculate carbon emissions via consumption Assess development of ESG analytic tools that provide the public with one-stop environmental monitoring of searched addresses and areas prone to disasters due to the impact of climate change Compile the group's SBT decarbonization targets for submission to SBTi review
Risk management	<ul style="list-style-type: none"> Establish risk identification, measurement, supervision, and control and management procedures for climate change risks Formulate climate change risk offsetting measures and establish management mechanisms Studied and analyzed new developments in domestic and foreign climate change mitigation and adaptation to produce environmental education materials for the Company's employees Continued to strengthen the climate change risk identification capabilities of loan and investment review personnel Taking the top two high carbon emission industries (petrochemical industry and steel industry) as the evaluation objects to analyze the impact on customer ratings under 3 carbon fee increase scenarios According to the methodology recommended by PCAF, calculate the greenhouse gas emissions generated by investment and financing for corporate customers with investment and financing balances of more than NT\$50 million and mortgage loan cases with credit balances of more than NT\$5 million Analyze the expected amount of default losses in three credit extension industries of First Bank (steel, petrochemical and semiconductor industries) to quantify the financial impact of climate change on the Company Lower the upper limit of the credit limit proportion for high pollutant (carbon emissions) industries to 14.8% and continue to monitor on a monthly basis 	<ul style="list-style-type: none"> Decrease the weight of credit limits for high pollution (carbon emissions) industries to a maximum of 14%, and cease new investments in companies mining coal and continue to monitor on a monthly basis Participate in the "New Basel Capital Accord Continuing Study Working Group - Stress Testing Subgroup" to assist the competent authorities in establishing the "climate change stress test" scenario and methodology for domestic banks Strengthen the identification of the relationship between climate change risks and traditional banking risks (such as credit risk, market risk, operational risk and liquidity risk) Analyze the potential risks to operating locations caused by abnormal weather and flooding under different warming scenarios Calculate the amount of impact to the bank's real estate value from various flooding and slope disaster scenarios due to climate change 	<ul style="list-style-type: none"> Lower the upper limit of the credit limit proportion for high pollution (carbon emissions) industries to 13.75% and continue to monitor on a monthly basis Suspend new investments to the coal industry (coal mining, coal power generation, and coal infrastructure accounting for more than 50% of revenue) and the energy sector (tar sands, polar circle oil and gas, ultra-deep water oil and gas, liquefied petroleum gas, shale oil, and other businesses accounting for more than 50% of revenue) Plan, establish, and disclose the commitment to suspend the new undertaking of "financing cases for companies solely mining coal", "financing projects for the construction of coal-fired power plants (excluding those transitioning towards decarbonization)", "corporate financing projects where tar sands/polar circle oil and gas/ultra-deep water oil and gas businesses account for more than 50% of revenue" and gradually decrease financing to the coal industry "Establish climate change stress test" scenarios for domestic banks in accordance with the competent authority to provide methodology to calculate the amount of expected losses and loss rate of collateral by region that banks will face under climate risks
Indicators and Goals	Please refer to the "Sustainable Development Goals" chapter on P22~P23 and P30~P35 of the Company's 2021 Sustainability Report	Please refer to the "Sustainable Development Goals" chapter on P24~27 and P32~35 of this Report	Please refer to the "Sustainable Development Goals" chapter on P24~27 and P32~35 of this Report

1-2 Climate change risks and opportunities

FFHC Identify the risks of climate change

Type	Item	Impact on Company Operations	Corresponding number
Transformation Risks	Policy and regulatory risks	<ul style="list-style-type: none"> Domestic enterprises are responding to the net zero 2050 policies of the Climate Change Response Act by purchasing large amounts of green energy which may cause supply to fall behind demand in the renewable energy market. As such, the Company may fail to reach targets if decarbonization requires the purchase of renewable energy. 	1
		<ul style="list-style-type: none"> If the government requires users with a contractual capacity of 800 kW or more to save 1% of electricity every year, Although the Group has already taken action, the Group encounters a bottleneck to reducing carbon emissions. If the Group fails to achieve the carbon reduction target required by the government, it may face disciplinary action from the government. 	2
		<ul style="list-style-type: none"> As the supply chains of domestic/foreign industries confirm their decarbonization activities or if a carbon tax is implemented (such as the Carbon Border Adjustment Mechanisms that will be implemented by the EU in 2026), relevant sectors may face operation impact and transition risks that indirectly impact the group's credit and operational risks. 	3
		<ul style="list-style-type: none"> Regulatory change regarding renewable energy will influence power companies the Group reinvests in. 	4
		<ul style="list-style-type: none"> The Taiwan Sustainable Taxonomy established by the Financial Supervisory Commission guides financial institutions to inject capital into sustainable industries, and if the group's existing financing targets do not comply with the taxonomy's standards and must be removed, it may impact the group's income from financing and investments. 	5
		<ul style="list-style-type: none"> According to the "Climate Change Adaptation Law", the government will levy carbon fees on high-carbon emission enterprises as early as 2024, which may affect the business performance of customers in high-carbon emission industries, thereby reducing the revenue of the Group. 	6
		<ul style="list-style-type: none"> The energy transition and carbon reduction targets will increase the pressure of rising electricity prices, resulting in higher operating costs and affecting the Group's revenue. 	7
	Technical risks	In the future, the industry will be forced to transform and develop climate technology-related products and technologies. The Group's investment and financing targets may have to pay high costs, which will indirectly affect the Group's income.	8
	Market risks	<ul style="list-style-type: none"> Investors may reduce their holdings of the targets that lack the concept of corporate sustainability, resulting in a drop in the price of such targets. If the Group invests in such targets with its own funds, it will affect the investment income of the Group. 	9
		<ul style="list-style-type: none"> First Bank requires all loan customers to sign a letter of commitment for sustainable development, which may lead to loss of business. 	10
		<ul style="list-style-type: none"> Insufficient digitization will cause us to increase paper usage, reduce operational efficiency and competitiveness, and lose customers. 	11
		<ul style="list-style-type: none"> If investor concerns towards climate related issues are not appropriately responded to, it may lead to a sell-off of company stock and a drop in stock price. 	12
Reputation risks	When loan customers of the Company involve in environmental pollution which leads to negative reports of the media, reputation of the Company will be indirectly affected.	13	
Physical Risk	Immediate risks	<ul style="list-style-type: none"> Tropical cyclone/Extreme precipitation <ol style="list-style-type: none"> Caused damage to offices, equipment, or transportation vehicles.Heavy rain or strong wind brought forth by tropic cyclones may directly impact the Company's operation sites. Employees suffer losses on their way to or from work, at the workplace, or on their way to confirm damages caused by disasters. Work being called off which resulted in the disruption of operations. Caused bodily injury to the insured of the Company which led to the increase of claim amount. Investee personnel's loss of property causes investment profitability to fall. Borrowers suffer from interruption of operations or loss of personnel or property which leads to difficulties in repayment,and thus causes bad debt losses to the Company. 	14
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	<ul style="list-style-type: none"> Short-term water shortage: The postponement of the rainy season has resulted in less than expected rainfall across Taiwan. Many reservoirs have insufficient water storage and encountered short-term water shortages. Many counties and cities have implemented water rationing measures, which may affect operational performance due to water shortages. 	20	
	Long-Term risks	<ul style="list-style-type: none"> Rising sea levels expose some business units to flood risk. 	21
		<ul style="list-style-type: none"> Extreme drought <ol style="list-style-type: none"> May lead to lack of electricity which results in disruption of operations May lead to fires or difficulties in obtaining water resources will increase operating costs 	22
		<ul style="list-style-type: none"> Extreme climate change <ol style="list-style-type: none"> The use of electricity for air-conditioning and water has increased in recent years due to the increase in the number of days with extreme high temperature. We predict that electricity prices will gradually rise in the future as the power structure changes in Taiwan, resulting in an increase in the operating costs of the Company. If the Company has to purchase carbon credits and renewable energy certificates for its carbon reduction outcome, the operating costs of the Company will increase. Increase of the occurrence rate of infectious diseases increases the risks to employee health and disruption of operation. 	23
		24	
			25

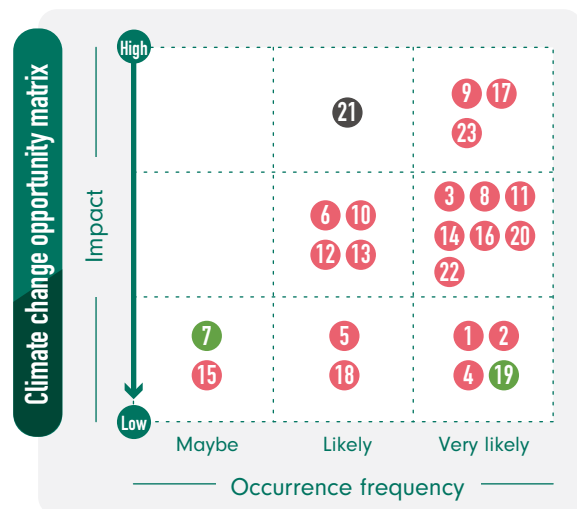
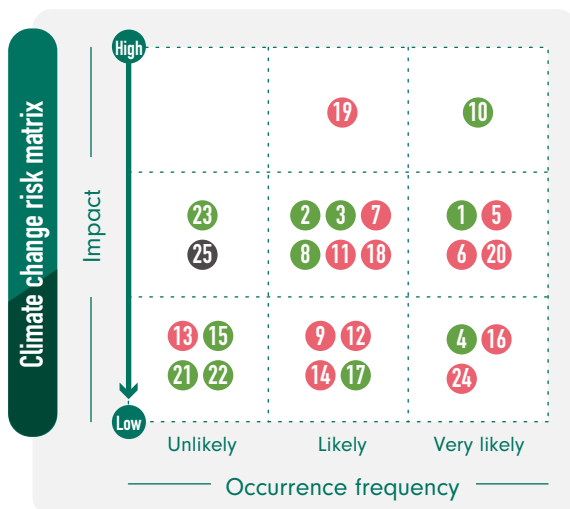
Risk Mitigation Management Measures

- The Group will continue to proactively negotiate for renewable energy available in markets and sign supply agreements with renewable energy suppliers to purchase renewable energy certificates (RECs) and gradually expand locations for transfer each year.
 - In response to the lack of green electricity supply in the market and the government's requirement that the annual power saving rate of consumers with a contracted capacity of more than 800kW shall reach 1%, companies will replace and use more energy-efficient electrical equipment and try to generate electricity for their own use and reduce external purchases. They will also actively negotiate the purchase of green electricity in the market, and pay close attention to climate technology-related information, and negotiate new equipment with higher energy efficiency or carbon reduction technologies.
 - Understand the sustained impact and response measures taken by customers affected by international decarbonization or carbon neutral trends when applying for credit to evaluate the transition risk faced by the customer.
 - Plan and establish the commitment to suspend the new undertaking of "financing cases for companies solely mining coal", "financing projects for the construction of coal-fired power plants (excluding those transitioning towards decarbonization)", "corporate financing projects where tar sands/polar circle oil and gas/ultra-deep water oil and gas businesses account for more than 50% of revenue" and gradually decrease financing to the coal industry
 - In response to the implementation of the "Carbon Border Adjustment Mechanism Plan" by the European Union and the imposition of carbon fees by the government, the Group will continue to negotiate low-carbon transformation with customers with high carbon emissions, and provide customers with green preferential loans to assist in their transition, so as to reduce the impact on the quality of the Group's credit assets.
 - All domestic business locations have completed the introduction of the ISO 50001 Energy Management System and ISO 14001 Environmental Management System to continue to increase energy management performance and energy usage efficiency.
 - Organize a "carbon management and electricity conservation competition for domestic operating departments" in combination with their individual reduction targets. Quarterly announcements of the energy conservation achievements of each department and establish a ranking by achievement rate at the end of each year to reward high performance departments; operating departments that do not achieve decarbonization targets must propose decarbonization plans for execution.
 - Gather the latest environmental protection and carbon reduction trends and changes to environmental laws to organize training for the purpose of reinforcing the awareness of operating departments and relevant personnel in climate risk management frameworks and processes, and consult on domestic and foreign cases to plan response policies.
 - Provide borrowers with green preferential loans to support their transition and encourage them to meet the "sustainable economic activity taxonomy" to reduce the impact on the Group's profits.
 - Join the PCAF and SBTi initiatives and utilize the PCAF methodology to take inventory of the group's financial carbon emissions in financing and investment positions, then gradually introduce SBTi methodology to set decarbonization targets.
 - Include climate change risks into risk management policy and apply assessment results and report the execution of decarbonization measures to the Risk Management Committee and Board of Directors. Continue participation in The Bankers Association's climate change risk management and stress test program, urge major carbon emissions borrowers to conduct transition risk analysis, and perform analysis on the investment positions of insurance subsidiaries under the disorderly transition, long-term transition, and no policy scenarios.
-
- Implement the concept of responsible investment and stewardship, continue to reduce the credit caps for highly polluting/high carbon emissions industries, and will no longer invest in coal mining companies, and continue to use its own funds to invest in sustainable companies.
 - Establish decarbonization policies that will no longer undertake investment and financing of coal and atypical oil and gas companies, and invest funds in industries that contribute to ESG.
 - The Group requires all domestic and offshore fund companies to sign the compliance statement for the "Stewardship Principles for Institutional Investors" and the "Principles for Responsible Investment (PRI)" before the launch of a new product. Insurance companies of the launched products are also 100% prepared "Sustainability Reports" or submit a "Declaration of Sustainable Development".
 - Educate and encourage loan customers to sign the Sustainable Development Declaration for them to understand the importance of ESG values.
 - Accelerate the creation of a digital financial environment to provide customers with convenient online services such as consumer loans and account opening.
 - Reinforce the climate governance related job skills of executives from the top-down and actively respond to investor's concerns relating to climate issues.
-
- When there is reputation risk, we will investigate the truthfulness of the incident, collect evidence, evaluate its impact, draw up response measures and explain to the public by press release.
 - Implement the ESG review policy to avoid lending to companies that involve major disputes in environmental conservation, human rights and society.
 - Grasp and mitigate the environmental and social impact of large financing projects by applying the Equator Principles, case grading, risk evaluation, and post-loan management to prevent negative impact to the Company's reputation.
-
- Analyze the potential risk of flooding to 100% of new and old operation locations under varying warming scenarios and plan adaptive measures to reinforce climate resilience, such as: When selecting an operating location or purchasing land and housing, avoid low-lying areas near the ocean and implement measures such as enhanced drainage and moderately raising foundations, or transfer risk by obtaining insurance.
 - As tropical cyclones and extreme precipitation may cause damage to the information appliances, the Company appoints professional contractors to conduct inspections and maintenance for mechanical and electrical equipment and we set up waterproof gates, sandbags, other flood-prevention measures, and uninterrupted power system to ensure normal operation.
 - The Company included climate-related risk factors into the design of insurance products to provide insurance products that are more suitable for the needs of policy holders and climate change trends and provide policy holders with comprehensive coverage.
 - Introduce the "ISO 46001 Water Efficiency Management Systems" and obtain certification, and strengthen water resources management by implementing and optimizing the daily management of major water-consuming equipment, as well as water use review and performance evaluation.
 - As to the risks of extreme climates, rising sea levels and tropical cyclones, the Company pays close attention to droughts, severe rainfalls and power supply alerts and establish defense corps for responding to typhoons, flooding, earthquakes, bank runs, epidemics, fires, explosions and other emergencies to manage climate change risks.
 - Work with external consultants on climate risk scenario analysis, and continue to track the impact of the real estate located in high-risk areas (Flooding and Slope Disasters) on the value of the Company's collateral calculated by the consultant, quantifying the financial impact of climate change risks on the Company to establish more effective response measures.
 - Continue to conduct employee health checks, build employee health risk maps, and regularly educate employees on the prevention and treatment of infectious diseases.



●○ FFHC Identify the opportunities of climate change

Type	Item	Explanation of opportunities	Corresponding number
Opportunity	Resource usage efficiency	• Promote electronic account opening, electronic trading and account processing services	1
		• Procurement of energy-saving and water-saving products with green mark	2
		• Implement "digital content broadcast systems" at operating locations to remotely manage and deliver advertisements and campaign events in real-time, thereby decreasing paper consumption in advertising	3
	Energy sources	• Use low-carbon energy and increase energy efficiency	4
	Products and services	• Listing products related to topics like environmental protection, climate change and green energy	5
		• Help customer issue green bonds	6
		• Develop new business opportunities by adding insurance products for natural disasters or injury in climate-related accidents	7
		• Issue green concept card and apply for the Environmental Protection Administration's "Carbon Footprint Label" certification to track carbon emission reductions in the life cycle of the credit card	8
		• Promote urban renewal financing projects, transform old buildings into energy saving, carbon reducing and Eco friendly communities	9
		• Increase the volume of green financing and green consumption loans	10
		• Raise green energy fund to invest in solar power plants	11
		• Support the sustainable transition of IPO companies, build sustainable business models related to IPO companies to grasp business opportunities	12
		• Increase brand awareness by offering low-carbon products or services to participate in public constructions or services	13
Market		• Issuance of green bonds to gain new market access opportunities	14
	• Raise new funds to provide investors with ESG products and win new market opportunities	15	
	• Participate in government climate change related programs to obtain subsidies or rewards to grasp new market opportunities	16	
Resilience	• Green Finance Committee plans green financing and investment policies and guidelines to improve the scope and level of our green finance products	17	
	• Organize carbon management and electricity conservation competitions in domestic operations to reward department colleagues with outstanding performance	18	
	• Actively participate in environmental protection competitions hosted by external parties and strive for awards, so as to foster awareness on environmental protection and energy-saving	19	
	• Increase the proportion of green investments to meet global trends and reduce asset allocation risks	20	
	• Include green buildings and energy saving buildings as key purchasing items in real estate investment.	21	
	• Discuss issues related to climate change and environmental sustainability and share the circular economy concept with investment and financing partners to encourage low-carbon transformation of the investment and financing partners for them to jointly grasp sustainable business opportunities with the Company	22	
	• Implement energy conservation, carbon reduction, water saving and waste reduction to help reduce operating costs	23	



* : Short-term risks/opportunities: Estimated to occur within 5 year (in red); Medium-term risks/opportunities: Estimated to occur within 5~10 years (in green); Long-term risks/opportunities: Estimated to occur after 10 years (in black)

1-3 Quantified Financial Data of the Impact of Climate Change on the Company and Scenario Analysis

The Group's climate scenarios comply with the "Plan for Domestic Banks to Perform Climate Change Scenario Analysis Operations" ("operation plan") announced by the competent authority in combination with scenario data from the NGFS (The Network for Greening the Financial System) and IPCC AR5. Three climate scenario simulations (orderly transition, disorderly transition, no policy) were established for two points in time (2030, 2050) to perform climate risk scenario analysis, as explained in the following:

Scenario	Details of scenarios applied in climate change scenario analysis
Net zero 2050 (Orderly) transition	The net zero 2050 scenario, also known as orderly transition, corresponds to the "Net Zero 2050" (less than 2°C) scenario of the NGFS and "RCP2.6" scenario of IPCC. The scenario evaluates global path progression towards net zero 2050 and the bank's potential risks.
Disorderly transition	This corresponds to the "Delay Transition" (less than 2°C) scenario of NGFS and "RCP2.6" scenario of IPCC. The scenario evaluates the necessary path to net zero 2050 despite delayed transitions and the bank's potential risks.
No policy	This corresponds to the "Baseline" (less than 2°C) scenario of NGFS and "RCP8.5" scenario of IPCC. The scenario evaluates potential risks to the bank due to climate change with no transition policies.

With reference to the "operation plan" of climate change scenario analysis provided by the Financial Supervisory Commission, the base climate change scenario analysis was conducted to gradually define climate hazard impact factors and identifying financial elements linked to climate in the positions of each business division. Credit risk was then calculated for each position based on climate change scenarios to obtain the following calculations:

●○ The amount difference of expected losses from credit risks and base scenarios for 2022*¹ / weight of expected losses accounting for profit and loss before tax*² in the base year

Position	Orderly transition scenario		Disorderly transition scenario		No policy scenario		
	2030	2050	2030	2050	2030	2050	
Domestic positions	Corporate loans	33.48%/62.21%	39.00%/67.74%	27.21%/55.94%	47.50%/76.23%	32.06%/60.80%	31.80%/60.53%
	Personal loans	1.43%/1.83%	1.48%/1.88%	1.91%/2.31%	1.33%/1.73%	1.57%/1.97%	2.08%/2.48%
	Investment	0.41%/1.08%	0.50%/1.16%	0.27%/0.94%	0.69%/1.36%	0.33%/0.99%	0.31%/0.98%
Foreign positions	Credit extension	5.07%/12.79%	8.44%/16.16%	1.28%/9.00%	11.96%/19.68%		
	Investment	0.14%/0.54%	0.20%/0.60%	0.04%/0.45%	0.28%/0.69%		

*1 : Base scenario refers to 2022 values without pressurization.

*2 : Profit and loss before tax in the base year refers to net profit before tax of NT\$23,788 million earned by bank subsidiaries in 2022.

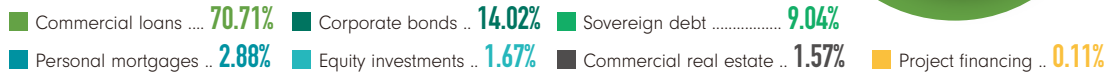
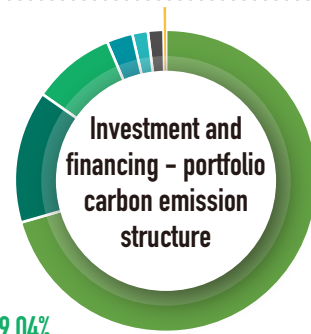
●○ The amount difference of expected losses from credit risks and base scenarios*¹ for 2022/weight of expected losses accounting for annual net value*² in the base year

Position	Orderly transition scenario		Disorderly transition scenario		No policy scenario		
	2030	2050	2030	2050	2030	2050	
Domestic positions	Corporate loans	3.45%/6.41%	4.02%/6.98%	2.08%/5.76%	4.89%/7.85%	3.30%/6.26%	3.28%/6.24%
	Personal loans	0.15%/0.19%	0.15%/0.19%	0.20%/0.24%	0.14%/0.18%	0.16%/0.20%	0.21%/0.26%
	Investment	0.04%/0.11%	0.05%/0.12%	0.03%/0.10%	0.07%/0.14%	0.03%/0.10%	0.03%/0.10%
Foreign positions	Credit extension	0.52%/1.32%	0.87%/1.66%	0.13%/0.93%	1.23%/2.03%		
	Investment	0.01%/0.06%	0.02%/0.06%	0.00%/0.05%	0.03%/0.07%		

*1 : Base scenario refers to 2022 values without pressurization.

*2 : The net value of the base year refers to the net value of NT\$230,922 million earned by bank subsidiaries in 2022.

In order to move towards the net-zero-carbon emission goal, First Financing Holdings calculates scope 3 of carbon emissions generated by investment and financial portfolios in accordance with methodology recommended by the international institution The Partnership for Carbon Accounting Financials, PCAF. Carbon emissions generated by financial and investment portfolios in 2022 was approximately 13,849,400 tons CO₂e with commercial loans accounting for 70.71% followed by corporate bonds (14.02%), sovereign debt (9.04%), personal mortgages (2.88%), equity investments (1.67%), commercial real estate (1.57%), and project financing (0.11%).



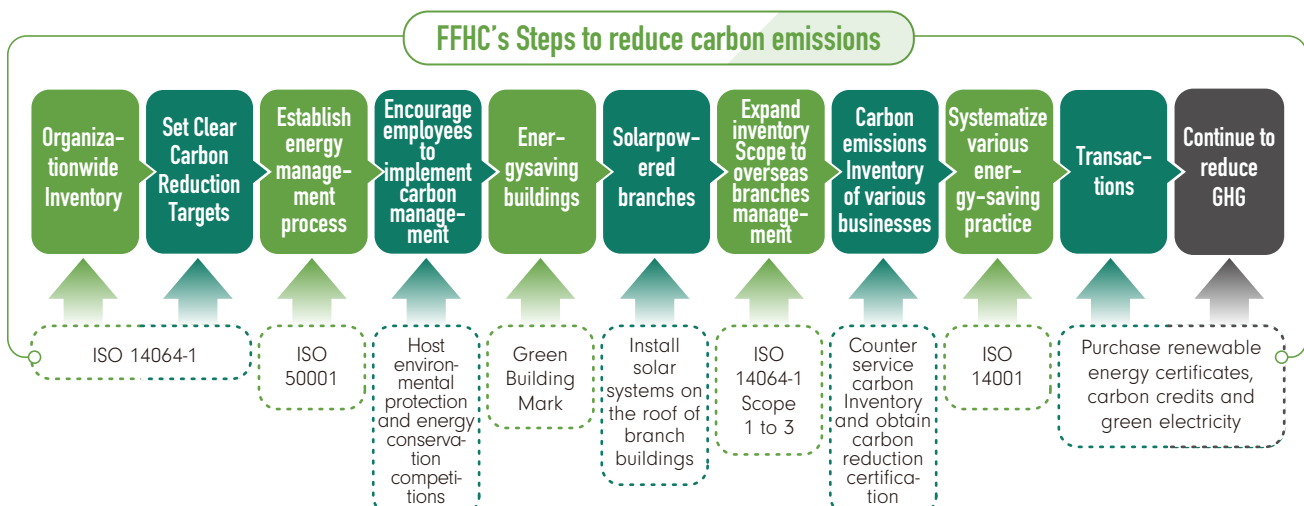
Climate Action

GRI : 302-1~5 、 305-1~5 、 305-7 、 FS4

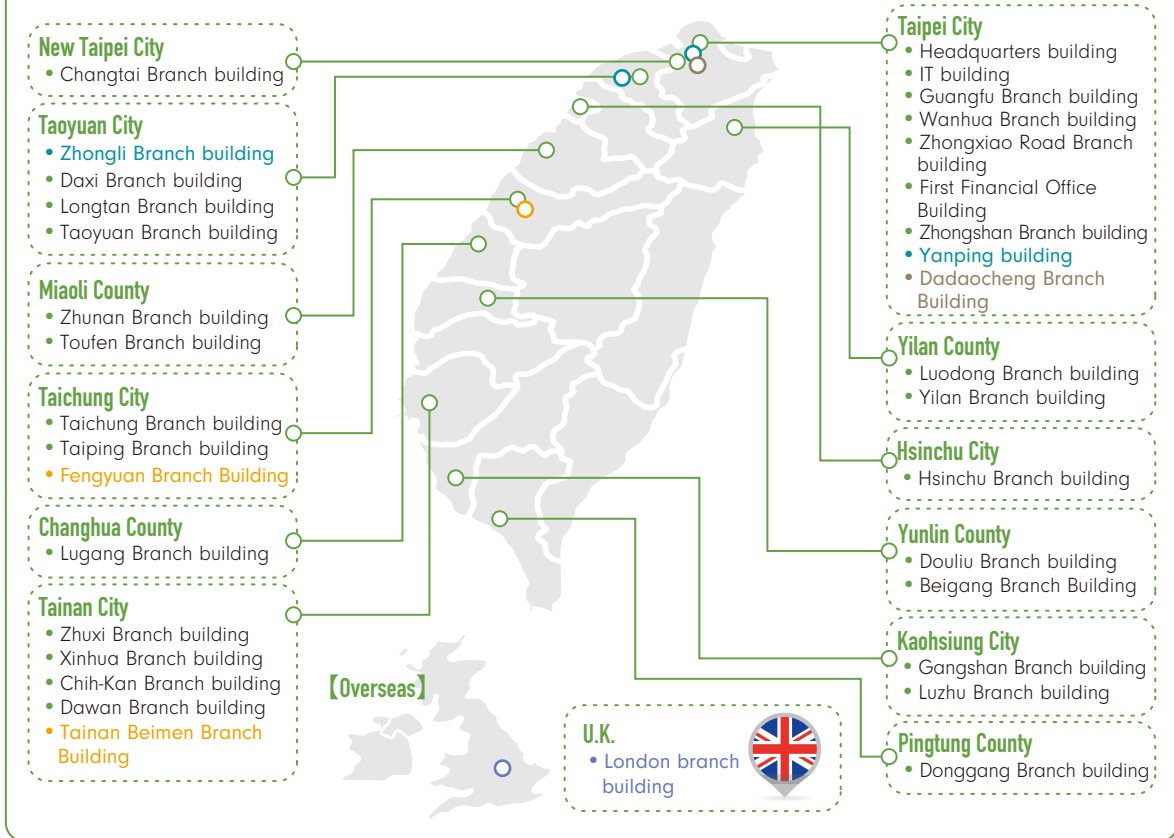
To align with the country's goal of net zero carbon emissions by 2050, First Financial Holding has adopted the absolute-based approach to set the science-based target (SBT) of controlling warming to 1.5°C. It has formulated the carbon emissions reduction goal that, with effect from 2023, combined carbon emissions from scope 1 and scope 2 must be reduced by 4.2% annually from the base year (2021). Compared with the previous year, carbon emissions from scope 1 and scope 2 in 2022 were down 364.62 metric tons of CO₂e; paperless operational measures contributed a carbon emissions reduction of 18,136.30 metric tons of CO₂e. The total amount of carbon emissions reduction amounted to 18,500.92 metric tons of CO₂e. Related measures and results are described as follows:

2-1 Reduce GHG emissions

FFHC has 71 buildings with an average age of more than 40 years. To alleviate the heat island effect of office buildings, the "Green Building Certification Program" team was formed in 2010 to transform the head office buildings into green buildings. As of the end of 2022, the Group refurbished 31 existing commercial buildings and obtained the Green Building Mark from the Ministry of the Interior. (including 28 diamond-class buildings, 1 bronze-class building and 2 qualified building), and 2 new buildings have obtained the gold-class green building mark. In 2021, the London branch building has obtained the PASS-class green building mark from UK's Building Research Establishment (BRE). The Group has set a goal to obtain 46 Green Building Marks for its buildings by the end of 2028. In 2017 the company had all of the company locations in and out of the country be regulated "ISO 14064-1 GHG Inventory" and get verified in order to handle the carbon emission of the company locations in the Group, dedicated to achieve the goal of reduction of GHG emissions. Since 2020, carbon emissions management and energy conservation contests have been held for three consecutive years among domestic business units, which have also been allocated with approved targets of carbon emissions respectively. The awareness that there is a price tag on carbon emissions has been raised to implement the accountability of carbon emissions reduction. Business units with outstanding results were announced, cited and rewarded in April 2022, whereas units failing to reach their targets of carbon emissions reduction have submitted improvement plans.



Obtain Green Building Mark for 34 of the Group's buildings and the carbon emissions benefits



- 28** Obtained the "Diamond-class" Green Building Mark for 28 existing commercial buildings
- 2** Obtained the "Gold-class" Green Building Mark for 2 new commercial buildings
- 1** 1 existing building obtained the "bronze-class" green building mark
- 2** 2 existing building obtained the "qualified-class" green building mark
- 1** 1 existing building obtained the "pass-class" green building mark

The Beigang Branch Building has been awarded the Green Building Diamond-class label by the Ministry of the Interior

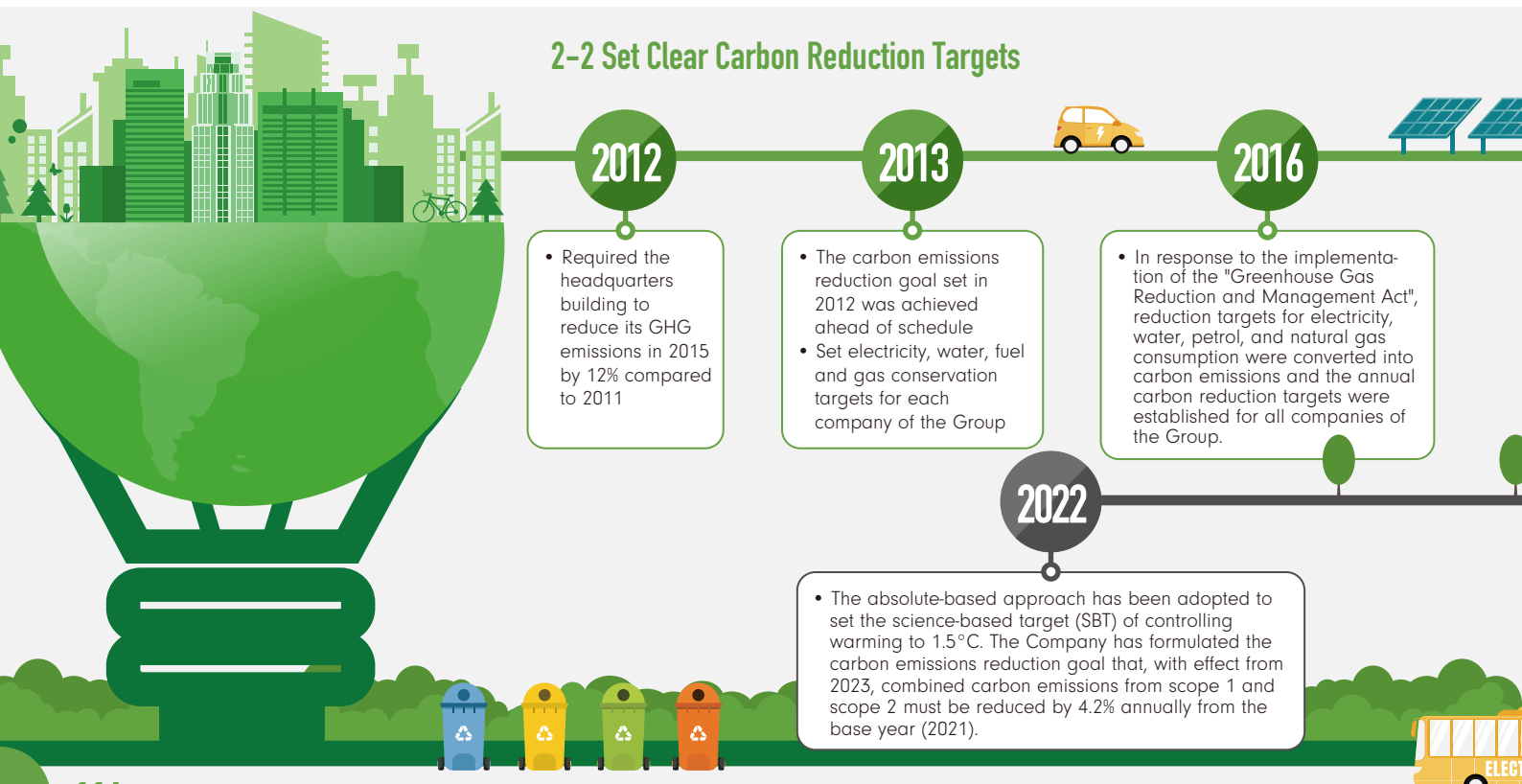
Carbon reduction result		Carbon reduction area	
(kWh/yr) *1	tonsCO ₂ e*2		
5,486,924	2,878	<ul style="list-style-type: none"> Enthalpy control Replacement with more efficient chilled water and cooling water pumps or addition of variable speed drive Addition of variable speed drive to air conditioning unit Replacement of T8 with LED lamps Implement self-management in electricity usage Replacement with more efficient DC inverter air-conditioning unit or multi-split inverter air-conditioning 	<ul style="list-style-type: none"> Implement Energy Management System Replacement of Closed Loop Water Pump and addition of variable speed drive Implement total heat exchanger system Installation of additional air-conditioning units and small ventilators Installation of additional solar power generating systems Addition of independent smart electric meter
19,753 GJ			
(1kWh = 0.0036GJ)			

*1 : The difference in performance between improved air-conditioning and lighting equipment and the usage time are used as main factors to estimate the carbon emissions reduction.
 *2 : Data provided in the evaluation statement (EEWH-RN Green Building Mark Application Evaluation Summary Table) approved by the Taiwan Architecture & Building Center.

Environment Management certifications

Item	Certified sites in 2022
"Diamond-class" Green Building	28
"Gold-class" Green Building	2
"Bronze-class" green building mark	1
"Qualified-class" green building mark	2
"Pass-class" green building mark	1
ISO 14064-1 Greenhouse Gas Inventory	All domestic and foreign company locations
ISO 50001 Energy Management System	All domestic company locations
ISO 14001 Environmental Management System	All domestic company locations
ISO 14046 Water Footprint	8
ISO 46001 water efficiency management systems	1
Indoor air quality autonomous management	188
Office CO ₂ level measurement	245
Implement Real-time Indoor Air Quality Monitoring System	41
Verification of Scope 3 in ISO 14064-1 (Indirect emissions from transportation - business travel)	Bank, Securities, Securities Investment Trust, Life Insurance, AMC
Verification of Scope 3 in ISO 14064-1 (Indirect emissions caused by disposal of business waste)	All domestic company locations
Environmental educator certification.	6 employees
"Product Carbon Footprint Reduction Label" certification	First Bank Yung-Ho Branch and Wanhua Branch
"Product Carbon Footprint Label" certification	First Bank Head Office Business Department and Wanhua Branch
"Environmental Education Site" certification	First Bank Wanhua Branch

2-2 Set Clear Carbon Reduction Targets



FFHC is taking the impact of climate change seriously and boosting our risk awareness. We signed on with the Carbon Disclosure Project (CDP) in 2013 and was among the first group of finance companies in Taiwan to express their support for the CDP. FFHC won international recognition with the "A" score again in the CDP climate change questionnaire in 2022 for the 4th time, the only domestic company that has been ranked "Leadership Level" for 5 consecutive years in financial industry.

●○ The carbon reduction performance of FFHC Group companies in 2022:

Unit: tons of CO₂e

Company	First Bank		First Securities		First Securities Investment Trust		First Life Insurance		First Financial Assets Management	
	Compared to 2021 reduction target	Actual Results Effectiveness	Compared to 2021 reduction target	Actual Results Effectiveness	Compared to 2021 reduction target	Actual Results Effectiveness	Compared to 2021 reduction target	Actual Results Effectiveness	Compared to 2021 reduction target	Actual Results Effectiveness
Scope 1 Carbon reduction	32.20	-159.19	0.50	-25.80	0.32	-2.54	0.24	3.10	0.16	-0.36
Scope 2 Carbon reduction	486.93	688.90	28.78	-93.94	4.88	25.10	2.29	-14.87	0.70	1.75

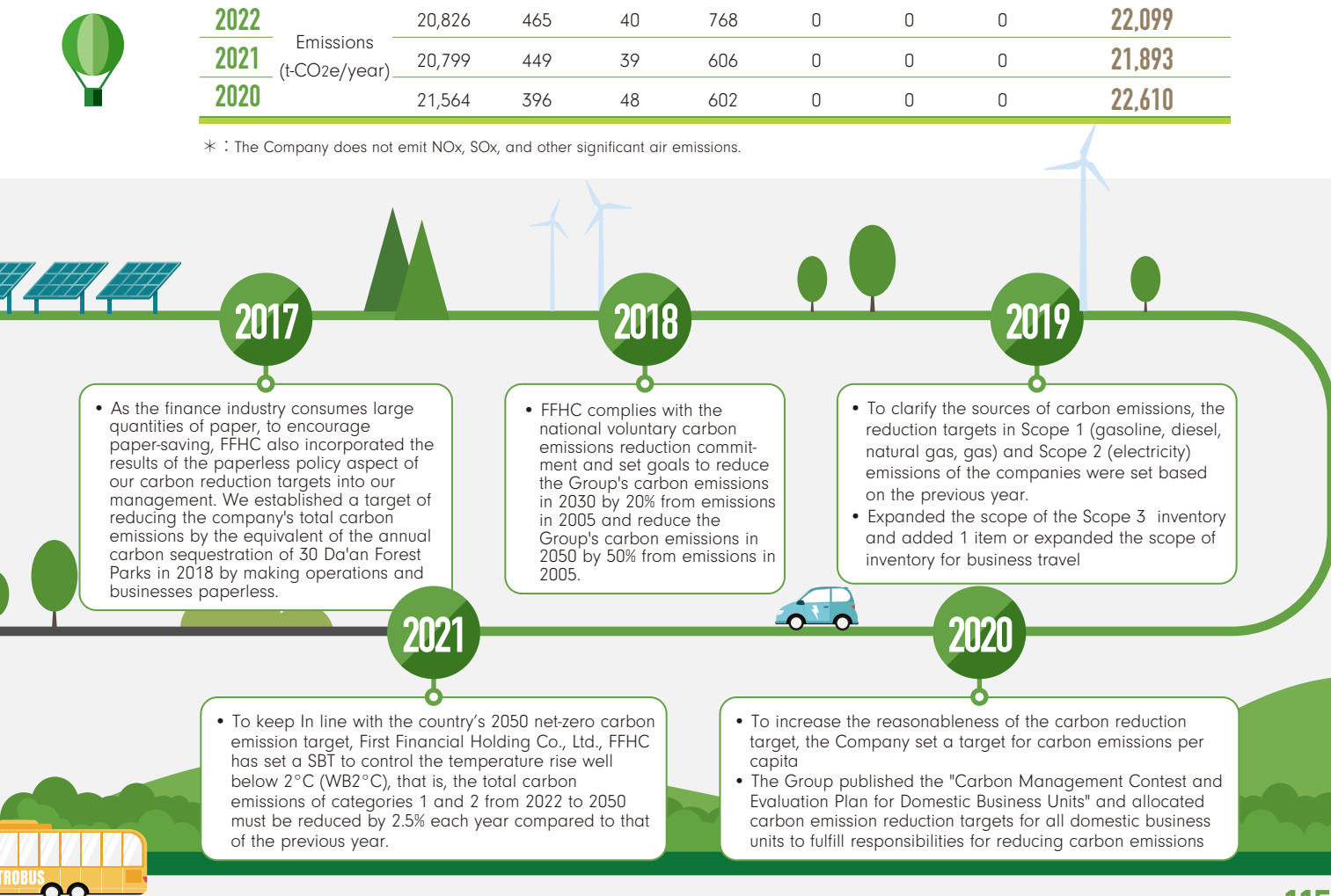
Unit: tons of CO₂e

	2021 (Base Year)	2022	Emissions Reduction Goal by 2028	Emissions Reduction Goal Achievement Rates by Percentage Points Through 2028
Scope 1 Carbon Emissions Under ISO -14064 Inventory (tons CO ₂ e)	2,470	2,657	1,848	-30%
Scope 2 Carbon Emissions Under ISO -14064 Inventory (tons CO ₂ e)	19,409	18,858	14,528	11%
Total Amount of Carbon Emissions (Metric tons of CO ₂ e)	21,879	21,515	16,376	7%

●○ Greenhouse gas emissions from 2020~2022

Item	Greenhouse Gas	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total emissions of 7 Greenhouse gas
2022	Emissions (t-CO ₂ e/year)	20,826	465	40	768	0	0	0	22,099
2021		20,799	449	39	606	0	0	0	21,893
2020		21,564	396	48	602	0	0	0	22,610

* : The Company does not emit NO_x, SO_x, and other significant air emissions.



FFHC Overall Carbon Emissions

Item	Year	2019	2020	2021	2022	2022 Goals	2022 compared to 2021 (%)
	Scope 1 Carbon Emissions Under ISO -14064 Inventory (tons CO _{2e})* ¹		2,487	2,459* ⁶	2,470	2,657	2,359* ⁸
Scope 2 Carbon Emissions Under ISO -14064 Inventory (tons CO _{2e})* ¹		20,282	19,961* ⁷	19,409* ⁷	18,858* ⁷	19,360* ⁸	-3
Total Emissions (tons CO_{2e})		22,769	22,420	21,879	21,515	21,719	-2
Inventory Ratio of business locations (%)		100					
Scope 1 and 2	Total energy consumption (GJ)* ²	351,505	361,473.39	159,942.29	154,245.58		-4
	Total energy consumption (MWh)* ³	40,563.23	41,723.02	40,756.20	39,525.96	39,737.30	-3
	Emissions per capita (tons CO _{2e} /person)* ⁴	2.380	2.276	2.195	2.131		-3
	Energy Consumption Per Capita (GJ/person)* ⁴	36.75	36.70	16.04	15.28		-5
	Energy intensity (GJ/Net Profit in million NTD)	5.64	6.07	2.55	2.28		-11
	Emissions intensity (GJ/Net Profit in million NTD)	0.37	0.38	0.35	0.32		-9
	Verification of Scope 3 in ISO 14064-1 (Indirect emissions from transportation - business travel)		373	263	290	330	313
Verification of Scope 3 in ISO 14064-1 (Indirect emissions caused by disposal of business waste)* ⁵		78	77	98	104		6
The Group's scope 3 carbon emissions from financing and investments	Carbon emissions (tons CO _{2e})* ¹¹	5,364,213	5,830,786	9,645,699	13,849,382* ¹⁴		44
	Emissions intensity (tons CO _{2e} /asset balance in NT\$ million)* ¹²	11.94	9.84	6.99	21.00* ¹⁴		200
	Proportion of covered assets (%)* ¹³	80.11%	77.33%	80.39%	89.78%		12

*1 : Scope 1 emissions consist mainly of fuel used by company cars, generator diesel and natural gas. Scope 2 emissions consist mainly of electricity consumption. The emission factors used are based on the EPA's published greenhouse gas emission coefficient management table version 6.0.4; the inventory for 2019-2020 refers to the GWP adopted by the EPA's national login platform, using the 2007 IPCC 4th assessment report. If the IPCC 4th assessment report in 2007 did not have a reference number, it refers to the warming potential of the IPCC 5th assessment report in 2013; inventory conducted in 2021 was based on the global warming potential provided in the 2013 IPCC Fifth Assessment Report; inventory conducted in 2022 was based on the global warming potential provided in the 2021 IPCC 6th Assessment Report; the method used to consolidate greenhouse gas volume is Operated Control Method; the inventory standard is based on ISO 14064-1.

*2 : The scope of total energy consumption (GJ) mainly includes diesel used for the generators, gas, natural gas, diesel used for official vehicles, gasoline used for official vehicles, and electricity. The statistics are filed by each unit in accordance with related forms, compiled by the Sustainable Environment Work Group of the Corporate Sustainable Development committee, and verified by SGS. The conversion of the energy consumption (GJ) coefficient for 2019~2020 is mainly based on the parameters in the Heat Content of Energy Products in the Energy Statistics Handbook 2013 and Energy Audit Annual Report for Productive Industries 2012 compiled by the Bureau of Energy, Ministry of Economic Affairs. The coefficient for 2021 to 2022 is based on the parameters in the Heat Content of Energy Products in the Energy Statistics Handbook 2021.

*3 : MWh (Megawatt Hour)

*4 : The number of employees investigated was 9,565 in 2019, 9,849 in 2020, 9,969 in 2021, and 10,095 in 2022.

*5 : Business units subject to waste disposal review from 2019 to 2020 included the Bank's headquarters, IT Building, securities firms, securities investment trust enterprises, life insurance companies, and the AMC Head Office. With effect from 2021, banks, securities firms, securities investment trust enterprises, life insurance companies and all of AMC's domestic branches have also been added.

*6 : The Group set policies for addressing the failure to reach annual carbon emissions reduction targets in 2020 by purchasing carbon credits to make up for deficiencies. The Scope 1 inventory was 2,579 tons CO_{2e} which fell short by 112 tons. The Group thus purchased carbon credits from wind energy generated in Changhua and Miaoli for 120 tons to offset the deficiency.

*7 : The Scope 2 inventory was market-based. The local -based inventory was 20,032 metric tons of CO_{2e} in 2020; 19,422 metric tons of CO_{2e} in 2021 ; 19,442 metric tons of CO_{2e} in 2022.

*8 : The 2022 goal for scope 1 and scope 2 was to control warming to a level much lower than 2°C(WB2°C) in order to formulate the SBT. In other words, the combined amount of carbon emissions from scope 1 and scope 2 in 2022 must be reduced by 2.5% from the estimated emissions amount in 2021. The target MWh is calculated based on the target for reducing the use of fuel for company vehicles, diesel for generators, and gas by 2.5%, and the target for reducing electricity consumption by 2.5% compared to 2021.

*9 : In 2022, we received no complaints over environmental impact or penalties for environmental violations.

*10 : New and replacement air-conditioning systems all used the new eco-friendly R134a or R410a refrigerant. There was no use of Ozone Depleting Substances (ODS)

*11 : Inventory boundary of 2019 and 2020 is lesser compared to 2021 and 2022, and is estimated by industry coefficient.

*12 : The scope of emissions intensity is in equity investments, bond investments, and commercial loans.

*13 : Investment market value of assets (total amount of financing and investments) of each subsidiary/total financing balance, not amount in accounting columns.

*14 : Compared to 2021, the primary factors leading to increased carbon emissions in 2022 is the PCAF addition of sovereign debt (1,251,314 tons of carbon emissions) as well as business growth in 2022. Even after eliminating sovereign debt, the increase was compounded by investment and financing positions that must be included in calculation of carbon emissions which increased by 20% as well as an increase in the carbon emissions of financed customers as well as an increase in the industry emission coefficient.

2-3 Green transportation

To help reduce the FFHC's carbon emissions caused by business travel, we have taken steps to gradually replace old or outdated vehicles in our company fleet. As a principle, official vehicles shall be used for carpooling. As of the end of 2022, 102 scooters with traditional internal combustion engines that were about to be scrapped had been replaced with electric scooters, which amounts to an annual carbon emissions reduction of 38 metric tons of CO₂e*¹, as part of the drive to promote low-pollution scooters. In addition, a system for sharing company-issued EasyCards is in place to encourage employees to utilize mass transportation when traveling on business. When company cars needs replacement, we will evaluate the possibility of change for electric vehicles, hybrid vehicles or vehicles with high energy conversion efficiency. In 2022, a total of 28 vehicles were replaced by hybrid electric official vehicles. The Company set up charging stations for electric vehicles at Zhongli Branch and Yanping building for use by employees and customers. In addition, we have set up 13 employees dormitories at company sites located in high population density areas as well as rural regions and remote areas, which help reduce carbon emissions of employees commuting to and from work. Our overseas travels in 2022 were verified to total 2,699,380 kilometers, total energy consumption was 2,151.77 GJ*².

*1 : The carbon reduction is based on Gogoro's 2016 report that the replacement with electric scooters can save 1.9175 kilograms of CO₂e per liter of gasoline, and calculated according to the Ministry of Transportation and Communication's 2021 "Report on Motorcycle Usage Survey" that each motorcycle can travel an average of 23.2 kilometers per liter of gasoline based on the average annual motorcycle travel distance of 4,500 kilometers on the "Auto Energy Website".

Calculation: 102 scooters*1.9175 kilograms of CO₂e*(4,500 kilometers/23.2 kilometers)/1,000=38 metric tons of CO₂e

*2 : Based on calculations using the ICAO Carbon Emissions Calculator Methodology, the total amount of carbon emissions from air travel was 154 metric tons of CO₂e, which works out to 64,285.57 liters in total fuel consumption. Based on the coefficient conversion for energy consumption (GJ) in the unit thermal value table of energy products provided in the Bureau of Energy's 2020 Energy Statistics Handbook, the thermal value of aviation fuel is 8,000 Kcal/L. From there, 2,151.77 GJ in energy consumption can be deduced.



Set up an electric scooter battery exchange station in the open space of Dadaocheng Branch to promote low-polluting scooters.

Carbon Emissions from First Financial Holding's Business Travel over the Years

Item	Year	2019	2020	2021	2022		2023 Goals
					Actual number	Goals	
Verification of Scope 3 in ISO 14064-1 (Indirect emissions from transportation - business travel) (Unit: ton CO ₂ e)		373	263* ¹	290	330	Less than 313* ²	297
Percentage of coverage (%)		100	100	100	100	100	100

*1 : Due to the impact of the COVID-19 epidemic in 2020, the Group's overseas business travel decreased significantly compared to the previous year and carbon emissions also fell sharply.

*2 : The 2022~2023 targets were set based on the average of 364 tons CO₂e in carbon emissions for business travel in the 4 years prior to the outbreak of the COVID-19 epidemic (2016 to 2019). The Company has set a target to reduce such carbon emissions by 5% each year.

*3 : Conversion coefficients are based on the ICAO Carbon Emissions Calculator Methodology.

2-4 Carbon Footprint Management

FFHC has launched and invited industry peers to discuss and establish the "Counter Service Carbon Footprint Calculation" product category rules (PCR), which were approved by the Environmental Protection Administration in June 2017 and announced on the Carbon Footprint Labeling website, providing financial industry peers with a set of regulations for calculating counter service carbon footprint. In July 2017, we obtained the SGS-certified Carbon Footprint Verification Statement. We received the EPA Service Carbon Footprint Label Certificate in September 2017. According to our research, the First Bank HQ Sales Department and Wanhua Branch produce 2 kg and 800 g of CO₂e when providing counter service to a single person.



Yung-Ho Branch and Wanhua Branch obtained the carbon reduction label from the Environmental Protection Administration in 2019 and 2020, respectively. The carbon reduction of over-the-counter services at Wanhua Branch reached 3.55%, and the carbon reduction at Yung-Ho Branch reached 3.79%. In 2021, Wanhua Branch won the Excellence Award in the "2021 Low-Carbon Product Award" of the Environmental Protection Agency with the 2 certifications of "Product Carbon Footprint Label" and "Product Carbon Reduction Label", demonstrating specific carbon management and carbon reduction performance. The aforementioned "Product Carbon Footprint Label Certificate" and "Product Carbon Footprint Reduction Label Certificate" had also been extended to 2022 in order to enhance carbon footprint management.



2-5 Use of Renewed Energy

1. Installation of Rooftop Solar Power Generation Systems

To respond to the green energy policy, the FFHC has used the renewable energy. In 2022, it reduced 130.95 metric tons of CO₂e. Between 2015 and 2022, the Company purchased a total of 5.0609 million kWh worth of green power, carbon credits and Taiwan Renewable Energy Certificates. In addition, after assessing the sunshine conditions of the operating sites, rooftop solar power generation systems were built in 2016. As of the end of 2022, 20 rooftop solar generation systems have been completed and the total annual carbon reduction amounted to 130.68 metric tons CO₂e. FFHC set goals for producing and using 210MWh of renewable energy for 2023 and will continue to increase the proportion of the Group's use of renewable energy, so that we may implement environmental sustainability policies.

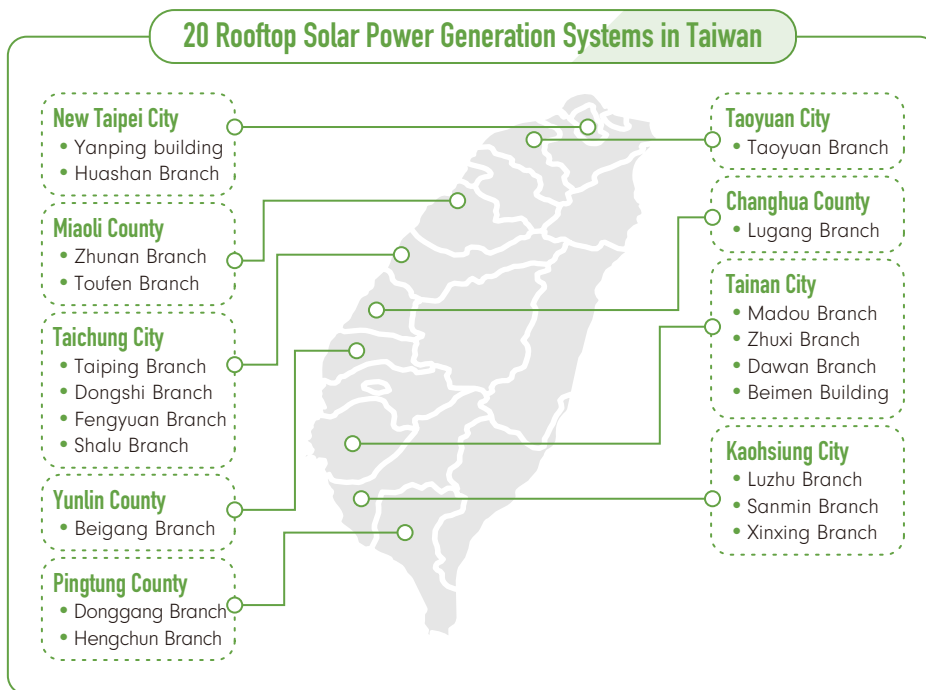
●○ Renewable energy consumption & green power purchases in the past years

Item	Year	2019	2020	2021	2022		2023 Goals
					Actual Results	Goals	
Energy consumed (MWh)		122.71	163.82	215.12	256.74	120	210
kWh purchased*1		300,000	727,391	1,039,558	1,793,994	1,517,000	3,163,400
Total kWh of purchased and used renewable energy		422,705	891,213	1,254,678	2,050,738	1,637,000	3,373,400
Energy consumption (GJ)*2		3,661.00	7,718.69	4,514.63	7,379.05		
Electricity Carbon Emission Factor*3		0.533	0.509	0.502	0.509		
Carbon reduction result (MT of CO ₂ e)		225.30	453.63	629.85	1,043.83		

*1 : In 2019, FFHC purchased 160 tons of carbon right certificates which equals approximately 300,000 kWh of renewable energy. In 2020, FFHC purchased 300 tons of carbon credits, which equaled approximately 589,391 kWh in the use of renewable energy, and purchased 138,000 kWh of renewable energy certificates. ; In 2021, we purchased 181 metric tons of carbon credits (which equaled 360,558 kWh in the use of renewable energy), 27,000 kWh of renewable energy certificates and 652,000 kWh of green electricity ; In 2022, we purchased 85 metric tons of carbon credits (which equaled 166,994 kWh in the use of renewable energy), 110,000 kWh of renewable energy certificates and 1,517,000 kWh of green electricity.

*2 : Energy consumption (GJ) is mainly based on amount of electricity (kWh) as shown on the company's electricity meters, and the conversion of this coefficient for 2019-2020 is mainly based on the parameters compiled by the Bureau of Energy, Ministry of Economic Affairs in the Energy Audit Annual Report for Productive Industries 2012 and the coefficient for 2021~2022 is based on the parameters in the Heat Content of Energy Products in the Energy Statistics Handbook 2020.

*3 : The " Electricity Carbon Emission Factor " is announced every year by Bureau of Energy, MOEA.



Carbon Emissions Reduction of Rooftop Solar Power Generation Systems

Item	Year	2020	2021	2022
Energy consumed (MWh)		158.35	215.12	256.74
Electricity Carbon Emission Factor*		0.509	0.502	0.509
Carbon reduction result (MT of CO _{2e})		80.60	107.99	130.68

* : The " Electricity Carbon Emission Factor " is announced every year by Bureau of Energy, MOEA.

2. Switching to green electricity

In order to improve the use of renewable energy, the Company signed a contract with the renewable energy electricity seller for the switching to green electricity and purchased green electricity with "Bundled RECs". The electricity consumption can be directly deducted from Taipower's bill, substantially reducing carbon emissions. Green power has been made available to the Company's 18 locations of operations via power wheeling since December 2021. As of the end of 2022, 1,087,000 kWh of green power has been provisioned, as "100% Green Power Branch" labels are posted on business units' main entrance or ATMs. Locations expected to receive green power via power wheeling in 2023 include the Head Office Building and IT Building, as the share of renewable energy gradually increases over the years.



"Branch Using Green Electricity" posted at Taiping Branch



3. Ecological hydroponic green rooftop from solar power generation and rainwater harvesting system

The FFHC is committed to promoting the greening policy for buildings. In 2017, our Wanhua Branch set up a "Ecological hydroponic green rooftop from solar power generation and rainwater harvesting systems" which combined the solar power generation, rainwater harvesting, and aquaponic systems. The rainwater harvesting system is to complement water supply for the aquaponic system. We use solar panels to generate electricity for use in the systemic circulation to decontaminate, filter and purify the water. The aquaponic system grows vegetables on the water and raise fish in the water. Fish excrement is used as a nutrient source for plants to form a self-sufficient circular mode, which creates a "zero-carbon farm". Green rooftop can be used to increase greening and reduce the urban heat island effect. It establishes a horizontal and vertical ecosphere and provides wildlife with habitats. In order to expand the benefits of green roofs and duplicate the successful experience from the Wanhua Branch, the second green roof was installed at the Huashan Branch Building in 2020, and the third green roof was installed at the Chang'an Branch Building in 2022. The trinity concept of production, life and ecology is thereby carried out concretely. Solar power generated at the Wanhua Branch Building and Huashan Branch Building amounted to 4,476 kWh in 2022, which led to an annual carbon emissions reduction of 2.28 metric tons of CO₂e.



Green roof at the Chang'an Building

2-6 Reducing Water Use and Conserving Water Resources

In 2012, the FFHC installed a 1.3 million liters rainwater reclamation tank in the basement of the Headquarters building to supply water for watering the gardens and toilets. FFHC set up rainwater recycling pools at Yanping building and Zhongli Branch in 2020 to use rainwater for watering plants on the roof and make full use of water resources. In 2022, the Group's total water consumption was 214.49 million liters. Tap water therefore made up 99.66% of the water consumption and 0.34% came from the Headquarters building basement's overflow and rainwater. FFHC investigated water consumption at each company including operating sites. Apart from First Bank's existing domestic locations of operations, securities firms, securities investment trust enterprises, life insurance companies and the AMC Head Office, units included in calculating the total amount of water consumption also expanded to encompass securities firms, securities investment trust enterprises, life insurance companies and AMC's domestic locations of operations in 2022. First Bank's overseas locations of operations have also been included in the pool in 2023.

In order to improve water use efficiency, the headquarters building introduced the "ISO 46001 Water Efficiency Management Systems" and obtained certification in 2021, strengthening water resources management measured by implementing and optimizing the daily management of major water-consuming equipment, as well as through the water use review and performance evaluation, including using a management and monitoring system to control the operations of each water pump. Water consumption at each operating site was regularly investigated to see if there was any leakage in the piping and facilities. Speedy repair was a must in case of leakage. Certified green water-saving devices such as water-saving tap fittings, 2-stage flushing toilets, and sensor-controlled urinals were also installed to reduce water usage. We adjust the kitchen dishwashing process to save washing water. In addition, to protect water resource, we have installed an oil trap in the headquarters' on-site kitchen, utilized eco-friendly cleaning agents, and used warm water to clean dishes, which will reduce the quantity of cleaning agents used. In addition, we have engaged contractors to carry out septic tank pumping on a regular basis and conducted wastewater testing to determine the directional flow of contaminants, thereby improving overall water quality and reducing pollution.



The Company installed a rainwater recycling pool on 11F of the Yanping building for watering plants on the roof.

●○ The FFHC's Consumption of Municipal Water Supply

Unit: million liters

Item	Year	2019	2020	2021	2022		2023 Goals
					Actual Results	Goals	
Total water consumption		200.872	201.58	201.23	213.77	Less than 214.8	Less than 242.15
Percentage of coverage (%)		99	99	99	99		

*1 : FFHC's water consumption statistics are mainly filed by each unit in accordance with water bills and compiled by the Sustainable Environment Work Group of the Sustainable Development Committee.

*2 : The scope of coverage between 2019 and 2021 included all of First Bank's domestic locations of operations, securities firms, securities investment trust enterprises, life insurance companies and the AMC Head Office. Securities firms, securities investment trust enterprises, life insurance companies and AMC's domestic locations of operations were added in 2022. First Bank's overseas locations of operations have also been added to the pool in 2023.

2-7 Upgrading IT Equipment: Paperless Operations

Through the building of a green data center, the FFHC upgraded its information equipment, replaced the old servers, and implemented paperless teaching, meetings, services, and administration. The core business system development has also been oriented towards the concept of energy saving and carbon reduction. Since 2008, the review system has been continuously optimized, and the credit checking/giving operation process has been changed from manual/paper operations to full implementation on the system. And the automatic import of the data from Joint Credit Information Center, the group-based operations for accounts of groups at home and abroad, etc. have been introduced one after another, thereby saving much paper printing. Furthermore, FFHC upgrades IT equipment and actively incorporates digital services in "marketing", "transactions", "payment", and "account services". First Bank even partnered with "Space4M", an AOU subsidiary, to install the WMS digital content public performance system at its 188 branches across Taiwan in 2023. Through this WMS central control and management system, advertising and marketing activities can be delivered to and remotely managed on display screens at branch offices in real time. By doing so, the Company has been able to provide more premium digital services and experiences, as it progressively marches toward paperless marketing operations.



Paperless credit review

- Implemented the "New Enterprise e-Loan System" and "Consumer e-Loan System" for credit checks and reviews, resulting in a computerized system that reduces paper consumption.
- Joint credit information are now automatically imported. Borrower/ policy-holder credit information can be queried online making printed paperwork unnecessary.
- Implemented an account-keeping database for the group to automatically import domestic and overseas group data.

Paperless meeting

- Printed materials no longer provided at most meetings. They are instead compiled into electronic files and transmitted to the meeting server.
- All business announcements, and sales reviews are conducted through video conferencing where possible to reduce fuel consumption and carbon emissions from business travel. This improved administrative efficiency and reduced carbon emissions.

Paperless administration

- Internal documents use both sides of a paper when possible.
- Internal documents and employee pay sheet are now in electronic form. Recycled envelopes are used for sending printed documents.
- Use of Internet bulletin board for announcements.
- Reduced the use of paper cups and meal boxes.
- Recycled paper packaging for bills; eco-friendly ink used for printing envelopes and annual reports.



Paperless learning

- The development of the "First e-Academy" online learning system, collaborative system cloud and data cloud have effectively reduced paper consumption.
- Physical classroom teaching adopts slides or iPad to reduce paper usage.

Paperless Services

- The process of providing services, including "marketing", "transaction", "payment" and "accounting", is introduced into digital services to reduce paper usage.
- Provide customers with mobile and online insurance application services, and provide electronic insurance policies for insurance cases purchased online
- A "digital content public performance system" has been installed at branches across Taiwan to remotely manage and deliver advertising and marketing activities in real time, thereby reducing the amount of paper used for advertising and marketing.

Carbon reduction at FFHC from paperless initiative

Item \ Year	2019	2020	2021	2022	Growth in 2022 compared with 2021 in carbon reduction(%)
Number of official documents issued electronically/carbon quantity reduced	360,590/15,580.39 MT CO ₂ e	349,269/15,560.09 MT CO ₂ e	284,926/13,012.51 MT CO ₂ e	315,284/14,181.47 MT CO ₂ e	9
Number of electronic bills and DM/carbon quantity reduced	310,690,198/2,796.21 MT CO ₂ e	311,911,294/2,807.20 MT CO ₂ e	357,280,219/3,215.52 MT CO ₂ e	371,369,856/3,342.33 MT CO ₂ e	4
Hours of online teaching/carbon quantity reduced	662,935 hours/74.25 MT CO ₂ e	770,155 hours/86.25 MT CO ₂ e	834,072 hours/ 93.42 MT CO ₂ e	444,779 hours/ 49.82MT CO ₂ e	-47
Number of electronic automated transactions /carbon quantity reduced	59,250,942/331.81 MT CO ₂ e	73,432,116/411.22 MT CO ₂ e	92,803,648/519.70 MT CO ₂ e	100,478,626/562.68 MT CO ₂ e	8
Total carbon reductions from paperless initiative	18,782.66 MT CO ₂ e	18,864.76 MT CO ₂ e	16,841.15MT CO ₂ e	18,136.30MT CO ₂ e	8

* : The carbon quantity reduced from electronic billing and DM was calculated based on the Taiwan Products Footprints Information Network on the official website of EPA, Executive Yuan: one sheet of B4-sized paper meant 0.009 kg of CO₂e emissions; the carbon quantity reduced from electronic automated transactions was based on the same source: one sheet of A4-sized paper meant 0.0056 kg of CO₂e emission.

Carbon quantity reduced from official documents issued electronically in 2022

Company	Quantity Utilized	No. of Users	Carbon reduction result (Unit: MT of CO ₂ e)* ²
First Bank	298,287	8,463	14,136.66
First Securities	7,035	779	30.69
First Securities Investment Trust	4,481	153	3.84
First Life Insurance	5,328	343	10.23
First Financial AMC	153	61	0.05
Total	315,284	9,799	14,181.47

*1 : The carbon quantity reduced from electronic official documents was calculated based on the Taiwan Products Footprints Information Network on the official website of EPA, Executive Yuan: one sheet of A4-sized paper meant 0.0056 kg of CO₂e emission.

*2 : Carbon reduction amount = the times of usage * the number of users * the amount of carbon emission per A4 paper / 1,000

Carbon quantity reduced from online teaching in 2022

Company	Hours of online teaching	Carbon reduction result (Unit: MT of CO ₂ e)*
First Bank	376,336	42.15
First Securities	43,356	4.86
First Securities Investment Trust	5,918	0.66
First Life Insurance	18,196	2.04
First Financial AMC	973	0.11
Total	444,779	49.82



* : Carbon reduction amount = course hours * assuming that the online course saves 20 sheets of A4 paper per hour * the carbon emission per A4 paper / 1,000

2-8 Recycled Wastes

To maximize resource recycling, annual recycling targets have been set by FFHC for all group companies to implement waste sorting practices. A zero waste basket policy is also rigorously enforced with no personal waste baskets placed in the office. This policy encourages employees to take their trash to the recycling bins to be sorted. In 2020, FFHC expanded the scope of statistics on garbage removal volume and recycled resources from the head office buildings of subsidiaries and the First Bank IT building to all First Bank and First Securities branches in Taiwan. In 2021, all domestic branches of First Securities Investment Trust, Life Insurance and AMC were further included. Resource recycling & sorting as well as garbage amount tallying have been conducted on a trial basis at First Bank's overseas units since July 2022. Targets were also set for these units in 2023, in an attempt to implement resource recycling & sorting and manage garbage amount at these locations of operations.

Comparison of Trash and Recycling Amounts of FFHC over years

Unit: kg

Item	Year	2019	2020	2021	2022	Magnitude of change from previous year (%)
Paper and paper containers		26,988	223,546	183,153	177,652	-3
Plastic and PET bottles		2,928	29,351	27,839	29,162	5
Aluminum, iron, glass, Aluminum foil packs		2,192	26,002	21,826	19,204	-12
Batteries and electronic devices		233	35	598* ²	133	-78
Cooking oils		708	570	340	354	4
Total		33,049	279,504	233,756	226,505	-3

*1 : The scope of statistics on resource recycling in 2019 included the head office buildings of subsidiaries and the First Bank IT building, and it was expanded to all First Bank and First Securities branches in Taiwan in 2020. As a result, the volume of waste paper, paper containers, plastic, bottles, aluminum, iron, and glass increased significantly from the previous year. Starting from 2021, all domestic branches of First Securities Investment Trust, life insurance and AMC were added to the scope of statistics.

*2 : First Life Insurance replaced the batteries in the uninterruptable power system in 2021, resulting in a significant increase in the category of batteries and electronic equipment compared to the previous year.

●○ Recycled Waste, and Garbage removal volume of FFHC over years

Unit: Tons

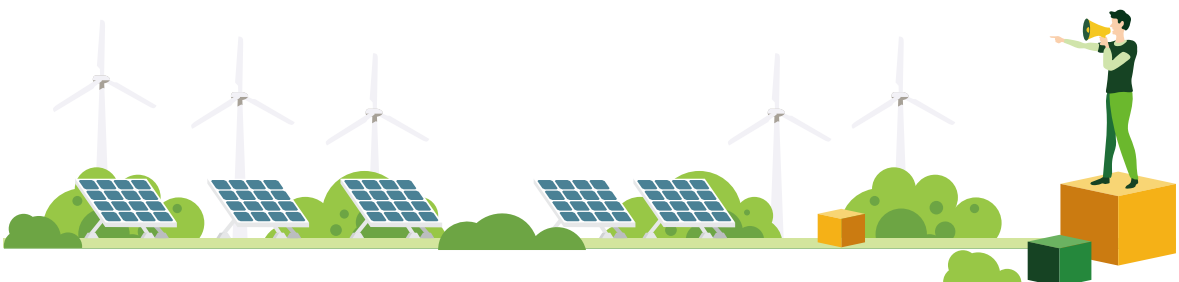
Item	Year	2019	2020	2021	2022	2022 Goals	2023 Goals
Recycled waste* ¹		33.05	279.50	233.8	226.5	Not Less than 173.91	Not Less than 182.72
Garbage removal volume* ¹ (a+b)		59.71	240.37	279.7	279.04	Less than 287.7	Less than 337.21
Sanitary landfill volume (a)* ²		1.25	6.58	7.7	18.39		
Waste incineration volume (b)* ²		58.46	233.79	272.0	260.65		

*1 : The scope of coverage in 2019 includes the subsidiaries' HQ buildings and First Bank IT Building. First Bank and First Securities' domestic branches were added into the scope in 2020. First Securities Investment Trust, First Life Insurance and all of AMC's domestic branches were added to the scope of coverage in 2021. First Bank's overseas units were added in 2023.

*1 : The percentage of sanitary landfill volume and waste incineration volume is estimated based on the data in the 2022 annual report of the EPA.

2-9 Environmental Education

General administration personnel have been designated as the energy-saving and carbon reduction promotion cadre as each FFHC unit. They are responsible for implementing energy-saving and carbon reduction measures and promoting the latest environmental protection regulations. 6 employees have obtained the "Environmental Educator Qualifications" certification and they are responsible for planning and providing environmental education courses. FFHC partnered with the social innovation organization "Friendly SEED Co., Ltd." to launch four courses on green finance and environmental education, namely, energy conservation and carbon reduction in green buildings, climate change risk management, green loans and loan review, and green consumer finance. In 2021, affected by the COVID-19 pandemic, in order to let the environmental education stay uninterrupted, 2 sets of online interactive courses for environmental education (currency evolution, seal history and DIY) had been newly developed. The Company collaborated with its partner for environment education—Yang Ming Cultural Foundation—to conduct the "Environment Education Class-Carbon Emissions Reduction Pioneer Summer Camp" in 2022, which enabled participants to better understand green finance and the marine transport industry. We hosted 27 sessions of courses on environmental education targeting enterprises, government agencies, and schools with a total of 718 participants in 2022. In 2015, we began organizing online environmental education courses for employees. In 2022, 14 sessions of environmental protection-related training were held by the companies and attended by 10,470 people. Employees in each company on average received at least 2 hours of training.



2-10 Encouraged Employees to Propose their Ideas and Held the Environmental Protection Competition

The Company has held environment protection and energy conservation contests among various locations of operations since 2015. In accordance with its internal carbon pricing policy, First Bank has conducted the "Carbon Management & Power Conservation Contest for Domestic Business Units" for three straight years since 2020, while reviewing and allocating emissions reduction targets for each of these domestic business units. Since 2021, the Company has also announced the status of power conservation in relation to the target at each business units on a quarterly basis. Goal achievement rates are calculated and announced at the end of the fourth quarter each year. These contests awarded a total of 36 commendations to units with stellar performance in 2021 and 2022. Awardees included deputy supervisors. 1,108,400 kWh of electricity has been saved cumulatively as a result of the power conservation contests among domestic business units in the past two years, which turned out to be 360,200 kWh more than the original target. That is equivalent to around 182.18 metric tons of carbon emissions reduction. After factoring in the cost of NT\$4,616 to reduce one metric ton of carbon emissions in the past two years, the Company has managed to save around NT\$838,000. Carbon pricing reports were distributed to bank branches that had failed to meet their carbon emissions reduction targets, so that they understood they should have paid carbon emissions charge for exceeding the limit. They were also required to submit their plans for carbon emissions reduction. In an attempt to beef up the group's carbon emissions reduction measures, the Company even plans to expand related internal carbon pricing contests to First Securities, First Life Insurance and First Financial AMC in 2023. Furthermore, employees have been encouraged to submit proposals for environmental protection and energy conservation measures since 2014. Sales units also pitched in for review and approval, and incentive bonuses were given out. There were a total of 13 related proposals in 2022. Six of them were eventually approved and adopted, while NT\$1,800 in incentives was distributed.

2-11 Green Restaurant

The Company has set up a green restaurant in its Headquarters Building. This restaurant prioritizes the use of local food ingredients while working with nearby organic farms. Procurement of organic vegetables for the restaurant not only reduces food mileage and carbon footprint, but also creates revenues for the peasants. No disposable dining utensil are provided at the restaurant, where environment-friendly detergents are used in combination with lukewarm water rinsing to reduce the amount of detergents used. Employees who bring their own environment-friendly utensils are entitled to one additional dish. To avoid food wastage, employees are encouraged to cherish their food and reduce emissions, and personalized portions are also available. "LOHAS vegetarian meals" were launched at the employee restaurant on November 25, 2022 to coincide with the International Meatless Day, as professional dietitians were tasked with designing wholesome and low-carbon menus. Employees are encouraged to show their love for the Earth with real actions in their daily diet.



A green restaurant has been set up in the Headquarters Building



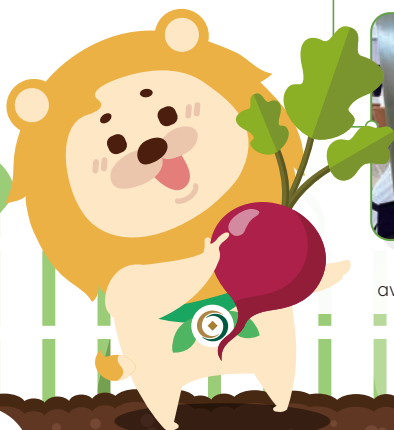
Non-disposable dining utensils are used



Personalized portions are available for order to echo the call to cherish food



"LOHAS vegetarian meals" are launched



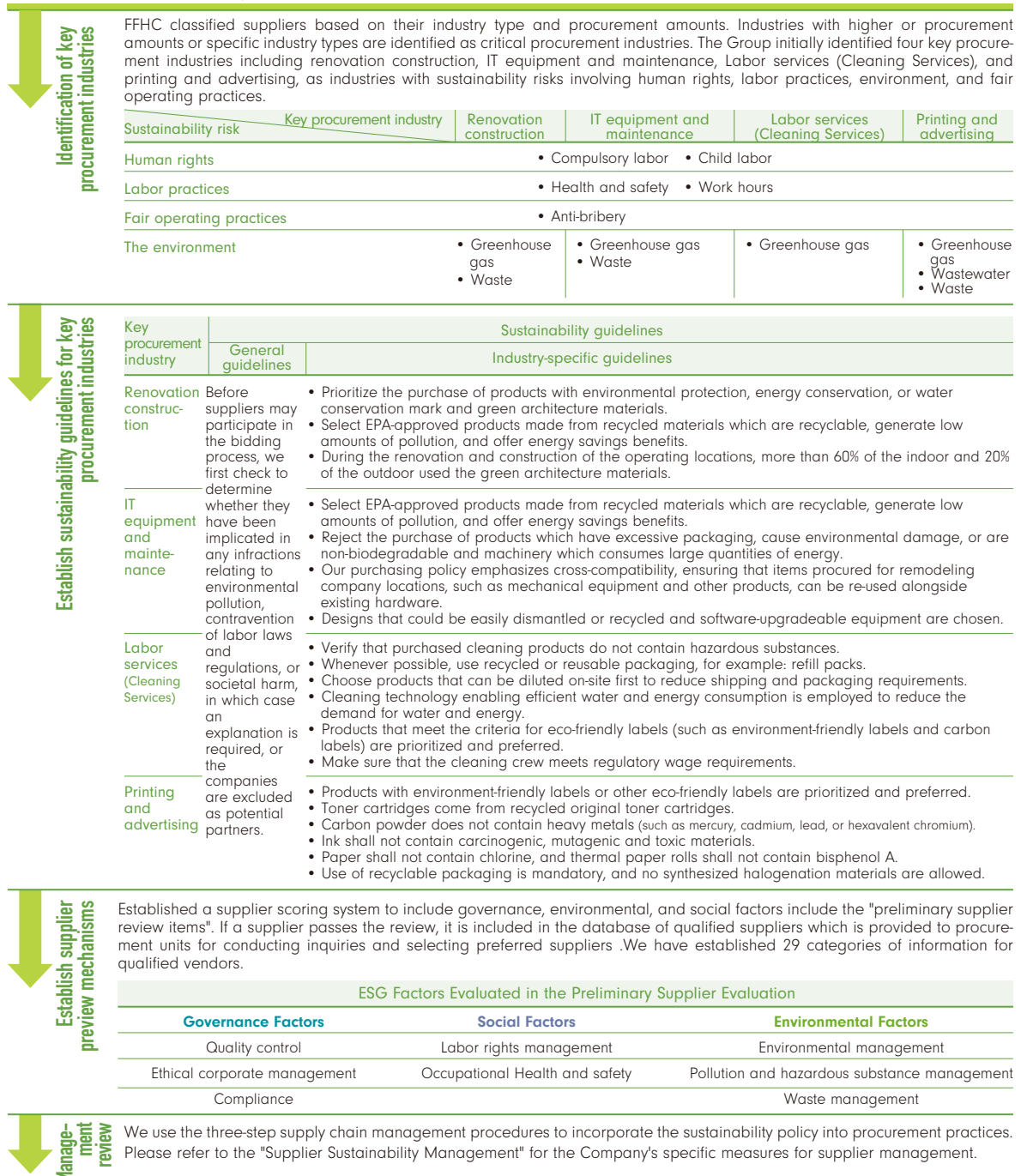
Sustainable Procurement and Supplier Management

GRI : 2-6、204-1、308-1、308-2、403-7、407-1、414-1、414-2、FS2

3-1 Sustainable Procurement

FFHC introduced the 7 core themes of the ISO 20400 Sustainable Procurement Guidance in 2020 to instill the concept of sustainability into procurement practices and Collaborate with suppliers to grasp the opportunity to create value together. The Group completed ISO 20400 : 2017 Sustainable Procurement Guidance Performance Evaluation certification in November 2022. The green purchasing target for 2022 was NT\$80 million per year. The actual purchase amount in totaled NT\$150.86 million. We were recognized as Benchmark Private Businesses and Groups in Green Purchasing by Taipei City Government for the 8th consecutive year.

●○ Process for Introducing the ISO 20400 : 2017 Sustainable Procurement Guidance



3-2 Supplier Sustainability Management

FFHC established the "Supplier Management Guidelines" as the policy and guiding principles for the management of suppliers of the Group. We require suppliers to comply with the Guidelines when signing contracts and we require suppliers to sign the "Human Rights and Environmental Sustainability Clauses" and to increase awareness. We also require subsidiaries to use site visits and audits to encourage suppliers to implement the Guidelines. The contents include basic labor rights for suppliers, environmental protection, sustainable management, and occupational safety and health regulations.

Please refer to the Company's website for specific contents of the Company's Supplier Management Guidelines.



FFHC set up a 3-step supply chain management process in 2013, supplier management is used to select vendors that satisfy the spirit of sustainable development as long-term partners, including: purchasing of energy-saving equipment, purchasing and maintenance of IT equipment, construction and interior design, business-related OA equipment and landscape and environmental greening engineering. As a principle, the main procurement regions include suppliers of the place country of operations and those close to business locations. In 2022 100%*1 of all purchasing came from local suppliers*2 to ensure the stability and localization of the supply chain as well as reduce carbon emissions in the transportation process and create local job opportunities.

The Company has actively striven to establish a green supply chain in order to implement an operation pattern that is responsible for the environment. First Financial Holding reviewed suppliers with relatively high procurement amounts in 2022 to get an overall assessment on whether they had practiced carbon footprint verification or set targets for carbon emissions reduction. In 2022, there were 211 suppliers with more than NT\$1 million in procurement and business dealings with the Company during the previous two years. Among them, 15 were publicly listed suppliers that fell into critical procurement industries while having practiced carbon footprint verification or set carbon emissions reduction targets. The Company also plans to establish a GHG inventory platform for suppliers in 2023 to continue to get a better grip on suppliers' carbon emissions, in addition to refining supply chain's low carbon management measures.

*1 : Calculated based on the 205 suppliers with whom the Group conducted transaction in 2022.

*2 : Local refers to countries in which various locations of operations are based.

Assessed whether suppliers have violated issues related to human rights and percentage of mitigation measures that have been implemented.

Item	2022
(a) Percentage of no. of current vendors based on assessments (%)	100
(b) Ratio of identified risks to items (a) that have been assessed	43*1
(c) Ratio of mitigation procedures that have been implemented to items with identified risks among (b)	100

*1 : According to the number of vendors in the 2022 statistics, 202 out of 472 suppliers were identified as risks in violation of human rights. They included 1 clothing service companies, 3 transportation companies, 95 decoration companies, 22 air conditioning companies, 55 plumbing and electrical engineering companies, 15 fire safety engineering companies, 7 landscape companies, and 4 solar power construction companies with higher rates of musculoskeletal injuries and occupational safety risks.

*2 : There were no cases where suppliers of the Company received penalties for violation of labor laws before signing contracts or within the contract duration and failed to make improvements. Therefore, there were no records of termination of partnerships with suppliers.

Identification of key suppliers' potential environmental and social impacts and their improvement rates

- Prior to tender opening in 2022, the Company had evaluated 137 key suppliers (with over NT\$1 million in procurement) with respect to their potential environmental and social impacts.
- The Company was able to identify the number of suppliers with real & material or potentially negative impacts on environment and society. In other words, it found that two suppliers had been non-compliant with environmental laws and regulations while 15 had violated labor or occupational health and safety laws and regulations.
- These aforementioned suppliers have put in place corresponding improvement measures. Their improvement rates have reached 100% upon evaluation. Therefore, there is no concern about contract termination..

3-step Supply Chain Management Process

Management Strategy	Tangible Actions Taken	Implementation Results
Preliminary Screening	<ul style="list-style-type: none"> Active Inquiries: Before a vendor may participate in the bidding process, we first check to determine whether they have been implicated in any infractions relating to environmental pollution, contravention of labor laws and regulations, or societal harm, in which case an explanation is required, or the company is excluded as a potential partner. If a supplier passes the review, it is included in the database of qualified suppliers which is provided to procurement units for conducting inquiries and selecting preferred suppliers. Provisions requiring suppliers to abide by the Occupational Safety and Health Act have also been stipulated in construction contracts. Overseas locations: Before a procurement is made, the "Human Rights and Environmental Sustainability Evaluation" must be completed to check whether the vendor has been implicated in any infractions relating to environmental pollution, damages to labor or human rights protections, or harm to society. Providing guidance to vendors: The Company's Sustainability report is provided in electronic format and vendors are asked to observe the Company's Sustainable Development policies. 	<p>Completed 2,686 vendor inquiries. (accounting for 100% of all new vendors) The Group added 359 suppliers to the database of qualified suppliers in 2022.</p> <p>FFHC's overseas locations completed "Human Rights and Environmental Sustainability Evaluations" for 984 vendors.</p> <p>3,569 vendors made an effort to observe the Company's Sustainable Development policies.</p>
Concurrent declaration	<ul style="list-style-type: none"> Education and Compliance Declaration: When entering into an agreement, we request vendors to sign a "Declaration on Human Rights and Environmental Sustainability Clauses" and to agree to comply with the "Directions for Supplier Management of FFHC and its Subsidiaries." We advocate to suppliers and request them to pledge to comply with fundamental labor and human rights protections stipulated in the Universal Declaration of Human Rights and Regulations related to occupational safety and health, promise to implement human resources policies which are fair and equitable, protect the environment, and seek to achieve environmental sustainability. Declaration to Use Green Materials: When entering into a real estate agreement, the prospective tenant must sign a declaration to use green building materials. Negotiated Procurement: During negotiated procurement with vendors of equipment requiring large amounts of electricity, energy efficiency (using Chinese National Standards as a standard reference for compliance) is listed as a required criterion. 	<p>The "Declaration on Human Rights and Environmental Sustainability Clauses" has been signed by 2,686 suppliers and we have advocated ideas of human rights protection. In addition, 1,169 suppliers have agreed to comply with the "Directions for Supplier Management of FFHC and its Subsidiaries" and implementation of environmental sustainability in accordance with the Directions.</p> <p>100% of new vendors signed the declaration.</p> <p>100% tenants pledged to use green building materials.</p> <p>34 pieces of high-energy consumption equipment were purchased with high EER value.</p>
Post hoc management	<ul style="list-style-type: none"> Employee Qualifications: FFHC has certain qualifications in place for third-party maintenance personnel involved in the operation, maintenance, repair, or management of facilities, equipment, or systems involving high electricity consumption, and we also provide energy management awareness training. Education and training: Promote the concept of social sustainability and environmental protection through supplier meetings, and explain "Contractors' Safety and Health Management Precautions" and "Directions for Supplier Management of FFHC and its Subsidiaries" to ensure that suppliers clearly understand relevant requirements and jointly implement the sustainable development. Regular Audits: Audits of qualified suppliers are regularly conducted to check for environmental issues, occupational hazards, and labor rights violations (including freedom of association, forced labor, child labor, occupational safety and health). In the event that a compliance violation is identified, the supplier is requested to provide an improvement plan, otherwise their contract is terminated and the supplier is added to the monitoring list. 	<p>Held sessions of energy management awareness training to train a total of 15 employees.</p> <p>A total of 10 persons have attended the United Supplier Conference for State-owned Financial Institutions.</p> <p>Spot checks are conducted every quarter and records are kept; in addition, each year we make a random selection to conduct an on-site inspection. FFHC conducted onsite inspections on 10 suppliers in 2022 and found no violations of environmental protection or labor regulations.</p>

SOCIAL FACTORS

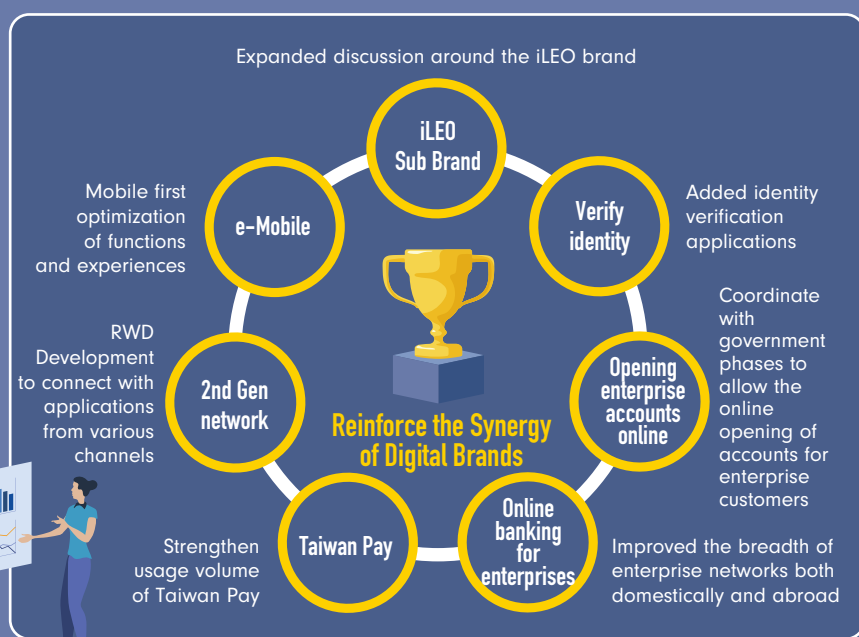
Digital Innovation and Inclusiveness

GRI : FS7 、 FS8

FFHC supports the United Nations Sustainable Development Goal SDG 8.2 for "achieve higher levels of economic productivity through diversification, technological upgrading and innovation" and SDG 8.10 "strengthen the capacity of domestic financial institutions to encourage and to expand access to banking, insurance and financial services for all". We are committed to providing diverse digital finance services through application innovation technologies and providing online banking and mobile banking app FinTech services to least developed countries. FFHC also integrated various online businesses, smart customer services, and open API connections with big data, cross-industry alliances, and differentiated services to optimize the user interface and functions and provide customers with a more diverse and smooth digital finance experience with the aim of becoming customers' top choice and a leading brand in the market.

1-1 Optimize Digital Channel Platforms and User Experiences

First Financial Holding has been dedicated to the digital native market through a variety of channels, especially the core values of "simple, fast, innovative, and most knowledgeable of customers" promoted by the digital account sub brand iLEO. Since launch, iLEO has surpassed 1.15 million users and a 41.4% growth of new accounts in 2022, establishing it as the 5th largest number of digital accounts domestically. The iLEO app was downloaded 758,000 times for a YOY growth rate of 7.6%. Additionally, First Commercial Bank established a "Digital Development Strategic Task Force" and completed 37 reforms of digital processes. Of these, 62% were the digitization or recreating processes of existing business, 24% were optimizations of existing digital platforms, and 14% were in innovative business; the achievements were outstanding, resulting in a cumulative total of 160 full-time equivalent (FTE) hours, or nearly 320,000 man hours, saved.



FFHC actively embraces the digital wave, encourages and educates customers to use e-channels, thus reducing counter transactions, and achieving outstanding results:

Utilization of e-channels has grown by **10.26%** in the last five years

78.07%

2018

88.33%

2022

1-2 Smart Applications and FinTech Innovation

Smart Customer Services

In response to the digital transformation of traditional finance, First Commercial Bank launched smart robot "Little E" to the customer service center. AI technologies such as natural language analysis and machine learning were applied to create a virtual teller capable of comprehensive services, allowing customers to utilize the internet and their mobile device to submit professional inquiries online, by text or voice 24-hours a day, and immediately receive responses through the simple interface and life-like interactions. A cumulative total of 755,633 people utilized "smart customer service" by the end of 2022 and received an accurate response rate of 98.9%. It won the "Most Popular Brand" category at the 19th The National Brand Yushan Award as well as the "Customer Service Excellence Awards - Best Enterprise Application of Smart Systems" presented by the Taiwan Contact Center Development Association (TCCDA).



Smart wealth management

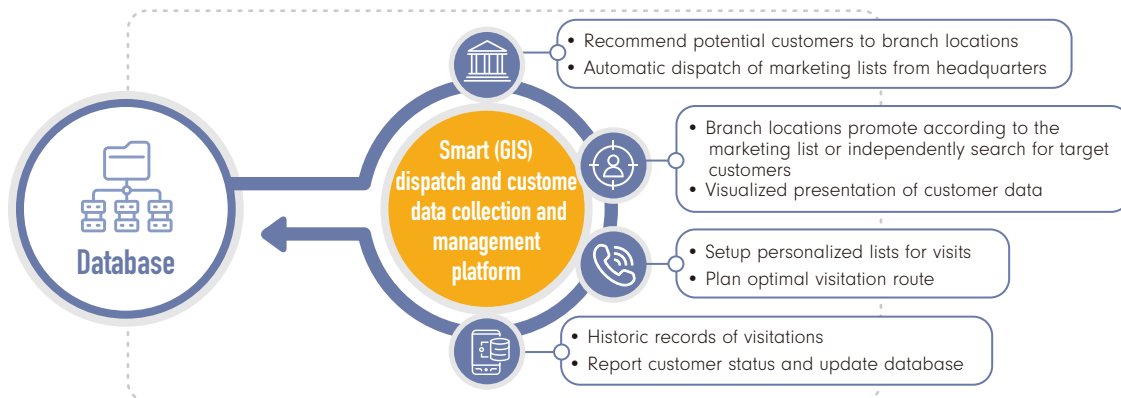
In response to the high demand for retirement planning in Taiwan's aging society, First Bank launched the "e-First smart wealth management" service in October 2020. It is the first such service that makes use of algorithms of the international investment research institute Morning Star. With the knowledge of more than 300 experts, the service offers a "human-machine collaboration" model to assist investors in allocating assets and selecting suitable investment targets. The service is distinct from other robo wealth management advisory services on the market because it caters to the investment requirements of customers with limited capital, office workers, and the general public. It also features the unique "elderly monthly pension plan" to provide customers with fixed monthly cash income upon retirement to make up for the deficiencies in personal savings and investments in the three major pillars of pension (social security, occupational pension, and personal savings and investments), and increase the income replacement ratio. We have accumulated nearly 39,000 investors by the end of 2022. The investment balance is nearly NT\$1.38 billion.

Implementation of blockchain technology in supply chain financing

First Commercial Bank partnered with Test-Rite International to apply the temper-resistant properties of blockchain technology to transmit transaction data such as invoices and payment of Test-Rite International's supply chain financing via blockchain from the enterprise ERP system directly to First Commercial Bank's supply chain financing platform. In addition to reducing human error, saving on operation costs, and strengthening internal controls of data, it accelerated the transmission of transaction data, increased the efficiency of funds dispatch, and shortened the time required for suppliers to obtain financing.

Smart (GIS) dispatch system and customer data collection and management platform

In the continuance of digital development, First Commercial Bank introduced the application of geological information system (GIS) technology in the field of enterprise lending and launched the "Smart (GIS) Dispatch" and "Customer Data Collection and Management Platform" which combined a patented big data analytics model and internal/external data to visualize customer location and business information on mobile devices. The inclusion of optimal visit routes, enterprise care assistance, and new customer development assistance increased the ability and success rate for frontline sales personnel to independently explore and obtain nearby enterprise customers. The system received distinction as Asia's Leader in Sustainable Finance by IDC's Financial Insights Innovation Award (FIIA).



1-3 Building an Environment for Digital and Innovative Finance

Artificial intelligence applications

- First Bank promoted the "e-speed loan" which provides online calculation of loan limits and application services. It also used AI appraisal models for customers to immediately calculate mortgage limits and interest rate by entering the address of the real estate in the mortgage and basic personal information online. In addition, in order to enhance the efficiency of microfinance loan approval, the "single loan application access" has been established, actively inviting payroll transfer clients of the bank to apply for credit loans; also, the automatic review mechanism has been introduced to reduce manual work processes. In 2022, a total of 40,557 credit loan and mortgage limit calculations were conducted through digital channel and 33,391 applications were filed.
- To cooperate with government policies for supporting the development of small and micro enterprises, First Bank actively promoted "Micro Enterprise e-Services" and used smart AI models to provide small and medium enterprises with online loan limit calculation services. First Bank processed a total of 6,059 loan applications on "Micro Enterprise e-Services" in 2022.

Robotic Process Automation, RPA

During the credit review process, RPA is used to assist in collecting regular and highly repetitive customer data for analysis or review. By the end of 2022, 162 RPA operation procedures have been officially launched, reducing a total of 1.038 million hours of operating manpower, equivalent to the workload of 518.88 full-time employees.

Mobile and online insurance

Provide consumers with multiple channels to purchase insurance products. Customers can purchase First Life Insurance's "interest sensitive annuity insurance" and "Compulsory Automobile Liability Insurance" through the mobile device of the First Bank financial consultant or by themselves through the First Bank digital channel.

One-stop opening of accounts

First Securities and First Commercial Bank collaborated to allow new customers to simultaneously open securities and digital banking accounts online while also completing setup of the securities delivery account. In 2022, a total of 201 accounts were opened.

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1-4 Digital Money Transfers

First Bank's leading position in corporate banking as well as comprehensive overseas network have been used to set up the First Bank International e-Banking (including "Financing e-Bank App - Overseas Branch Internet Banking" and "Financing e-Bank App - Global e-Banking Service"), international business cash flow (e.g. Supply chain financing, sales chain financing), international consumer cash flow (e.g. international third-party payment) and international clearing system.

Least Developed Countries, LDCs

In order to assist least developed countries (LDCs), such as Cambodia, initiate digital banking and increase the utilization of digital technologies, the Phnom Penh branch in Cambodia provided internet banking and mobile banking app services in addition to establishing a physical branch to provide local residents with traditional financial services. In 2021, "non-designated transfer/remittance functionality and eSecure push verification service" was added while in 2022, the mobile banking app added reporting of lost ATM cards, receipt upload for large remittances, and cross-currency transfers, providing LDCs with safer, more convenient digital financial services.



Mobile Payment

First Bank has fully introduced the shared QR Code service of "Taiwan Pay." Its "First e-Mobility", "iLEO Taiwan Pay", or "Taiwan Pay t wallet +" facilitate mobile payment, shopping, payment/ tax payment, fund transfer, and withdrawal through scanning QR codes and combine cloud invoices, thereby infinitely extending the convenience of smart life.

Credit Card Mobile Payments

To provide credit card customers with convenient payment tools, First Bank credit cards can be used in Taiwan Pay, Google Pay, and Apple Pay so that customers can choose their preferred payment method on their mobile devices. The Bank also organized several marketing activities to teach customers how to use mobile payment tools and reduce the use of cash and increase the mobile payment transaction volume in Taiwan. As of the end of 2022, 867,444 First Bank credit cards have been bound to mobile payment.

Payment Facilitated by Pre-arranged Deposit Account Link

To expand mobile payment applications of deposit accounts, First Bank continues to work with 10 electronic payment operators such as "JKOS (JKOPAY)", "iPass (LINE Pay Money)", "EasyCard (Easy Wallet)". First Bank ranked first among partner banks in the "Payment Facilitated by Pre-arranged Deposit Account Link" by satisfying customers' demands for day-to-day payments. First Bank implemented the "integrated account binding for digital account opening" in collaboration with iPASS and launched the "LINE Pay Money" direct connection to digital account opening service, becoming the first government-owned bank to launch the service. The system automatically connects the account after it is opened to optimize the mobile payment experience. Also, collaboration with iPASS is currently underway for "reverse linking", which allows customers to utilize their iLEO app to link their account with "iPASS MONEY", thereby accelerating the linking process and expanding the content of mobile banking services.

1-5 Accessible Digital Banking Services for Persons with Disabilities

In order to provide basic, equal, reasonable, and convenient financial services to persons with disabilities, First Commercial Bank and First Securities established a financial accessibility service section on the digital platform to improve the digital finance gap for customers with disabilities.

First Commercial Bank Accessible Internet Banking and Mobile Banking (Accessible Financial Services Network)



- Provide 7x24 uninterrupted accessible network and mobile banking services such as transfers, account balance inquiry, interest/currency exchange rate inquiry, and other simple internet banking functionality
- Provide online sign language video translation services
- Announcement to all business units to provide accessible services, measures, and facilities
- Account holders with a disability ID may utilize mail, teller visits or accessible financial services online to apply for processing fee discounts for cross-bank ATM withdrawals at any business unit.

First Securities - Accessible Financial Services Zone



- Provide 24-hour uninterrupted search for online markets, opening accounts online, placing online orders, securities trading app, and other accessible investment services
- The interface allows adjustment of text size, graphical instructions, and discloses a dedicated phone number for detailed explanatory services
- Telephone voice price quotes and transaction services can be used via the internet, allowing persons with hearing and mobility impairments to participate in investment transactions

First Life Insurance - Accessible Services Zone



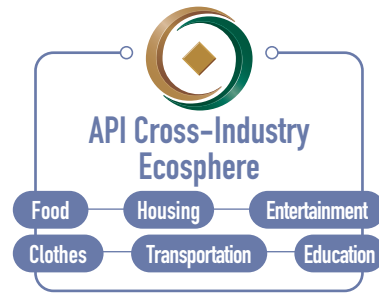
- Provide information on micro insurance products, accessible services and measures, and company introduction
- Received AA rating for accessibility
- The official website's "A+ Life" section analyzes customer's policy needs and offers insurance planning services
- Platforms such as "First Life Insurance Online Insurance" and FundRich's "Protection Type Insurance Product Platform" offer accessible channels for obtaining insurance

First Commercial Bank continues to improve the convenience of using ATMs for persons with disabilities and foreign customers. As of the end of 2022, a total of 537 ATMs across Taiwan offer wheelchair access and of these, 513 ATMs offer environments (such as slopes) that can meet the needs of persons with disabilities. Additionally, 23 ATMs offer voice services for those with visual impairments by simply plugging into the earphone outlet to enter voice accessible mode. All operation locations are equipped with braille, allowing clear identification by touch supplemented with voice guidance so that visually impaired individuals can perform operations by following each step and complete ATM transactions or inquiries independently; Vietnamese, Bahasa Indonesia, Thai, and Japanese language interfaces will be added to all existing ATMs in 2023 in an effort to improve the inclusiveness of financial services.



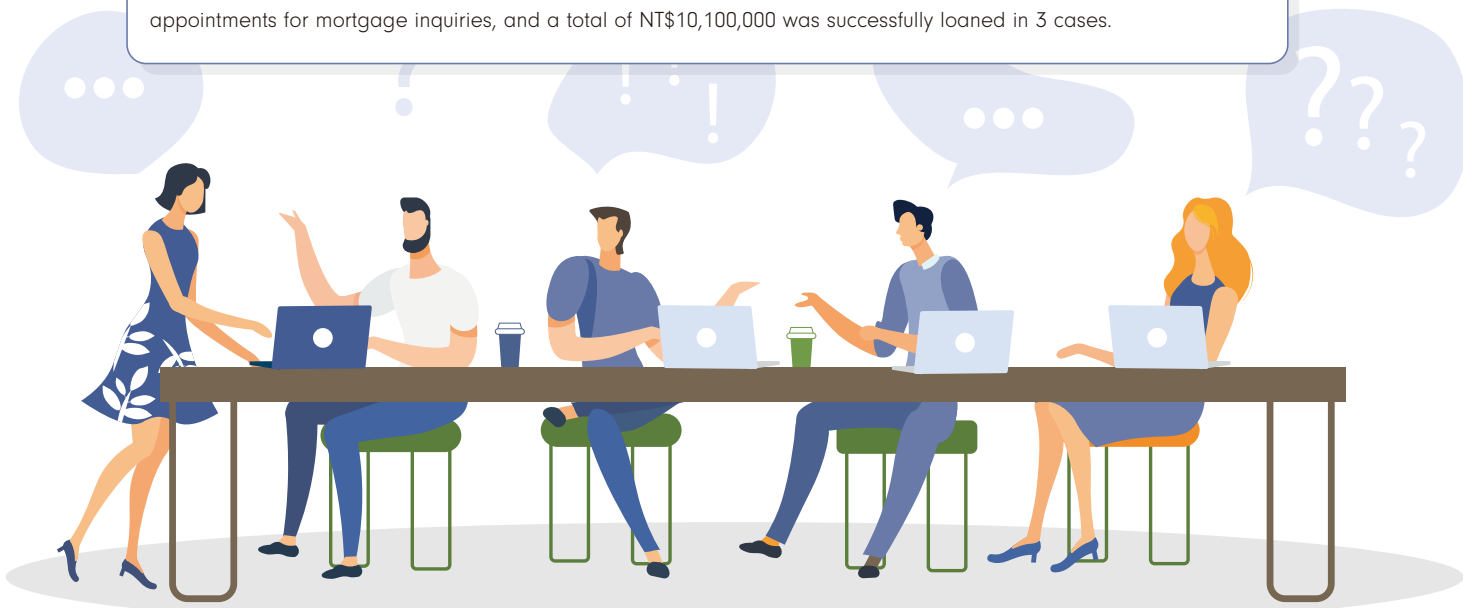
1-6 Cross-Industry Alliance and Open API Connection

The continued use of strategic alliances to embed the Group's financial services in food, fashion, accommodations, travel, education, and entertainment by forming cross-industry partnerships to provide applications more accessible to consumers. Utilize the dual model of banking-as-a-service (BaaS) and banking-as-a-platform (BaaP) to satisfy the daily needs of customers, expand digital channels, and practice customer management to build cross-industry alliance ecosystems that synergize.



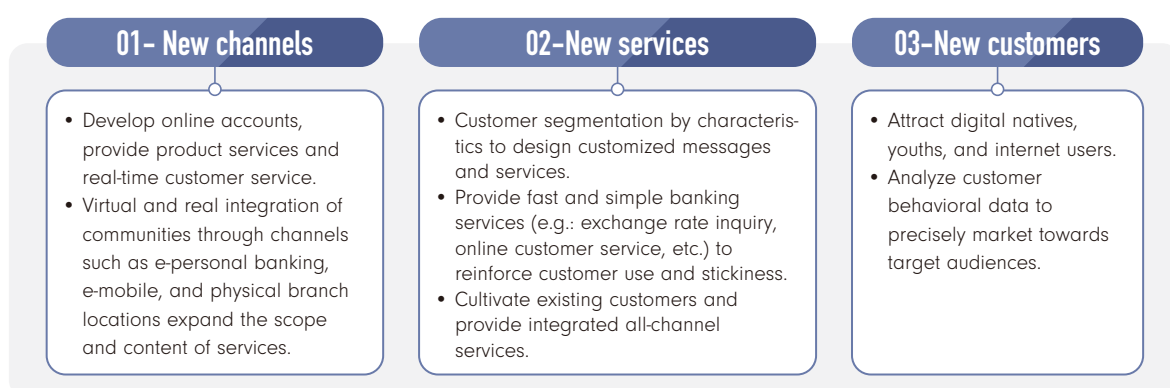
Case








In October 2022, First Commercial Bank partnered with Taiwan Realty to launch the "AI Mortgage Calculator Service" by linking APIs from both company's systems. Customers need only select the "AI Mortgage Calculator" on Taiwan Realty's official website and an API will transmit property data (such as address, ping size...etc.) from Taiwan Realty for smart appraisal in the bank's systems. The results are returned via API to Taiwan Realty's website, allowing customers to obtain one-stop data through the click of one button. Customers can also obtain offline mortgage inquiry services by filling out their inquiries and a customer service or sales personnel from the bank will actively respond for an improved customer experience. As of the end of 2022, a total of 673 cases utilized the "AI Mortgage Calculator Service", 121 cases made appointments for mortgage inquiries, and a total of NT\$10,100,000 was successfully loaned in 3 cases.



1-7 Social Media

First Financial Group views social media as an important bridge of communications with customers and a means to develop new channels, services, and customers.



The First Bank Facebook fan page combines the products with current affairs and issues in daily life to compose posts, enhancing the communication and stickiness of customers of all ages		730,000 Number of fans	328 Marketing promotion cases	9,090,000 Reach
First Bank's Instagram account attracts the attention of young people with rich and lively content such as lucky draws and LEO filters			33,000 Number of fans	
In 2022, First Commercial Bank's YouTube channel added diverse programs such as "FCB Hot Topics", "FCB Radio", and "Almighty Bank Teller" to reach different target audiences while using product placement to promote the bank's financial products.			22,000 Number of subscriptions	
In 2022, First Commercial Bank's official LINE account launched a larger variety of iLEO point collection, exchange services and iLEO stickers		5,800,000 Accumulated number of friends	537,000 Personalized services bound	234 Business cases promoted 296.43 million Reach
First Securities Investment Trust's Facebook fan page communicates with fans by providing topics such as market trends, fund information, technology news, event information and good books on financial management		41,000 Number of fans	2.32 million posts	7.17 million Reach
FSITC's official LINE account provided information such as fund promotions, the latest market trends, and industry news for customers to grasp the latest investment trends		14,000 Accumulated number of friends	237 messages	1.44 million Reach
FSITC's YouTube channel shared online videos investment information being focused on by markets and hosted livestreams to help fans grasp the pulse of investment		3,318 Number of subscriptions	37 clips	1.12 million Watch

Social Impact






GRI : 201-1、203-1、FS1、FS7、FS8、FS14、FS16

SASB : FN-CB-240a.4



2-1 Charitable strategy

We respond to the United Nations Sustainable Development Goals (SDGs) and actively uses core functions to help solve social and environmental problems. We continued the four major charitable strategies of "Social Care", "Sports Competition", "Artistic Cultural Creation", and "Green Care" in 2022 and integrated subsidiaries of the Group, First Bank Culture & Education Foundation and First Bank Volunteer Service Team. We work with customers, suppliers, and non-profit organizations in charitable activities. In addition to improving the brand image and corporate social value, these activities also help increase growth in overall operations.



Amount Unit: ten thousand

Solution		2020	2021	2022	
    	Commercial benefits	"GLORY+ World Cards" in circulation and the proceeds	3,071 cards/1,787	3,715 cards/1,703	5,390 cards/1,902
	Proceeds from "financing projects for the reconstruction of dangerous and old buildings"	3,516	6,137	34,895	
	The senior citizens' easy-care trust and disabled people's care trust	13	55	61	
	Proceeds from reverse mortgage "Comfort Loan"	279	440	768	
	Medical biotechnology or long-term care loan program income	763	887	990	
	Income from "Worker Relief Loan" and "Micro-Enterprise e-Services"	23,751	29,242	29,761	
	Income from First Time Home Buyer Mortgage	47,634	48,579	55,703	
	Proceeds from loans for small and medium enterprises	1,281,420	1,350,050	2,038,078	
	Premium income from micro insurance products	9	11	12	
	Number of new accounts added under public interest account opening program	-	-	4,655 accounts	
Social/environmental benefits	Number of beneficiaries in the financial seminars in remote areas, campuses, and communities	6,814 persons	8,519 persons	5,349 persons	
Amount of donations from customers for charity organizations made through First Bank credit cards	56,517	64,899	77,286		
Amount of donations allocated to public welfare organizations/community integrated service centers (stone soup) from digital account application and life insurance purchasing	39.86	50.18	90.03		
Number of beneficiaries of disadvantaged schoolchildren (including rebates from the World Card, breakfast for schoolchildren in remote areas, financial support for disadvantaged schoolchildren, and financial industry scholarship donations) and amount donated	2,226 persons/ 483	2,228 persons/ 441	3,004 persons/ 478		
Purchase of gifts for the charity year-end party and income for the performance of disadvantaged groups	100	152	133		
Number of beneficiary households of donations to the Food Bank and amount	730 households/ 110	1,410 households/ 177	1,067 households/ 135		
Number of beneficiaries in overseas charitable activities and amount of donations	535 persons/75	400 persons/41	985 persons/45		
Number of beneficiaries in domestic volunteer clinic activities and amount of medical expenses saved	1,600 persons/24	608 persons/9.1	740 persons/11.1		
Number of beneficiaries and amount contributed in Helping Villages with no Doctors program	-	4,000 persons/211	2,300 persons/230		
Resolved social and environmental issues	<ul style="list-style-type: none"> The wealth gap between urban and rural areas makes it difficult for disadvantaged groups to obtain education resources and financial information and services. Many buildings in cities are too old and they affect the safety of the people and their property and they affect the quality of life. Taiwan's aging society has made the lack of resources for long-term care of the elderly increasingly severe. Resolve youth and low birthrate issues and help youths uphold optimism in facing the future. 				
Driving force	Upholding the spirit of the financial service industry, we provide a variety of financial services via a diversified digital platform and through loans to seniors and members of underprivileged groups. At the same time, we combine the application for digital accounts and the purchase of life insurance products to allocate donation amounts, and disclose information on donations to public welfare groups for free. We encourage customers to donate by credit card to provide equipment for medical stations in mountainous and isolated areas, and therefore help resolve the lack of resources for disadvantaged groups and rural residents. This is one of the ways we hope to spread the impact of our company as a member of the financial industry to every corner in Taiwan.				
Impact	We promote financial inclusion and SDGs, look after young home buyers, protect the assets of seniors in today's aging society, and donate resources to underprivileged groups and people living in isolated areas. We strongly support small and medium enterprises, and provide First Time Home Buyer Mortgages and Comfort Loans to young customers. The amount of ESG-backed retirement trusts for the elderly and disability trusts for customers with physical or mental disabilities reached NT\$18.511 billion, and we contributed a total of approximately NT\$782.64 million to the members of underprivileged groups and people living in isolated areas during 2022.				

Amount Unit: ten thousand

Solution		2020	2021	2022
 Commercial benefits	Hiring athletes as official employees and contribution of employees to the Bank's profitability	10 employees/ 1,985	18 employees/ 4,215.6	19 employees/ 4,592.3
	Awards won by the First Bank men's table tennis team in Taiwan and abroad (number of medals)	2 gold medals 1 silver medal, 3 bronze medals	9 gold medals, 17 silver medals, 25 bronze medals	16 gold medals, 15 silver medals, 24 bronze medals
	Rewards won by the First Bank table tennis team in Taiwan and abroad	24	No award money provided for winners	42
 Social/environmental benefits	Number of participants in the national tennis and table tennis tournaments	1,881 players	Canceled due to the pandemic	
	Resolved social and environmental issues <ul style="list-style-type: none"> It is difficult for athletes to find jobs and we provide them with stable job opportunities for them to receive training without worry and make full use of their potential. Athletes often suffer from insufficient funding and lack experience in international and large-scale sporting competitions. These deficiencies have affected their performance in the international sports world. 			
Driving force	Physical strength is national strength. We help promote the development of sports in Taiwan and enhance the Taiwanese people and employees' willingness to participate in sports, thereby making the development of sports more vigorous in Taiwan and cultivating outstanding athletes with potential. These measures help to inject youth and vitality into the enterprise.			
Impact	We have been sponsoring and organizing all kinds of sports activities for more than 20 years. By training potential young table tennis players, we have cultivated a number of national players, laying a solid foundation for Taiwan's table tennis development. Internally, we have created a sporting culture among employees. Externally, we have successfully enhanced the young, energetic brand image of the Group.			

Amount Unit: ten thousand

Solution		2020	2021	2022
 Commercial benefits	Proceeds from loans for the cultural and creative industry	44,652	42,837	68,869
	Number of borrowers of loans to cultural and creative industry	3,464 borrowers	4,335 borrowers	4,364 borrowers
	Number of borrowers of loans to cultural and creative industry that specialize in film and television	140 borrowers	231 borrowers	245 borrowers
 Social/environmental benefits	Total number of participants and income in National Taiwan University Hospital and large-scale concerts (Total online views and sessions)	9,100 participants/ 7	(91,101 participants/ 4 sessions)	1,800 participants/ (90,000 participants/ 6 sessions)
	Total number of participants and sessions of art and cultural exhibitions (total online views and sessions)	9,000 participants /9 sessions (21,756 participants /2 sessions)	2,500 participants /3 sessions (84,842 participants /4 sessions)	9,000 participants /9 sessions (18,173 participants /1 session)
Resolved social and environmental issues <ul style="list-style-type: none"> Provide cutting-edge singers, musicians and vulnerable groups to perform on stage. The arts, cultural, and events sectors went downhill due to the serious outbreak of COVID-19. We injected funds into the arts and cultural industries by providing financing and trust services to help the industries develop and transform to weather the crisis. 				
Driving force	Promote public welfare projects related to arts and culture education, expand the horizons of the Taiwanese people towards arts and culture, build a legacy of Taiwan's traditional arts and culture, enhance the cultural competence of customers and employees, and enhance customer loyalty; at the same time, assist the development of the cultural and creative industry through financial products or services, and add the beauty of art to collaborative relationships.			
Impact	Since the launch of the trust service for film grants in 2004, we have cooperated with the Ministry of Culture for a long time. From 2020 to 2022, we accepted 87 cases, with a total amount of NT\$896 millions. We also assisted in the development of the domestic cultural and creative industries by proactively processing loans for the said industries. The total credit balance of the loans in 2022 reached NT\$27.197 billion. Moreover, we launched various loan programs for the cultural and creative industries, including "Credit Loan for Cultural and Creative Industry Upgrades" and "Loans for Young Entrepreneurs and Start-ups in the Cultural and Creative Industries". We continue to hold physical and online concerts and local creative arts exhibitions, which directs resources to cultural and art activities and cultural creative industries, and promotes cultural development.			

Amount Unit: ten thousand

Solution		2020	2021	2022			
Green Care	Commercial benefits	The number of Green Public Welfare Credit Cards (Leezen Card, Yilan Card, Living Green Card, and Taoyuan Card Note) in circulation and their proceeds	153,367 Cards/ 3,192	213,932 Cards/ 4,628	265,397 Cards/ 6,198		
		Related proceeds from urban renewal financing projects	16,691	21,009	38,133		
		Green loan proceeds	111,348	131,516	217,506		
		Investment proceeds in green bonds	11,000	14,000	35,500		
		"Six Core Strategic Industry" loan income*1	109,793	207,862	1,167,994		
		Profits from Renewable Energy Creation Loans*2	1,356	2,068	4,573		
		Proceeds from investing in solar power plants	995	829	1,443		
		Tree planting marketing activity adds Living Green Card number and foreign exchange deposits (USD)	-	-	800 cards/ 156,000		
		Social/environmental benefits		Number of beneficiaries of environmental education	38 beneficiaries	157 beneficiaries	777 beneficiaries
				Number of trees planted and annual carbon absorption volume	130 trees/ 1.3 MT CO ₂ e	10 trees/ 0.1 MT CO ₂ e	2,900 trees/ 29 MT CO ₂ e
Number of LED lighting equipment installed in the Green Light Program and the reductions in electricity consumption, electric bill, and carbon emissions each year	1,216 sets / 103,000 kWh / 41/52.27 MT CO ₂ e			2,599 sets / 218,000 kWh / 87.2/110.7 MT CO ₂ e	7,085 sets/ 620,000 kWh/ 248/303 MT CO ₂ e		
Carbon emissions reduction in investments in solar power plants	56,000 MT CO ₂ e			56,500 MT CO ₂ e	66,500 MT CO ₂ e		
Landowners' proceeds from urban renewal financing projects	1,838,574			2,445,940	3,858,017		
Carbon emissions reduction in urban renewal financing projects	997.7 MT CO ₂ e			946.1 MT CO ₂ e	847.9 MT CO ₂ e		
Rebates from Green Public Welfare Credit Cards (Leezen Card, Yilan Card, Living Green Card, and Taoyuan Card)	1,478			1,787	2,101		
Green volunteer participation and number of beneficiaries	1,228 beneficiaries /1,718 beneficiaries			1,221 beneficiaries /3,447 beneficiaries	918 beneficiaries /3,825 beneficiaries		
Volunteer service satisfaction rate (%)	92.28			89.53	90.06		
Purchase amount of organic vegetables and fruits	26			36	33		
Resolved social and environmental issues	<ul style="list-style-type: none"> Insufficient crop yields, farmers apply chemical fertilizers and pesticides to increase yields, and must encourage organic agriculture to slow down the catastrophic damage to the land. The reserves of natural resources such as crude oil and natural gas are limited, and they are bound to face the problems of energy depletion and insufficient sustainable energy. 						
Driving force	Promote the company's service capabilities in green finance, provide knowledge, products and services of green finance, and work with customers, suppliers and the general public to practice environmental sustainability and create a green living model.						
Impact	<p>We combine core competencies to facilitate industrial transformation, and develop and provide ESG products and services. We hosted energy-conservation symposiums, Supplier Conference, Corporate Gold Workshop, urban renewal information sessions, and environmental education to communicate the Group's green finance products, policies, and ideas with customers, suppliers, and various stakeholders. The financing balance of ESG-related corporate loans amounted to NT\$68.7179 billion in 2022, accounting for 62% of the overall financing balance of corporate loans. Furthermore, working with the Group's subsidiaries, First Bank donated 2‰ of the Living Green Card transaction amount and cooperated with suppliers and customers in assisting 25 remote elementary schools in the installation of 7,085 sets of LED lamps. In 2022, we conducted a foreign exchange CD marketing activity in which we joined forces with the Tse-Xin Organic Agriculture Foundation (TOAF) and the Dongshi Forest District Office of the Forestry Bureau to plant 2,900 trees, which let people take action to protect beautiful Taiwan. Our One-stop Service for Urban Renewal financial service helps residents to reshape their homes and increase their house value, while also creating more green buildings in response to the government's promotion of environmentally-friendly and low-carbon cities.</p>						

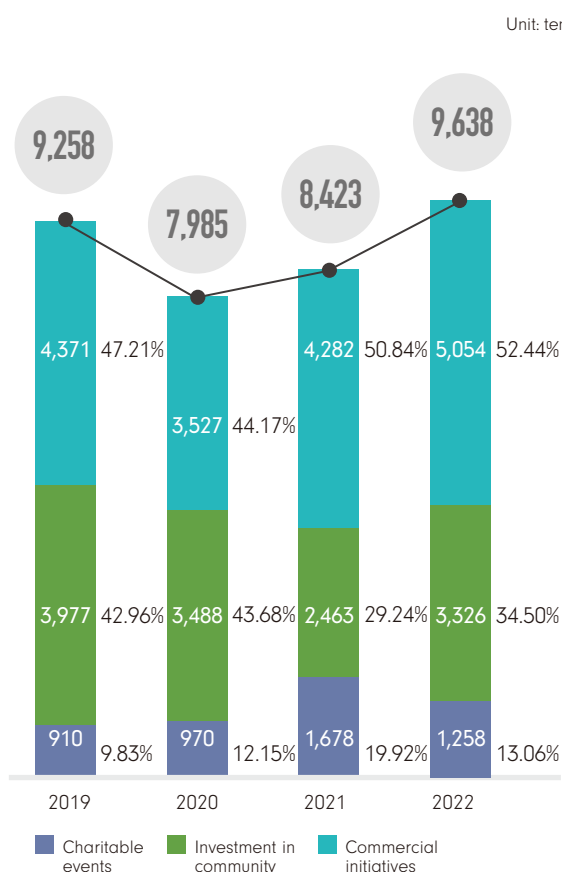
*1 : Starting in 2022, we have changed our existing "5 Plus 2 Industry" (intelligent machinery, Asian Silicon Valley, green energy technology, biomedical industry, defense industry, new agriculture, and circular economy) loan program to the "Six Core Strategic Industry" (including information and digital technology, excellent information security, Taiwan precision health, green power and renewable energy, defense and strategic industries, and consumer products and defense readiness) loan program.

*2 : Our existing "Renewable Energy Creation Loans" were renamed "Renewable Energy Sustainability Loans" in 2022.

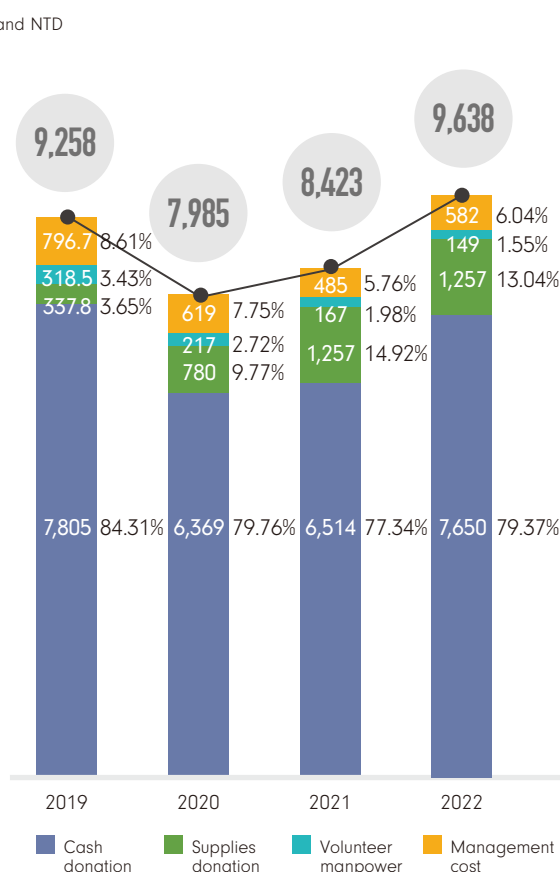
2-2 Benefit evaluation

In order to effectively measure the input resources and output benefits, FFHC adopts the community investment management model of London Benchmarking Group (LBG), and uses quantitative data to evaluate the input resources, benefits, results and long-term impact of each project on society. We invested a total of NT\$96.38 million in the four major charitable strategies in 2022. We also used the LBG model to evaluate the proportion of investments in the past four years.

Event type



Type of resources committed



2-3 Volunteer Service

First Financial Holdings has established a volunteer service team since 2011, including "Green volunteers" who promote sustainable environment and "Loving Volunteers" who care for the disadvantaged. In 2022, a total of 151 charity activities were held, including 50 loving volunteer activities, 46 green volunteer activities, and 55 financial knowledge promotion activities on campus and in the community. Between 2011 and 2022, volunteers participated in events for a total of 25,559 times, benefiting over 218,022 people and clocking in a total of 104,027 hours of service. To learn about the participants' satisfaction rate of volunteer activities, we also distributed 7,887 surveys and recovered 99.14% of the surveys. 90.06% of the participants have expressed their satisfaction with the events.

Service Hours Rendered by the Green Volunteers and the Loving Volunteers in Recent Years

Year	Hours	Participants	Beneficiaries
2011~2017	61,252 hours	14,909 persons	43,538 persons
2018	11,749 hours	2,888 persons	15,446 persons
2019	11,723 hours	2,872 persons	19,027 persons
2020	8,059 hours	2,019 persons	13,591 persons
2021	6,045 hours	1,559 persons	17,150 persons
2022	5,199 hours	1,312 persons	109,270 persons
Cumulative total	104,027 hours	25,559 persons	218,022 persons

Taoyuan-Hsinchu-Miaoli Region

Loving Volunteers: 9 events

- Taiwan Fund for Children and Families-Taoyuan Center
- SOS Children's Villages Taiwan
- Bright Feather Laundry Career Center, ROC Disabled Welfare Skills Association
- Hsinchu County Disabled Persons Assistance Association
- Taoyuan City Pingzhen Juvenile Center
- Association for Parents with Intellectually Disabled Children, Taoyuan City
- The Garden of Hope Foundation-Linkou Service Center
- Private Catholic Hua-kuang Intelligent Development Center
- Taoyuan Kind Garden

15
Events in
2022

Financial education activities in schools: 5 events

Green Volunteers: 1 event

- Nanliao Stairway Coastline, Hsinchu City

Northern Region

80
Events in
2022

Financial education activities in schools: 22 events

Green Volunteers: 26 events

- Linkou Journey to the West Organic Farm events (17 events)
- Tse-Xin Organic Agriculture Foundation
- Beach cleanup at Waziwei, Bali
- Chutzu Lake, Yangmingshan (2 sessions)
- Taiwan International Gamers Con
- Helping small farmers at Jinshan to harvest 1,000 kg of sweet potatoes
- Rongxing Garden Park Wetlands
- Urban Renewal Green Building Awareness Expo (2 sessions)

Loving Volunteers: 33 events

- Andrew Food Bank (3 events)
- Jen Ji Shiang Social Service Institute (2 events)
- Masai Elementary School, Yilan County
- Tzih Huai Welfare Foundation
- Bethany Children's Home
- Foundation for Children with Developmental Delay
- Taipei Yi Kuang Orphanage
- Chung Yi Children's Home of Chung Yi Social Welfare Foundation
- Eden Social Welfare Foundation-Eden Yuanhsiefeng Home
- ROC Sharing Love Emergency Assistance Association
- St. Anne's Home for Seriously Retarded Children, Catholic Father Bai Yongen Social Welfare Foundation
- Harmony Home Foundation Taiwan-Harmony House Wenshan Shelter
- Huashan Social Welfare Foundation-Nangang Angel Service Station
- Make-A-Wish Foundation, Taiwan
- Happy Mount Colony, New Taipei City Happy Mount Home
- Hualien County Spinal Cord Injury Welfare Association
- Catholic Kuang Jen Social Welfare Foundation - New Taipei City private that the new Child Development Center
- "Get Out and Give" Blood Drive
- Retirement financial planning seminar (6 events)
- Xinyi District Integrated Community Care Center
- Investment and Wealth Management Academy for Children (3 sessions)
- Bankers on Campus (2 sessions)

Yunlin-Chiayi-Tainan Region

13
Events in
2022

Loving Volunteers: 1 event

- Chiayi County Zhongpu Private Institutional Care Center

Financial education activities in schools: 6 events

Green Volunteers: 6 events

- Tenha Organic Farm, Tainan (5 events)
- Yiren Elementary School, Qiding Township, Chiayi County

Taichung-Changhua-Nantou Region

22
Events in
2022

Loving Volunteers: 3 events

- Taichung Wang You Tsao Association
- Cisheng Home for the Elderly Foundation, Changhua County
- Changhua Branch Office, Taiwan Fund for Children and Families

Financial education activities in schools: 12 events

Green Volunteers: 7 events

- LadyBird Organic Farm events (5 events)
- Dongshi Forest District Office
- Western Beach, Changhua

Kaohsiung-Pingtung Region

15
Events in
2022

Loving Volunteers: 2 events

- Pingtung County Heart's Ease Care Association
- Yang Ai Welfare Foundation, Catholic Social Welfare Foundation

Financial education activities in schools: 7 events

Green Volunteers: 6 events

- Kaohsiung An Hsin Home Organic Education Farm (5 sessions)
- Qijin beach, Qijin District, Kaohsiung

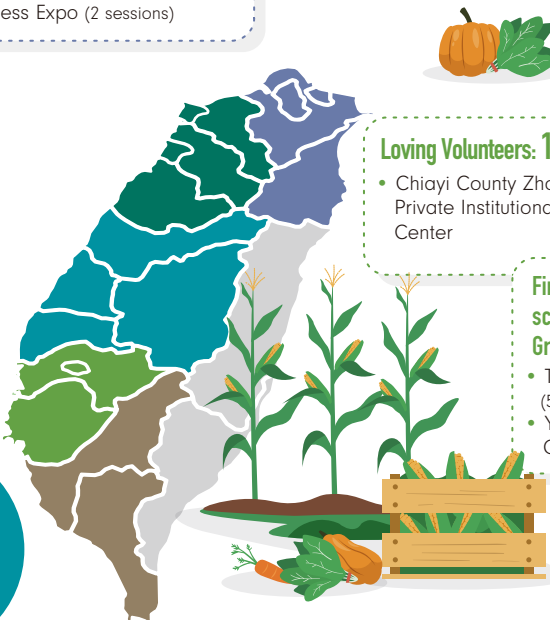
Loving Volunteers **50** events
(Including Phnom Penh 2 events)

Green Volunteers **46** events

Financial education activities in schools **55** events

(Including 1 event in Kinmen, 1 event in Mazu and 1 event in Penghu)

Total **151** charity events in 2022



Promotion Projects for Financial Education

FFHC takes practical action to support disadvantaged groups by proactively leveraging its core competencies to help disadvantaged people learn about financial knowledge and safeguard their rights and interests. Our employees form volunteer service teams every year to share financial or wealth management concepts with rural communities, schools, and social welfare groups in hopes of continuously expanding the universalization of financial knowledge and creating opportunities for children to learn financial knowledge. FFHC incorporates the product concepts of retirement trusts and disability trusts for customers with physical or mental disabilities into volunteer services, thereby ensuring the financial security of the elderly and families of people with physical or mental disabilities.

●○ Provide financial education to disadvantaged groups and in remote areas

Services	2020	2021	2022
Financial education and promotion in rural areas, schools, and communities	Session: 53 Number of Participants: 5,363	Session: 50 Number of Participants: 3,586	Session: 55 Number of Participants: 4,965
Volunteer services incorporated with the promotion of retirement trusts and disability trusts for customers with physical or mental disabilities	<ul style="list-style-type: none"> Volunteers went to Wufeng aboriginal village, Hsinchu County. In addition to donating daily necessities to solitary elderly people and disadvantaged residents, they also promoted retirement trusts and provided villagers with planning for retirement and disability care to prevent elder fraud. Beneficiary: 150 Xingfu Shelter, Taipei Autism Children Social Welfare Foundation. Beneficiary: 35 	Arranging retirement trust courses at the Nanjichang Happiness and Liveliness Center, Pingtung City Angel Service Station, and Miaoli County's Holy Family for Special Education to provide more comprehensive protection for vulnerable residents. Session: 3 sessions Beneficiary: 290	We have sent personnel to the Taichung Wang You Tsoo Association and Hsinchu County Disabled Persons Assistance Association to teach about disabilities care trusts, which provide all-round safeguards to disadvantaged residents. Session: 2 sessions Beneficiary: 330
"Investment Primary School - Wealth Management Number One"	Session: 1 (Taipei Family Helper Center) Beneficiary: 24 children	Online: 1 (Taipei Autism Children Social Welfare Foundation) Number of Participants: 35 students	Online: 3 (Taipei Autism Children Social Welfare Foundation) Number of Participants: 54 children
Investment checkup seminar in rural communities	Session: 6 Number of Participants: 365	Session: 5 Number of Participants: 89	Session: 5 Number of Participants: 111
Gender equality education and anti-drug advocacy	Session: 15 Number of Participants: 1,490	Session: 32 Number of Participants: 2,591	Session: 45 Number of Participants: 5,113

●○ Online financial education

Services	2020	2021	2022
Online wealth management workshop	Session: 69 Number of Participants: 3,697	Session: 86 Number of Participants: 1,893	Session: 37 Number of Participants: 1,124

Helping villages with no doctors to address the shortage of medical resources in mountains and remote areas

In order to ease the problem of insufficient medical resources in mountain and isolated areas, the First Bank Cultural and Education Foundation assisted the Jinshan branch of NTU Hospital to establish a relay ward in 2022. This will enable the branch to seize the "golden hour" in emergency first aid, and provide the most timely care and treatment to patients. It is expected that at least 100 patients will receive this care each year; We also helped the Hualien County Dental Association to improve the equipment at the "Ruisui Dental Care Station." We look forward to the improvement and expansion of medical station equipment improving healthcare safety and providing high-quality medical service to the residents of isolated areas.



Social Care

Disadvantaged Assistance

- First Bank Culture & Education Foundation donated 1% of payments made with the First Bank World Card to the "School Education Savings Account" platform of the Ministry of Education. The platform sponsors education, school lunches, and after-school classes for disadvantaged schoolchildren in remote areas to help their schooling. We helped 1,027 economically disadvantaged schoolchildren and those suffering from drastic changes in their families in their education, with an amount donated totaling NT\$1,130,000.
- We donated NT\$2.5 million to the Financial Service Industry Education Foundation. We supported 1,507 students from poor and disadvantaged families. We have donated NT\$20 million over 8 years and assisted 12,972 students from needy families.
- We worked with the Charity Trust Planet Education Foundation to continue to implement the "Care for Disadvantaged Schoolchildren Project". We have assisted a total of 367 disadvantaged schoolchildren in Ankeng, Zhongzheng, and Erchong Elementary Schools for 12 consecutive years and provided education assistance programs to 4,046 students for 12 years.
- Collaborated with the Foundation of Helping Underprivileged Students of Taipei City and the Jen Ji Shiang Social Service Institute of Taipei City to promote micro-insurance and assist the disadvantaged in building insurance protections. A total of 396 schoolchildren benefited in 2022.
- We sponsored the breakfast program of "Tannan Elementary School" in remote areas of Nantou County and provided breakfast to 103 disadvantaged schoolchildren for the entire year.
- Provided fellowships to 20 outstanding disadvantaged students at National Ilan University, National Dong Hua University, Pingtung university, National Chi-Nan University, and National Taitung University, easing their financial burdens and helping them to study with confidence.
- When customers apply for a First Bank iLEO digital account for the first time, First Bank will donate NT\$100 to "House of Dreams," "Liming Nursing Institution" or "Spinal Cord Injury Foundation," and made a total of NT\$465,500 in such donations during 2022.



Charitable donation

- Sponsored acquisition of relay ward equipment by the Jinshan branch of NTU Hospital (central physiological monitoring system and adult intensive care ventilator), enabling medical personnel to seize the "golden hour" in first aid, and provide timely care and treatment.
- Sponsored improvement of equipment at the "Ruisui Dental Care Station" by the Hualien County Dental Association in order to provide residents even better service.
- Fulfilled our corporate social responsibilities by donating NT\$4 million to Ukraine to help people affected by the war overcome their hardships.
- We partnered with Taipei Medical University Hospital to launch the "First Life Insurance Donation Project." With each policy of "Loan Derivative Insurance Products (Mortgage Life Insurance)" or "Long-Term Care Coverage" sold, we donated NT\$100 to Xinyi District's integrated community care center under the Stone Soup Project. Total donations amounted to NT\$435,000 in 2022.
- Sponsored the Puren Youth Care Foundation's and SunnyHills' "Mid-Autumn Festival Charity Project" by purchasing 300 boxes of pineapple cakes and donating them to schools with table tennis teams that have received long-term support from First Bank and the First Bank Cultural and Education Foundation, as well as to adopted elementary school and special-talent athletes. This action applied a multiplier effect to the public benefit, and enhanced the Bank's image of enthusiastic participation in public interest activities.
- In response to the Ministry of Economic Affairs' Buying Power Social Innovative Products and Services Procurement Incentive Mechanism, purchased about NT\$2.82 million of social innovative organizations' products via the Social Impact platform's "Social Innovation Database" of the Small and Medium Enterprise Administration, MOEA.



Health and gender

- Held 7 life education talks and invited people with disabilities and disadvantaged children to share tips on how to go through life with an optimistic attitude, benefiting a total of 2,366 schoolchildren. (First Cultural Education Train)
- Promotion of gender equality concepts through financial education awareness activities. A total of 41 sessions were held, benefiting approximately 3,008 people.



Donations to fight COVID-19

- Supported local fruit growers in Taiwan by purchasing 4,800 boxes of atemoyas, 1,200 boxes of pineapples, and 2,800 boxes of pomelos, which were shared with social welfare organizations and schools in remote areas that have received long-term support from the Bank, as well as with employees. This action had a multiplier effect on public benefit, and helped maintain a balance in the supply and demand of local agricultural products.
- To ensure that front-line medical staff have adequate protective equipment during the Covid pandemic, donated 2,500 sets of protective clothing and 9,500 isolation gowns to 10 medical institutions, which included NTU Cancer Center, Zhongli Evergreen General Hospital, Yuan's General Hospital, Nan Men General Hospital, Kaohsiung Medical University Chung-Ho Memorial Hospital, Taipei Medical University, Zuoying branch of the Kaohsiung Armed Forces General Hospital, Saint Mary's Hospital Luodong, Jinshan branch of NTU Hospital, and Hualien Mennonite Christian Hospital. The Bank is protecting the safety of medical personnel through practical actions.
- Donated 2 self-help payment machines to the NTU Cancer Center, which reduced frequency of personal contact and enhanced healthcare convenience by optimizing the care payment process.



Volunteering and care

- Held 103 charitable volunteer activities, which included accompanying seniors living alone and members underprivileged groups and providing financial education, etc.
- The Phnom Penh Branch and its customers visited Trapheang Priek Township, Prey Chhor District, Kampong Cham Province and Kirimeanun Elementary School, Angkor Thom District. These two overseas volunteer activities benefited about 985 people. Since 2016, a total of 9,020 overseas disadvantaged people have benefited from the Bank's efforts.
- We worked with Mennonite Christian Hospital and Taipei Medical University Hospital Feng Hsing Medical Youth Service Group for the 7th straight year to provide care for residents in isolated areas in Hualien and Penghu, and sponsored 20 free clinics and 4 liver disease patient gatherings at Mennonite Christian Hospital.



Lighting up Life Stage for Dream Coming

Provided performance platforms to disadvantaged groups, and invited Life Warriors to record videos approximately 15-20 minutes in length; the content of these videos included singing, dance, and stories shared with the public. These videos, which have been viewed approximately 90,000 times, have conveyed a "never give up" spirit and positive energy to society.



Green Care



Environmental Education Promotion

- Volunteers held an environmental education awareness session at Yiren Elementary School in Zhuqi Township, Chiayi County, and donated practical stationary sets to schoolchildren; this activity benefited approximately 50 kids, and realized the spirit of concern at the local level.
- Sponsored holding of the "Campus Environment Educational Lectures - The Beauty of National Parks in Taiwan" by the Taiwan Indigo Dye Association. These talks helped schoolchildren connect with, learn about, and further take action to protect nature from an early age, and benefited about 3,122 schoolchildren; furthermore, together with the Taiwan Indigo Dye Association, we invited disadvantaged children from Zhongzheng Elementary School in New Taipei's Xindian District and Erchong Elementary School in the Sanchong District on an ecological knowledge learning visit to Chutzu Lake, Yangmingshan, so that the importance of cherishing the natural environment could be cultivated among children from an early age. A total of 47 kids benefited.



Green Volunteers

- We organized 46 Green Volunteer events to support organic farms, protect the coastline, plant trees for carbon reduction, adopt contract growers, and assist wetlands conservation. We contributed a total of NT\$2,140,000 and harvested and purchased 2,340kg of organic fruits and vegetables. We also adopted contract growers growing nearly 1,000kg of "Tainung No. 66" organic red sweet potatoes.
- Responding to Tree Planting Day, we planted approximately 2,900 tree seedlings on the Xishi Seawall in Dajia, Taichung, along the Daxueshan Mountain Trail, at Tse-Xin Organic Farm in Gukeng, Yunlin County, in the coastal forest at Chaojing Park, Keelung, and at Zhuangwei in Yilan, which offset carbon emissions by 29 tons CO₂e.
- Held a conservation activity at the Rongxing Garden Park Wetlands, in which volunteers entered the ponds to remove invasive water lettuce and fallen leaves and branches. This one-day environmental volunteer activity helped restore the ecological balance and maintain a green environment.
- We hosted 4 "I Love Beautiful Oceans" beach cleanup sessions, in which 177 volunteers picked up a total of 548kg of fishery waste, general waste, and driftwood.



Love FUN First Green Living Carnival

Held the fifth Love FUN First Green Living Carnival in Da-an Forest Park, which featured our environmental protection challenge activities, recycling DIY, and digital finance experience booths. A Green Farmer's Market promoted farming knowledge in conjunction with the Buy Directly from Farmers, which is a social organization dedicated to protecting the land. Over 1,000 members of the public took part in this fun event; To protect the environment, we invited the public to donate their discarded batteries and CDs in exchange for gifts, and collected a total of close to 600 unwanted CDs and close to 1,400 discarded batteries.



Green Cooperation

Used 2% donations from transactions using the First Bank Living Green Card to work with suppliers and customers in assisting 25 elementary schools in remote areas of Hsinchu County, Nantou County, Yunlin County, Chiayi County, Pingtung County, Hualien County, and Taitung County to install 7,085 sets of LED lighting equipment, which are estimated to reduce electricity use by about 620,000 kWh, cut electricity costs by approximately NT\$2,480,000, and reduce emissions by 303 metric tons CO₂e each year.



Sports Competition

Table tennis training

We established a men's table tennis team in 2011 and the team won a total of 16 gold, 15 silver, and 24 bronze medals in 2022. We also continued to sponsor training fees for eight schools, including Shiu De Elementary School in New Taipei City, which benefited 354 players.



Sport support

Since 2019, we have been providing monthly food allowances to promising disadvantaged students and disabled athletes, which is helping them realize their potential as future stars and bring glory to Taiwan on the international stage. A total of 7 athletes received the allowances in 2022.



League of Legends School Championship

In order to project a younger corporate image and extend our reach to younger generations on campus, we sponsored the 5th "League of Legends School Championship" of Taiwan eSports League Co. Ltd. In 2022, a total of 119 events were completed, accumulating a total of more than 2.5 million viewers.



Unified Invoice Cup for Road Running

We participated in the Ministry of Finance's 2022 "Unified Invoice Cup and New Citizen Judge System Road Race," which began at Siraya Square and the plaza on the west side of the Tainan government building, and attracted approximately 17,000 participants.





Charity movie screenings to support the cinema of Taiwan

In response to the effort by the Ministry of Culture and Taiwan Creative Content Agency to promote cultural creativity industries, to fulfill our ESG commitment, highlight our positive brand image of concern for concern, and to share wonderful dance, art, and movies with our customers, we held a "VIP Night" featuring exclusive film showings. Approximately 150 important customers were invited to this banquet of art and culture.



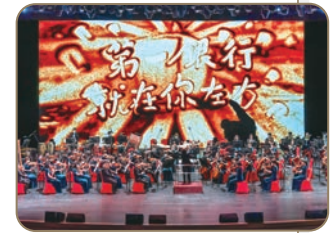
Supporting local art and cultural traditions

The first and second floors of the FFHC headquarters building was transformed into an art space in 2011, and local artists are allowed to exhibit their art for free in this space. A total of 126 art and cultural exhibitions have been held as of the end of 2022 and attracted over 126,000 visitors. However, due to the impact of the COVID-19 pandemic, we organized another session of "The Artistic World - Online Art and Cultural Event," which introduced artists' creative backgrounds and works. This event allowed audiences to appreciate and experience art close-up over the Internet.



Concert Banquet

We held a concert at Kaohsiung's E-DA - Royal Theatre. This event featured the singers Henry Hsu, Huang Fei, and Suming Rupi, who sang to the music played by the Evergreen Symphony Orchestra. This was the first time that male and female singers were invited to sing together, and the concert featured visual images on a large LED screen above a stage custom-made for each song; the event was held in conjunction with a sand painting performance; furthermore, we also invited the professional emcee Jia Pei-De (has served as emcee at the Golden Horse Awards, Golden Melody Awards, and Golden Bell Awards) instead of a traditional master of ceremonies. By linking the music with the audience's vision and hearing, the concert gave customers brand new sensory experience; approximately 1,800 persons attended the concert.



Campus Penetration New Generation Communication



- We held the "Environmental Sustainability Creative Poster Design Competition" jointly with Shih Chien University. This activity attracted 310 participating students, who used posters to visually convey university students' insights and visions concerning climate change and future environmental and sustainability trends, and to arouse the younger generation's interdisciplinary innovative sustainability practice and concern.
- We held a musical creativity cooperation in collaboration with Tamkang University, and established the "First Bank Crowd-pleaser Prize." This activity strengthened young students' impression of First Bank's brand, and attracted 96 participating teams.

Branches with Art Painting

We joined forces with the well-known street graffiti artists DEBE and SEAZK to give the outer wall of our more than a half century old Ximen branch a new look. The graffiti art projects the brand image of "Close to Your Home," and is the first time that a government-owned bank has sponsored public outdoor graffiti art. This is also the first time that a bank in Taiwan has cooperated with graffiti artists in a major project, which has become one of the must visit attractions in the Ximen shopping district for Internet personalities.



Promotion of anti-drug



To teach youths to say no to drugs, we held the "Red Strawberries Say No to Drugs" campus tour events at four schools in the Tainan area with our customer, Grace Hsiao Dance Troupe, to teach youths to say no to drugs, and this activity benefited approximately 2,105 students.



Protections for Human Rights and Gender Equality

GRI 2-30、202-1、202-2、402-1、405-1、405-2、406-1、407-1、410-1

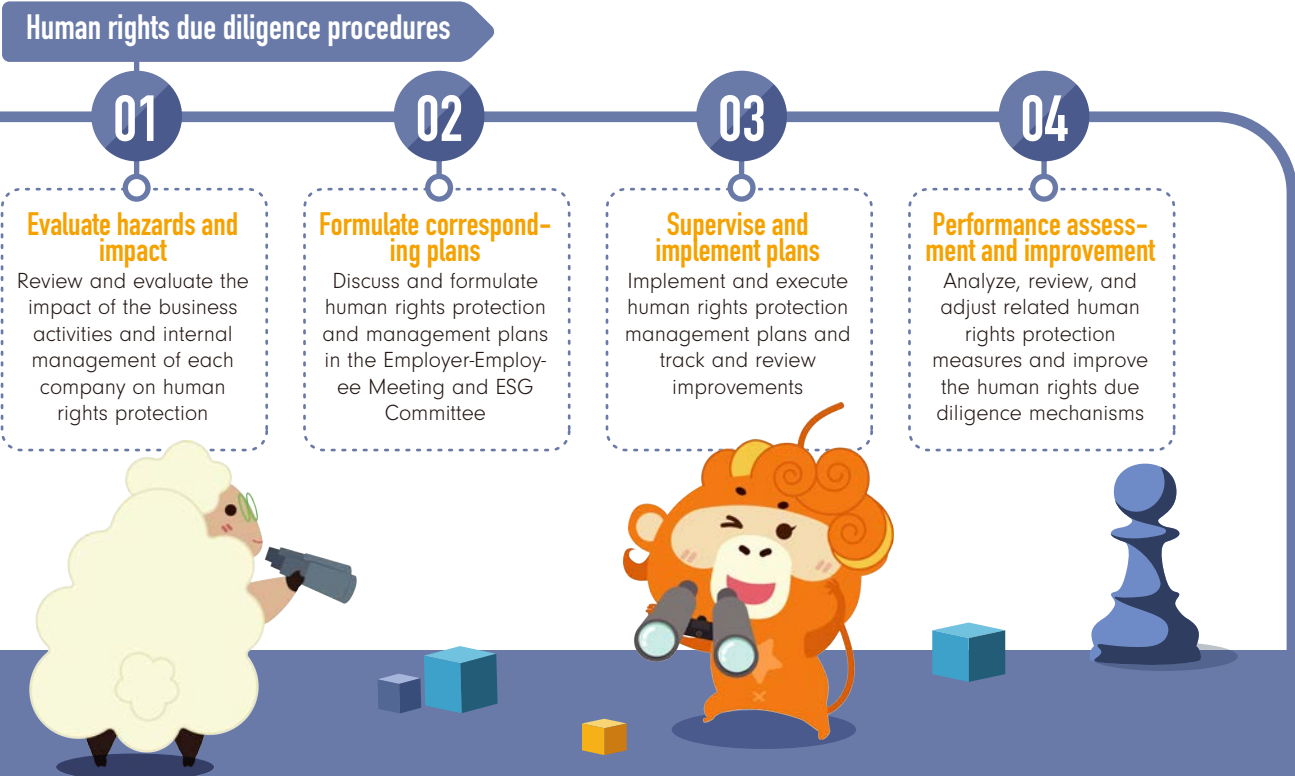
3-1 Policy and Commitment to Human Rights

First Financial Holding is committed to abide by the International Bill of Human Rights and other conventions such as the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "The Ten Principles of the United Nations Global Compact", "International Labour Organization Core Labour Standards", "ISO 26000 Guidance on Social Responsibility", "Convention on the Elimination of All Forms of Discrimination against Women", "The International Covenant on Economic, and the "Modern Slavery Act", and has included them into the Human Rights Policy of the Group.

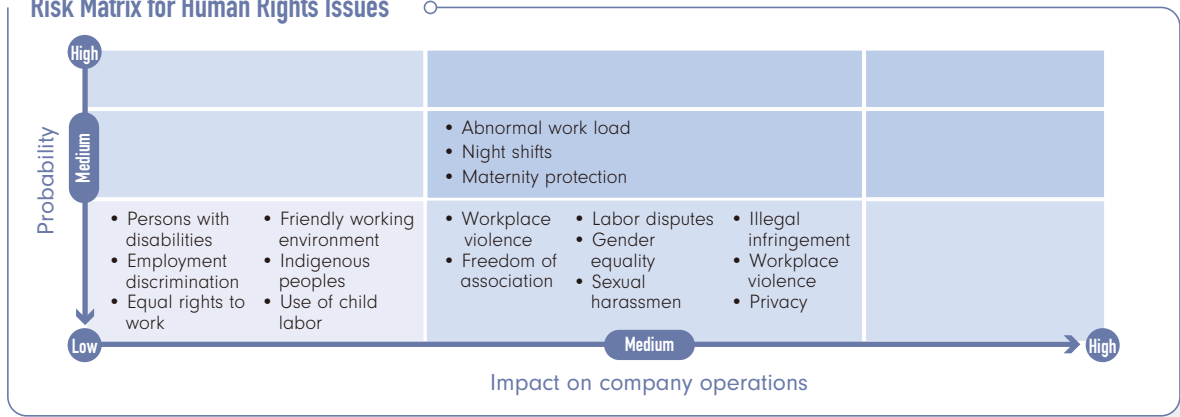
At all group subsidiaries, there is no discrimination employees during recruitment, selection, hiring, assignment, career development, remuneration and benefits, promotions, education & training, and retirement plans on the basis of race, class, language, thought, religious, political affiliation, ancestry, place of birth, gender, sexual preference, age, marital status, appearance, facial features, physical and mental handicap, or union membership. Article 18 of the Guidance on Sustainable Development for FFHC stipulates that subsidiary companies shall abide by the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination to create an equal opportunity workplace. There were no human rights violations, infringement of indigenous rights, or incidents of discrimination. The hiring of those under the age of 16 as regular or atypical employees (including temporary workers and security staff) is explicitly banned in our HR regulations. We also adhere to the Labor Standards Act to prevent forced labor through violence, threats, imprisonment or other illegal methods.

3-2 Due Diligence and Risk Management of Human Rights

The Company's Sustainable Development committee reviews relevant human rights issues each quarter and uses actual investigations, data monitoring, and questionnaire surveys to evaluate potential human rights risks and establish a risk matrix for human rights issues.



Risk Matrix for Human Rights Issues



In 2022, preventative and mitigation measures were implemented for human rights issues, such as "abnormal work load", "Maternity protection", and "Night shifts", which were identified to have a medium occurrence rate or operational impact. For example, we executed an "Abnormal Workload-Triggered Diseases Prevention Plan" and established procedures for daily overtime work applications and management reminders in the system to reasonably adjust for work and labor allocation. High-risk employees who "work in shifts, at nighttime, and long hours" are evaluated for risks and given appropriate health management measures to prevent cardiovascular diseases caused by overwork. Additionally, measures such as the "Maternal Employee Health Protection Program", risk assessment, hazard controls, risk communication, and work adjustments were implemented. A stationed doctor and dedicated nurse also called pregnant employees to show concern and offer guidance in terms of health education.

Human Rights Risk Assessment and Management

Human Rights Risk Factor	Risk identification (%)	Overall Risks (%)	Preventive and Mitigation Measures	Probability of Impact (%)	Total Impact (%)
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Diversity, inclusiveness, and equal opportunity

0

6.97

- All companies appoint the full number of employees with disabilities based on legal requirements.
- Create a friendly accessible workplace environment for people with disabilities.
- Recruitment phase: Applicants are required to specify the correct date of birth in the CV and affix their signatures to guarantee the accuracy of the data.
- Reporting for duties phase: Employees are required to provide their identity documents on the day they report for duties to ensure that the Company does not hire child labor.
- Prevention of Illegal Infringement at Work Plan.
- Set up a friendly environment for employees with disabilities.

0

0.14

(e.g., ban on the use of child labor, ban on employment discrimination, equal work rights, gender friendliness)

Assessment Results :

- The Company did not hire child labor less than 16 years old and no employment or gender discrimination occurred.
- No related cases of unlawful infringement.

Good labor relations

1.40

6.97

- Automatic inspections and maintenance of the work environment and occupational safety and health.
- Provide diverse and confidential complaint channels
- Rigorously comply with labor regulations and specify regulations in the Work Rules and related regulations.
- Convene regular Employer-Employee Meetings and the meetings of the Occupational Safety and Health Committee to promote benefits, improve the work environment, and facilitate cooperation and communication between labor and management.
- Increase the workplace safety awareness from time to time.
- Publish posters for complaint channels in public areas.
- Provide a diverse range of activities and implement work and life balance.

0.03

0.14

(e.g., workplace safety, freedom of association, labor disputes, and complaints mechanisms)

Assessment Results :

- No relevant cases of sanctions due to labor-management disputes and complaints.

Human Rights Risk Assessment and Management

Human Rights Risk Factor	Risk identification (%)	Overall Risks (%)	Preventive and Mitigation Measures	Probability of Impact (%)	Total Impact (%)
Freedom from compulsory labor (e.g., abnormal work load or night shifts)	3.56	6.97	<ul style="list-style-type: none"> Implement the "Abnormal Workload-triggered Diseases Prevention Plan" Establish procedures for daily overtime work applications and management reminders in the system to provide care for employees and ensure reasonable adjustments of work and manpower allocation. Implement restrictions on total daily/monthly extended hours. The system produces a table on abnormal overtime work and implements improvements to reduce the risks of violation of regulations. Implement regular inspections on overtime work and enhance audits based on the overtime work conditions of each unit to help units manage overtime work. Issue official letters from time to time to remind units of key points in labor inspections. Implement flexible work hours in accordance with the Labor Standards Act to reduce the need for overtime work. Implement flexible work hour system (flexible commuting, work hours adjustments, flexible leaves, and reduced work hours). High-risk employees who "work in shifts, at nighttime, and long hours" are evaluated for risks and provided with appropriate health management measures or promotional activities. Follow-ups are conducted on high risk employees to track their improvement status and prevent cerebrovascular/cardiovascular diseases caused by overwork. Implement the "Human-factor Hazard Prevention Plan". Regularly complete the Employee Musculoskeletal Symptom Self-Assessment and create a Follow-Up Overview Form. Prevent work-related musculoskeletal injuries and diseases caused by repetitive work or poor posture in work. 	0.1	0.14

Assessment Results :

- We identified 13 high-risk employees in the "Abnormal Workload-Triggered Diseases Prevention Plan" and assigned physicians to organize interviews, provide health advice, and continue to provide follow-up care for improvements.
- Statistics of human-factor hazards show that there are 128 colleagues with suspected harm. An on-site doctor was requested to understand the symptoms and reasons for occurrence in individual cases to provide appropriate recommendations for improvement. In total, 121 colleagues received improvement, 1 refused concern, 2 went on parental leave, 1 voluntarily retired, and the conditions of 3 remaining colleagues are being tracked to grasp the effects of improvement.
- A total of 5 colleagues applied for flexible work hours based on their need to care for their children or families.(If the employees of the First Bank are raising children under the age of 3, they may request to adjust their working hours or reduce their working hours by one hour per day. Employees with severe physical and mental disabilities of First Investment Trust have agreed to work 6 hours a day and be paid at the rate of 6 hours when they are hired. Considering the physical load of employees who return to work after being sick, the working hours are adjusted from the original 8 hours to 7 hours and the salary and benefits remain unchanged as agreed by the employer and the employee.)

Maternity health protection	2.01	6.97	<ul style="list-style-type: none"> Implement the "Maternal Employee Health Protection Plan" Implement risk assessment, hazard control, risk management, and work adjustments and assign in-house physicians and full-time nurses to provide care and health education over the telephone. Rigorously comply with labor regulations, gender equality in employment, and maternity protection regulations. Provide health education on precautions during pregnancy and after giving birth as well as remind pregnant employees of childbirth subsidies and related information. Provide flexible breastfeeding measures and set up breastfeeding rooms. Organize maternity health protection(including childcare) related seminars. 	0.01	0.14
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Assessment Results :

- Provide subsidies and concern measures for child birth and child care.
- Make appropriate adjustments to jobs.
- In 2022, the breastfeeding rooms of the headquarters building, Yanping building, information building, the Bade and Zhongshan buildings of the credit card division each obtained the Excellent Breastfeeding Room Certification, valid for 1 year. A cumulative average of 573 colleagues use the facilities of these buildings each month.
- In 2022, a colleague was evaluated as a level 2 hazard during her pregnancy period. She was supported with a job adjustment evaluated to be normal and without harm after continuous tracking and concern. Another colleague was supported as a health protection case and allowed to rest for a month of tocolysis leave before returning and adapting normally to an adjusted job role.
- In 2022,we provided maternity health protection care services in 350 cases over the telephone.
- In 2022, a total of 3 seminars were organized for breastfeeding in the work place and childcare.

Human Rights Risk Factor	Risk identification (%)	Overall Risks (%)	Preventive and Mitigation Measures	Probability of Impact (%)	Total Impact (%)
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Gender equality

(e.g., workplace violence, illegal infringement, sexual harassment, and privacy)



0%

6.97

- Implement the "Prevention of Illegal Infringement at Work Plan"
- The Company enhanced the training programs for new employees and current employees. All units are required to complete the "hazard identification and risk assessment for prevention of illegal infringement in the workplace" for all employees each year.
- The representatives of both labor and management established the "Illegal Infringement Complaint Investigation Team" to investigate cases of illegal infringement, implement the Prevention of Illegal Infringement at Work Plan.
- All units have posted promotional posters for "ban on sexual harassment" and published the "Regulations on Sexual Harassment Prevention, Complaints and Investigation" on the official website and internal website. They have also set up sexual harassment complaint hotlines and emails.
- The Company organizes courses on sexual harassment prevention regulations, complaint channels, and prevention of workplace violence each year.

0%

0.14

Assessment Results :

- In 2022, there were no cases or complaints of sexual harassment and unlawful infringement.



*1 : Risk identification ratio = number of people in the risk identification/number of employees of the Group (10,095 persons)

*2 : Impact occurrence ratio = number of people affected by the impact/number of employees of the Group

Human Rights Risk Assessment Ratio in Past Years

Year	2019	2020	2021	2022
Risk value (%)	6.63	6.93	6.79	6.97
Impact value (%)	0.17	0.10	0.17	0.14

* : The Company implemented adjustments based on the human rights due diligence procedures and adopts different human rights risk factors for human rights assessment and management. The calculation methods and data from past years are adjusted accordingly.

Overview of the Group's Implementation of Flexible Work Hours

	First Bank	First Securities Investment Trust
Current Actions	Employees caring for children under the age of 3 may request to adjust work hours or decrease work time by one hour per day.	<ul style="list-style-type: none"> • Due to severe physical and mental disability, 1 employee was hired to work 6 hours per day and received salary according to their number of hours worked. • After considering the stamina of an employee recovering from disease, both parties including the employee and management agreed to adjust work hours from 8 to 7 hours without any changes to salary and benefits.

We adhere to and ensure that employees enjoy internationally accepted labor rights, and related information is openly available internally. All business sites follow local laws and regulations on human rights. There is to be no discrimination against employees on the basis of race, gender or other circumstances. All employees have the right to equal pay for equal work, freedom from sexual harassment, and protected employment for female employees during pregnancy. All Directors, Supervisors, managerial officers, and employees of the Group must comply with the Code of Conduct and may not make sexual advances or commit actions that violate human rights such as implicit sexual suggestions, sexual discrimination, or violation of human dignity and personal freedom. Apart from regular training on sexual harassment prevention, new employee training also explains in full the human rights system on work rules, HR management rules, employee compensation and benefits. Union personnel are also invited to speak about employee rights relating to the Occupational Safety and Health Act. There were no human rights violations, infringement of indigenous rights, or incidents of discrimination in 2022. None of the subsidiaries were involved in mergers, acquisitions or major investment agreements.

In 2022, the total number of employees from domestic and overseas operating locations that attended human rights training programs was 20,026 employees who spent a total of 13,620 hours in training and achieving a 100% training rate. Our company policy on human rights has also been communicated to the security company to ensure that they understand and incorporate our human rights policy into their pre- and on-the-job training for security personnel. The proportion of security personnel who have completed training in 2022 is 100% and on average, we organize 12 training sessions every year each lasting 0.5 hours.

Human rights protection training in past years

Year	2019	2020	2021	2022
Total hours	25,617	15,276	15,195	13,620
Total number of attendances (persons)	20,253	19,473	18,958	20,026
Employee training rate (%)	100	100	100	100

* : Information on human rights protection training include physical and online courses. Due to the impact of the epidemic, the total training hours were lower than previous years.

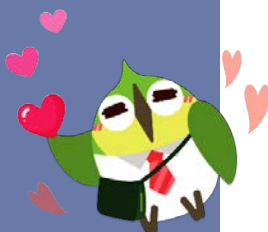
3-3 Gender equality

First Financial Holding Co., Ltd. (FFHC) implements the Gender Equality Policy in spirit of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and in compliance with the Act of Gender Equality in Employment. We promote gender equality by focusing on "corporate culture," "organizational structure," "salary and benefits," "education and training," "work-life balance," "child birth measures," and "workplace safety" to create a friendly, gender-equal environment for employees, thereby realizing our vision of becoming a happy enterprise.

The Company has internal regulations in place, mandating compliance with principles of gender equality and prohibition of discrimination and that employees may not engage in any conducts that may be construed as sexual harassment or discrimination when performing their duties. Meanwhile, the Company has set up an Employee Care Group under the "Sustainable Development Committee," which is affiliated with the Board of Directors. The Group is composed of members from human resource-related departments of each company. Group members are responsible for promoting gender equality measures, gender equality education, gender discrimination prevention and handling, and workplace bullying, among other incidents. To assist employees in maintaining work-life balance, FFHC provides several benefits and leave regulations that exceed the minimum benchmark set by labor laws; these include the maximum 44 days of paid personal, sick leave, and family care leave as well as 14 days of marriage leave. Considering employees' need to take care of their family, especially during the COVID-19 pandemic, we also implement 14 days of paid epidemic prevention leave and working from home, among other flexible working measures and practices that surpass legal requirements.

Also, to address the social issue of declining birth rates, the Company provides a marriage allowance of NT\$30,000 as well as childbirth subsidies of NT\$100,000 for the first child and NT\$150,000 for each subsequent child, totaling NT\$25.15 million in subsidies for 2022 and 1,452 newborns as of 2022. Aside from enjoying a maximum 44 days of paid tocolysis leave during pregnancy, female employees receive regular pre-birth health education and seminar information provided by professional nurses. Aside from our implementation of the Maternal Protection Program, a taxi allowance of NT\$10,000 was issued to pregnant women in 2021 while maternity leave across the company was increased from 56 to 58 days in 2022. Leave for prenatal checkups and paternity were increased from 7 to 8 days which is superior to current laws and regulations. In 2023, 2 days of "Artificial Insemination Leave" was implemented, allowing female colleagues undergoing invasive treatments due to artificial insemination to apply for paid leave. Furthermore, we implement bans on works and tasks that are potentially dangerous to mothers and babies, set up a breastfeeding room, offer child care leave, protect the welfare of employees on unpaid parental leave, and provide education grants for employees' children as well as corporate childcare contracts in order to create a workplace environment that gives employees ample support for having children.

FFHC not only promotes gender equality within the vicinity of the company but also internalizes gender equality awareness into its core operations. Apart from co-organizing seminars with government agencies and professional institutions on trust and property planning for elderly people, we also actively promote the concept of gender equality in property inheritance, launch Micro Loans for Female Entrepreneurs to assist women in starting their own businesses, and introduce a wide range of women-friendly credit cards, to empower women economically. Earned the distinction of "Measures Friendly to Families and Work Equality" by the New Taipei City Government in 2022 as well as inclusion as a constituent stock in the Bloomberg Gender Equality Index (GEI) as clear indications that gender equality practices have been included in the Group's operating principles and leadership decisions.



Childbirth Allowance and Subsidies

Increased benefits NT\$310,000 for marriage and childbirth

- Marriage allowance of NT\$60,000 for two (employees)
- Childbirth allowance of at most NT\$300,000 for twins
- NT\$10,000 in Transportation Subsidy for Pregnant Employees
- Flexible work hours
- Work from home
- Subsidies for children's education
- Child care subsidies
- Artificial pregnancy leave with 2 days paid leave



Work-life balance

Various flexible working measures provide more support for colleagues to take care of their families

Flexible work hours

- No need to apply for leave if 10 minutes late for work
- No need to apply for leave if leave work 10 minutes early
- Can start work an hour early or leave work an hour later
- Can work an hour less
- Can apply for an hour of leave

Employees are supported during COVID-19 to take care of their family

- 14 days of paid epidemic prevention leave
- Work from home
- Distributed work to reduce traveling
- Risk of infection in public transportation

Paid leave and number of paid leave days surpass legal requirements

Full-Pay Leave

- Personal leave 14 days*¹
- Sick Leave 30 days*¹
- Family care leave 7 days*¹
- Menstrual leave 1 day/month*¹
- Tocolysis Leave 44 days*²
- Epidemic prevention leave 14 days*³
- Volunteering leave 1 day

Increased number of days

FFHC Legal Requirement

Marriage leave 14 days	8 days
Compassionate leave 21 days* ⁴	Longest 8 days
Miscarriage leave 7 days	5 days
Maternity leave 58 days	56 days
Prenatal checkup/paternity leave 8 days	7 days

Pregnancy-Friendly Leave

Maternity Leave

Female employees are granted 58 days of maternity leave before and after child birth. (law grants 56 days)

Artificial Pregnancy Leave

Female employees who receive invasive treatments of artificial fertility treatments are provided with 2 days of paid leave.

Prenatal Checkup Leave, Paternity Leave + Paternity Leave

8 days of leave for accompanying spouse to prenatal checkups or child birth. (law grants 7 days)

Tocolysis Leave + Miscarriage leave

- 44 days of paid sick leave and personal leave combined. (whereas the law grants half-paid sick leave and unpaid personal leave)
- 7 days of maternity leave are granted to employees who miscarried within 3 months of pregnancy. (law grants 5 days)

*1 : New employees are paid in accordance with labor leave rules in the year they arrive on the job.

*2 : Sick leave and personal leave combined amount to 44 days.

*3 : Counted toward 14 days of personal leave.

*4 : The number of days granted for compassionate leave depends the degree of kinship.

3-4 Compensation Structure with Equal Pay for Equal Work

All starting salaries of the Company and subsidiaries are higher than the minimum wage stipulated in the Labor Standards Act. We follow the principle of fair and reasonable compensation in employee compensation. There is no difference based on gender or other factors. The ratio between the starting salary for men and women is 1:1, so there is equal pay for equal work. In 2022, when comparing the Group's overall compensations for male and female employees with men's salary (100%) as baseline, the average salary of female senior executives is 103% while average compensation is 106%; the average salary of females in entry managerial roles is 102%, average compensation is 102%; the average salary of females in non-managerial roles is 96% while average compensation is 99%.

Remuneration at FFHC in the past years

	2019		2020		2021		2022	
	▲	▼	▲	▼	▲	▼	▲	▼
Average salary of the President* ^{1, 2}	100%	100%	100%	100%	100%	100%	100%	100%
Average compensation of the President* ³	100%	100%	100%	100%	100%	100%	100%	100%
Average salary of senior executive* ⁴	104%	100%	103%	100%	109%	100%	103%	100%
Average compensation of senior executive	112%	100%	108%	100%	110%	100%	106%	100%
Average salary of entry managerial roles* ⁵	105%	100%	105%	100%	104%	100%	102%	100%
Average compensation of entry managerial roles	106%	100%	104%	100%	106%	100%	102%	100%
Average salary of non-management personnel	97%	100%	97%	100%	97%	100%	96%	100%
Average compensation of non-management personnel	100%	100%	100%	100%	100%	100%	99%	100%

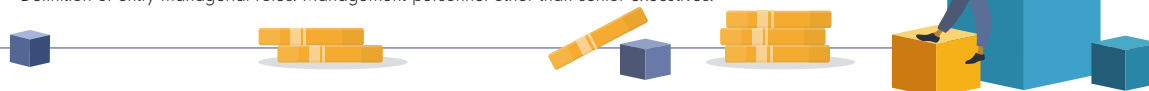
*1 : The salary and remuneration of the President are proposed by the Remuneration Committee and submitted to the Board of Directors for review. There is no gender-based variation.

*2 : Definitions of salary: Salary refers to the monthly base salary, position allowances, various other allowances, compensation for overtime work, etc.

*3 : Definitions of compensation: Compensation refers to the salary + other incentives (e.g., Employee compensations, bonuses, retirement benefits, severance pay, and incentives of material value).

*4 : Definition of senior executive: based on definition of "managerial officers" (including managers of foreign sub-branches) established in Tai-Cai-Zheng-3 No. 920001301 letter dated March 27, 2003

*5 : Definition of entry managerial roles: Management personnel other than senior executives.



We offer a fair workplace with gender equality. At FFHC, female directors and female independent directors account for 57% and 60% of the Board of Directors, respectively, and a female member of the board also serves as the convener of the Company's Audit Committee. The Board of Directors of FFHC and its bank and life insurance subsidiaries is chaired by a female chairperson, and the Presidents of FFHC and its bank and securities subsidiaries are all women. The ratio of female employees with managerial and non-managerial roles in the Group is higher than that of men. As of the end of 2022, women account for 50.2% of the Group's 317 senior executives, and 48.5% of women hold job positions with potential for salary increase. In addition, 470 female employees or 43.8% of employees of the Company have positions relevant to Science, Technology, Engineering, and Mathematics (STEM). This composition shows that there are no gender-based differences in the Company's hiring and promotion practices.

●○ Proportion of Female Executives and Employees in Past Years

Item	Year	2019	2020	2021	2022
Percentage of female employees (%)		59.9	60.0	60.4	60.1
Percentage of female executives (%)		51.2	51.2	51.1	50.4
Percentage of junior female executives (%) ^{*1}		51.3	51.3	50.9	50.4
Percentage of senior female executives (%)		51.1	50.9	51.9	50.2
Percentage of female employees in management roles that have the potential for salary increase (e.g. sales)(%) ^{*2}		48.4	53.2	40.1	48.5
Percentage of women in related STEM positions (%) ^{*3}		38.1	38.8	43.1	43.8

*1 : Number of junior female executives/total number of junior executives (Definition of junior executive: Management personnel other than senior executives.)

*2 : Number of female executives in positions with potential for salary increase/total number of executives in positions with potential for salary increase(excluding supporting departments such as human resources, IT, and legal affairs)

*3 : We started the disclosure of the percentage of women in related STEM positions in 2020 ; STEM refers to Science,Technology, Engineering, and Mathematics ; We recruit employees based on their professional skills and do not set gender-based thresholds for recruitment.

3-5 Freedom of association

To promote employer-employee harmony as well as support business development and employee welfare, all companies have set up diverse and confidential employee communication channels.The Employer-Employee Meeting at each company consists of an equal number of labor and management representatives. The conference is held periodically to discuss employer- employee issues such as improvements to working conditions and benefits. The Employer-Employee Meeting of other companies are convened each quarter. All effort is made to find a mutually beneficial outcome in order to enhance employer- employee relations and cooperation. The number of Employer-Employee Meetings convened in the past four years and the number of motions are provided in the table below.In 2022, no sanctions were suffered due to labor-management disputes (refers to cases and complaints of labor-management disputes).

●○ Statistics on Employer-Employee Meetings in the past years

Item	Year	2019	2020	2021	2022
No. of meetings		28	32	30	31
Proposals		76	70	71	68
Labor disputes (number of cases)		0	0	0	0



All companies of Group protect employees' freedom of association in all domestic and foreign business locations. First Bank signed the 4th collective bargaining agreement with the First Bank Union in 2019. The terms of the agreement covered employment, transfer, dismissal, working hours, routine leave, leave applications and holidays, compensation, benefits, compensation for occupational injury, retirement and death benefits. The collective bargaining agreement also specifies that in the event of a merger, reorganization, transfer, demerger, or other material changes to operations, the process shall be transparent and material decisions must be provided to the union and employees immediately after the Employer-Employee Meeting. Where necessary, employees shall be given severance pay and provided with favorable compensation. 27.8% of the articles pertained to employee health and safety. Around 94.22% of employees are covered by the collective bargaining agreement. The employees and employer of First Securities and First Financial AMC completed the signature of the collective bargaining agreements in April 2019. Contents also included provisions for labor rights protection in the event of material changes in operations. More than 15.8% of the provisions involved health and safety and they were commended by the Ministry of Labor for promoting cooperation between employees and the employer and mutual prosperity.

●○ Statistical table on number of employees who are members of the union

Item	Year	2019	2020	2021	2022
No. of employees who are members of the union		7,300	7,500	7,500	7,516
Percentage of employees who are members of the union (%)		96.51%	97.94%	96.84%	94.22%

*1 : Percentage of employees who are union members = number of employees who are members of the union / number of employees (excluding local hires of overseas offices and temporary personnel)

*2 : Reduction in members was due to an increased number of retired employees and relatively low number of new recruits who became a member.

3-6 Sexual Harassment Prevention

To foster a friendly workplace where employees are safe from sexual harassment, we have announced and implemented the "Regulations on sexual harassment prevention, complaints and investigation". Random inspections of posters on sexual harassment prevention and laws were conducted in northern, central and southern Taiwan as well. The company website now contains information on sexual harassment prevention, along with a sexual harassment telephone hotline, fax and e-mail. Complaints are handled by dedicated staff. All FFHC companies have also incorporated "Sexual Harassment Prevention and Handling Procedures", "Laws and Gender Equality at Work", and "Sexual Harassment Prevention Cases" and other courses into orientation and compliance training. Sexual harassment prevention and gender equality awareness courses are regularly incorporated in management training classes to improve management's knowledge on the prevention and handling of sexual harassment. Persons in charge of handling sexual harassment claims are regularly trained to improve their professional knowledge and investigative skills; specifically, they are appointed to attend training programs hosted by external agencies, including professional training courses on skills for investigating sexual harassment claims and relevant seminars. In 2022, a total of 8,938 employees of the Group participated in sexual harassment prevention courses.

In addition, a "Sexual Harassment Complaints Committee" with 9 committee members has also been established and more than half of the members are female. The committee members serve for 2 years and their terms may be extended. The members of the committee must possess actual experience with handling sexual harassment, as well as a background in law, social sciences and human resources. According to rules, investigation procedures for any occurring cases must be conducted in private and within 7 days of receiving the complaint. Results of the investigation are sent to the involved party after completion and an investigative report is submitted to the committee for review and closed within 2 months. The committee shall review established cases and issue appropriate punishments to the perpetrator; aside from a role transfer to prevent further contact with the victim, the perpetrator shall receive demerits. Assistance and support shall be offered to the victim and aside from respecting and providing suitable work arrangements, mental consulting services shall be provided by Teacher Chang Foundation; a lawyer will be hired to provide assistance in cases involving civil compensation. In order to protect the privacy and character of the involved party, members of the Sexual Harassment Committee and relevant undertakers are obligated to maintain confidentiality of the involved party's name or other identifiable information unless it is necessary to the investigation or there are other considerations towards public safety. To reiterate the importance of confidentiality, the committee chair must read aloud the relevant terms to all attending members before each meeting. There have been no complaints or cases of sexual harassment at the Company in 2022.

●○ Statistical table on related human right complaints in the past years

Item	Year	2019	2020	2021	2022
Sexual harassment (number of case)		0	5	1 (Not established)	0

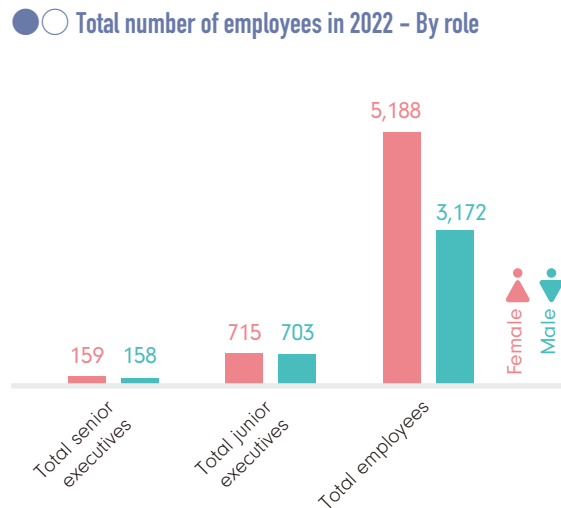
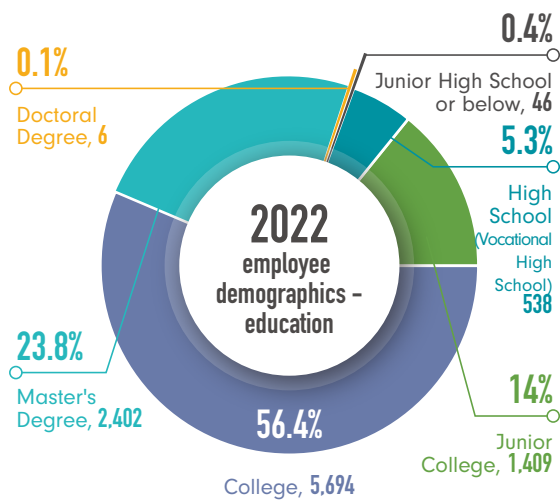


Diverse Talent Recruitment and Skill Cultivation

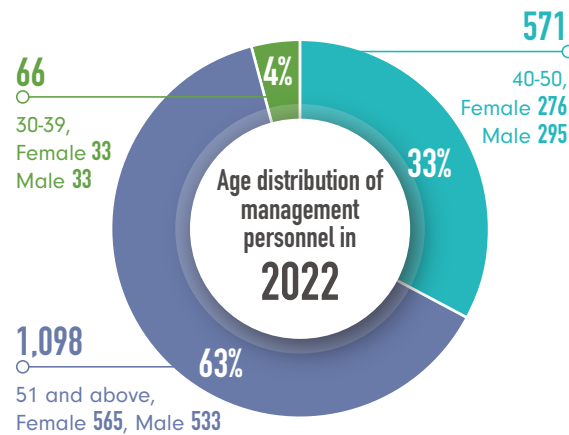
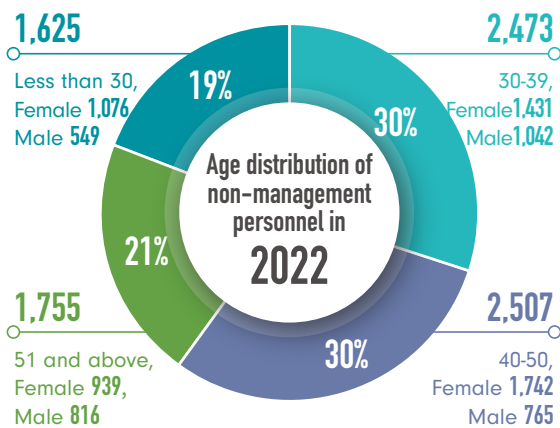
GRI : 2-7、2-8、202-2、401-1、404-1、404-2、404-3、405-1

4-1 Employee composition and diversity

Employees form the core of the financial service industry. FFHC has not only established a brand image of sound management in the minds of the general public but is also working actively to build a "happy workplace." We have long adhered to our philosophy of "employees are the company's most valuable asset." We are committed to creating an ethical, transparent, caring and cooperative working environment for employees. Employees are also encouraged to realize their full potential and create value. As of 2022, the number of full-time employees in the group is 10,095 (578 foreign personnel, 6,062 female employees, 4,033 male employees, female to male ratio of approximately 6:4, managerial personnel account for 17.2%, female managerial personnel account for 50.4%, the proportion of female managers and employees is higher than their male counterparts; The proportion of senior management hired from domestic residents was 100%. Additionally, there were a total of 118 non-employee workers (includes staffers, security, maintenance, and cleaning personnel) at the Group in 2022.



Unit: person



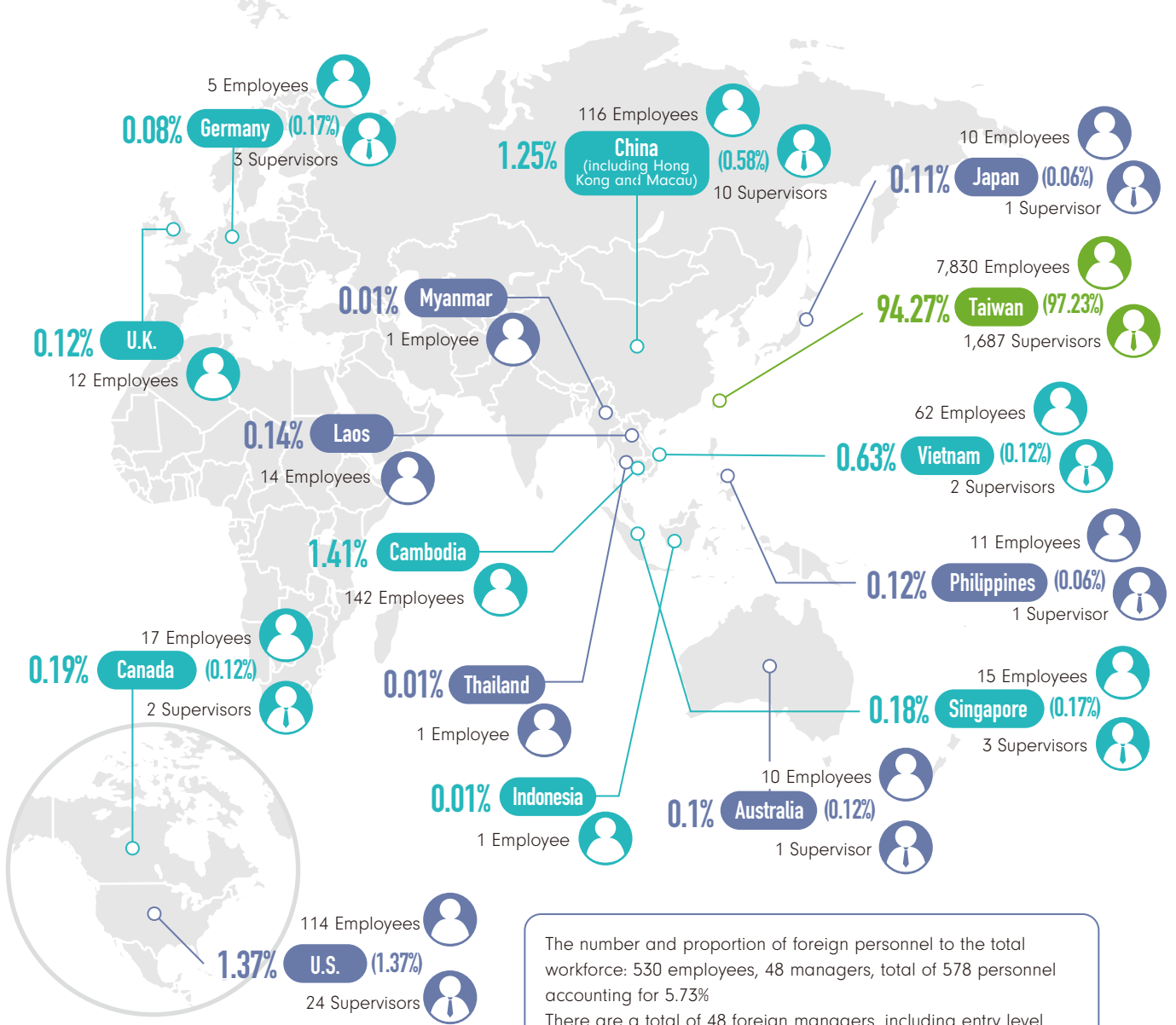
Unit: person

2022 Statistics of Non-Employee Workers

Type	Staffers	Security	Maintenance	Cleaning
Sub-Total	76	16	8	18
Ratio	64.4%	13.6%	6.78%	15.3%
Total	118			

* : This statistic refers to the personnel dispatched from Headquarters who are non-employee workers covered by the occupational health and safety management system.

●○ 2022 Foreign Employees by Nationality and Percentage



The number and proportion of foreign personnel to the total workforce: 530 employees, 48 managers, total of 578 personnel accounting for 5.73%
 There are a total of 48 foreign managers, including entry level, middle, and senior management personnel accounting for 2.77%

●○ Employee Composition Statistics of the Group

Unit: People

Region	Level of employee	▲	▼
Taiwan	Permanent employees	5,600	3,894
	Temporary employees	16	7
	Full-time employees	5,600	3,894
	Part-time employees	0	0
Overseas	Permanent employees	442	132
	Temporary employees	0	0
	Full-time employees	442	132
	Part-time employees	4	0

* : There are 0 employees without guaranteed hours. This refers to how there are no employees with guaranteed minimum or fixed work hours such as employees on zero hour contracts and standby.

4-2 Human Capital and Recruitment

To catalyze the development of innovative financial products and services, we recruit top professionals with a background in business management, information science, science and engineering, law or psychology. Since 2014, we have recruited more than 300 professional personnel and high-level managers with related digital technology expertise such as information safety management, big data analysis, social media management, and Internet marketing management. In coordination with the global strategy of dedicating recruitment efforts in the ASEAN region, the search for talent also continues in overseas locations across the U.S. and Europe. The addition of an overseas group when hiring reserve managers has resulted in the active recruitment of talent with language skills such as English, French, German, and Spanish into the operations team to implement an elite talent cultivation policy based in diversity.

On the other hand, the Company focuses on the observable professional capabilities of employees as well as their internal personality traits to predict the future job performance of employees. As such, a variety of digital tools have been introduced for this purpose, such as: AI video interviews and talent assessment systems to improve the efficiency of talent selection and act as a basis for refining human resource development. In order to understand the leadership potential of employees, the bank introduced the Career Personality Aptitude System (CPAS) for the selection of deputy manager reserves in 2014. The result of aptitude tests provides an objective assessment of managerial capabilities and were given to interviewers for reference and improving the identification of professional ability as managers. Starting in 2016, the test was also implemented into the selection process of core reserve talent (MA).

●○ Status of diverse talent recruitment in 2022

Target	Goals	Project	Execution Results
Finance talents	We work together with academic institutions to build a comprehensive supply chain of financial professionals, and use work-study and internship programs to quickly connect outstanding students with real experience in the financial industry.	<ul style="list-style-type: none"> "Work-Study Program for Youths for Economic Independence" of the Youth Development Administration of the Ministry of Education "Youth Employment Pilot Program" of the Workforce Development Agency, Ministry of Labor 	<ul style="list-style-type: none"> The program helps youths experience, learn, and explore professional careers, gain economic independence during their studies, and improve their career development competitiveness. We recruited 35 summer interns in 2022 and we have provided more than 496 students with part-time job opportunities since 2011. The Ministry of Education encourages high school and vocational high school students to explore their career opportunities during their studies by participating in the "Career Counseling Program for Students in Senior High School and Below". 1 student took part in 2022 and was hired as full-time employees.
Cross-border talents	With the expansion of First Bank's overseas subsidiaries, the Bank's demand for talented expatriate personnel has increased. We hope to cultivate international talents to enhance their understanding and support of the Group.	<ul style="list-style-type: none"> Strengthen training mechanisms for overseas trainees Expatriate System Survey 	<ul style="list-style-type: none"> The Bank has established and implemented the "overseas management personnel program and "sales personnel for China program" since 2009 and has trained a total of 399 overseas trainees. In order to increase the willingness of colleagues to take on overseas positions, the "Expatriate System Survey" was implemented in July 2022 to consider employee feedback when refining the expatriate system. When recruiting reserve managers (MA) in 2023, an "overseas group" was included for those willing to work in overseas locations; the remuneration and benefits provided for these positions are generous within the financial sector. First Bank has more than 40 overseas locations and the recruitment of MA for the overseas group addresses potential future labor shortages while expanding cultivation channels for international talent in finance.
Digital talents	Understanding digital finance development is the key for success in the era of digital finance. We help our employees to improve their digital skills and actively recruit skilled employees with scientific, mathematical, and information backgrounds.	<ul style="list-style-type: none"> Financial technology and other professional talent recruitment Individuals from the company's core talent pool are appointed to participate in digital projects 	<ul style="list-style-type: none"> We recruited 48 FinTech talents in 2022. They include specialists in big data analysis, social media management, digital channel planning, and information security. The Company strengthens its cultivation of digital talents by building a core talent pool comprising management associates (MAs) who possess digital, innovative thinking, design thinking, and agile management skills. Specifically, four major projects are arranged for MAs, including digital account promotion, collaboration with different industries on open banking innovation, analysis of customer behaviors in digital channels and marketing activities, and digital recreation.
Industrial-academic and cross-industry cooperation talents	The Company has established a presence on campus and identifies talented students to cultivate talents with potential for research and development in the financial industry and enhance management services and added value of its products.	<ul style="list-style-type: none"> Industry-academia partnerships with universities Special programs in financial practices Named sponsorship for the 5th LSC League of Legends School Championship 	<ul style="list-style-type: none"> Co-organized industry-academia training programs with 131 universities. A total of 240 interns were recruited from 2019-2022 to participate in the practical operation of financial businesses and 174 were retained as full-time employees, thereby attracting outstanding students to serve this Group upon graduation. In 2022, recruitment for digital information and customer service interns were added to expand employment channels for diverse talent. Partnered with the National Taipei University of Business to launch a "Special Program in Financial Practices" where lecturers with professional experience were appointed to teach young students about financial practices.

FFHC embraces tolerance and multiculturalism in our recruiting policy every year. There are no restrictions based on school, major, age, background or gender. In 2022, the number of employees with disabilities in the Company satisfied or exceeded the government quota. They also enjoy the same salary and benefits as regular employees. A total of 944 new employees were recruited in 2022 with a women:men ratio of 6:4.

As of the end of 2022, the Group had 46 overseas business locations including 18 operations in Southeast Asia. In addition to hiring the most compatible and talented employees, the business locations also provide local residents with prioritized employment opportunities to continue to implement local management. Local hires with outstanding performances are promoted annually, with some holding managerial positions, emphasizing the diversity and inclusiveness of the Group while benefiting business expansion. As of the end of 2022, the Group has hired 578 foreign employees including 149 new foreign employees.

Overview of employee diversity in the past years

Unit: Persons

Year	Item	Persons with physical and mental disabilities	Indigenous People	No. of Nationalities
2018		99	4	14
2019		98	7	15
2020		99	7	14
2021		95	6	14
2022		87	7	14

* : The decrease in employees with physical and mental disabilities is due to the request for early retirement by certain personnel.

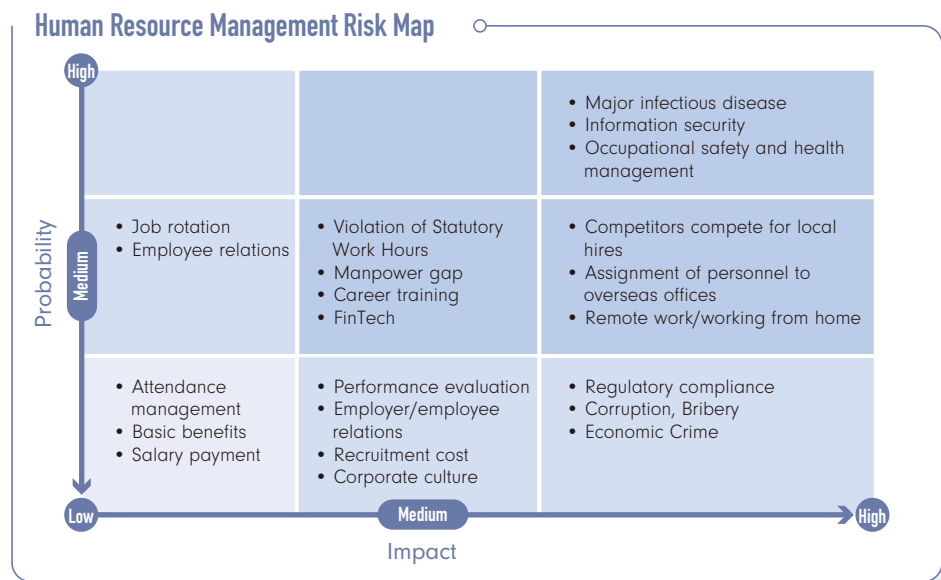
Statistics of new recruits and total number of employees in 2022

End of 2022	Total no. of employees	▲			▼			Total	
		Less than 30	30-50 years old	51 and above	Less than 30	30-50 years old	51 and above	▲	▼
Number of employees in Taiwan	9,517	245	164	32	166	161	27	441	354
Percentage of all employees (%)	94.27	2.43	1.62	0.32	1.64	1.59	0.27	4.37	3.5
Number of employees overseas	578	58	32	12	22	20	5	102	47
Percentage of all employees (%)	5.73	0.57	0.32	0.12	0.22	0.20	0.05	1.01	0.47
Total	10,095	303	196	44	188	181	32	543	401
Percentage of all employees (%)	100	3.0	1.94	0.44	1.86	1.79	0.32	5.38	3.97
Total number of colleagues with the same gender/age out of total employees	-	1,076	3,482	1,504	544	2,133	1,349	6,062	4,033
Percentage of employees of the same gender/age (%)	-	28.2	5.6	2.9	34.6	8.5	2.4	8.96	9.94



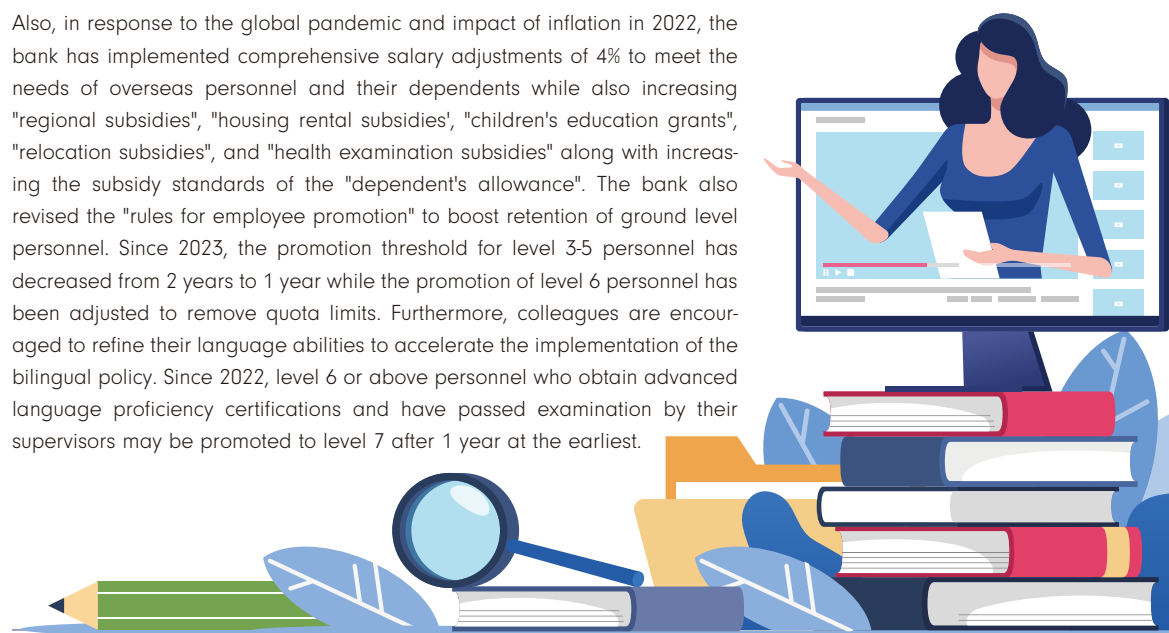
4-3 Human Resource Management Risk Map

FFHC evaluates the impact of ESG risk factors on the Group's operations in the establishment of business locations, new business development, loan investments, procurements, planning of business strategies, and human resource development. The human resource management risk graph drawn up based on the 22 selected evaluated factors in 2022, with the vertical axis as incidence probability and horizontal axis as the impact on company operations, is as follows. The 10 factors designated as medium to high probability incidence were categorized as those requiring risk management.



In 2022, due diligence investigations were conducted to identify the occurrence rate and impact level of major issues such as "major infectious diseases", "Information security", and "occupational health and safety management" to establish and implement plans that can mitigate relevant risks and their impact on this Group, such as: Revised provisions within the "Major Epidemic Response Plan" and "Crisis Management Guideline for Overseas Units" in response to the COVID-19 epidemic and geopolitical risks of overseas operating locations. In the event of a crisis or disaster, the task group method is used to form crisis management teams that seek solutions to prevent the risk of interruption to operations.

Also, in response to the global pandemic and impact of inflation in 2022, the bank has implemented comprehensive salary adjustments of 4% to meet the needs of overseas personnel and their dependents while also increasing "regional subsidies", "housing rental subsidies", "children's education grants", "relocation subsidies", and "health examination subsidies" along with increasing the subsidy standards of the "dependent's allowance". The bank also revised the "rules for employee promotion" to boost retention of ground level personnel. Since 2023, the promotion threshold for level 3-5 personnel has decreased from 2 years to 1 year while the promotion of level 6 personnel has been adjusted to remove quota limits. Furthermore, colleagues are encouraged to refine their language abilities to accelerate the implementation of the bilingual policy. Since 2022, level 6 or above personnel who obtain advanced language proficiency certifications and have passed examination by their supervisors may be promoted to level 7 after 1 year at the earliest.



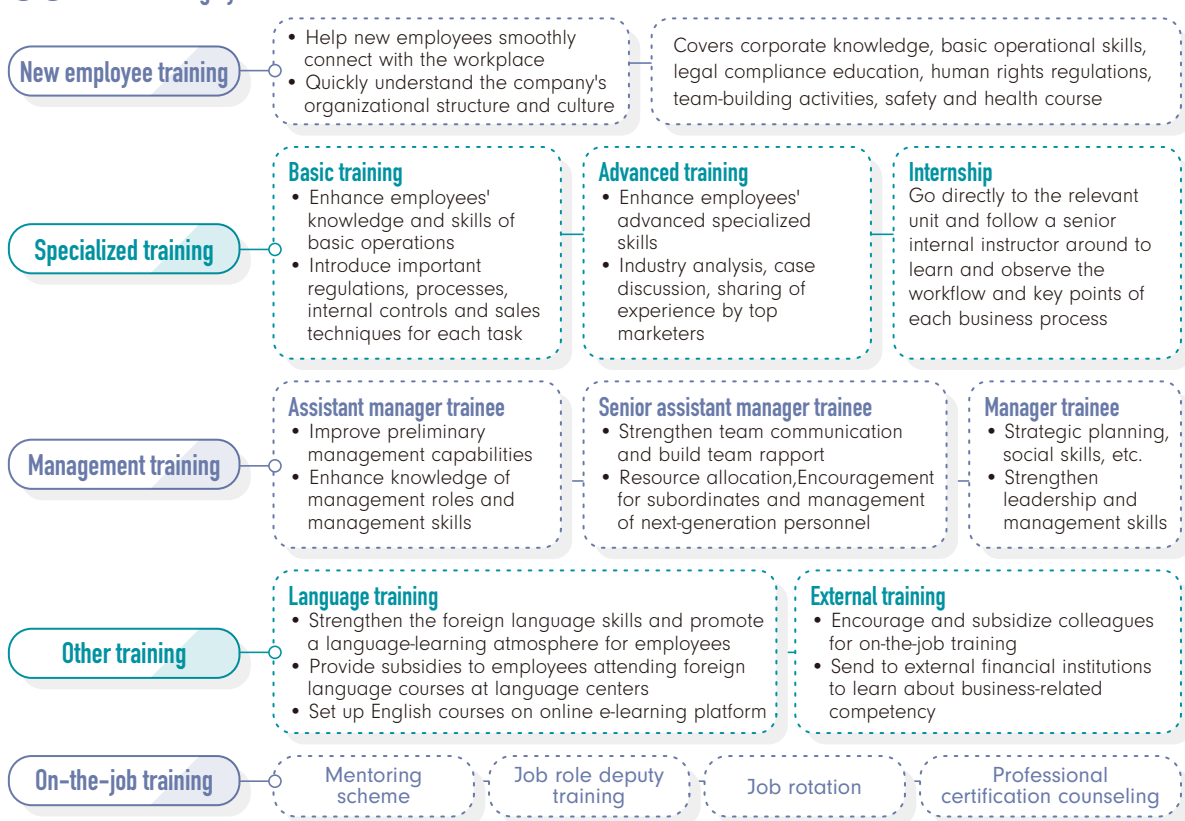
4-4 Complete development system

New employees immediately enter our training system upon reporting for work. Comprehensive training plans are available from basic, advanced professional, deputy managers, managers, and senior management. For those that meet management personnel selection qualifications, we organize related training courses and tests and used one or two phases of interviews, 270-degree evaluations (supervisors, peers, and subordinates) to evaluate employees' management and leadership skills.

For employee professional competency development, employees are encouraged to actively participate in training courses, acquire related certificates necessary for their businesses, and propose innovative work plans. Employees receive credit for acquiring related professional certification during annual performance evaluations, and are given bonuses for innovative proposals. Between 2019~2022, a total of 321 employee proposals were adopted and NT\$102,600 in bonuses issued. Apart from solid on-the-job training as well as practical experience gained through job rotation, we also organize a variety of professional training, online training, internships, language training, internal certification testing and management competency training. To acquire new financial knowledge and the latest industry developments, personnel are frequently sent to attend training courses and overseas development programs organized by professional training bodies.

First Bank has implemented a management enhancement program to enhance the management functions of management personnel. The bank has established a modular training system based on the needs of management competencies on each level. The system provides a variety of courses on common management issues, effective management methods, and communication skills for communicating with superior officers and subordinates to reduce management difficulties and help improve management quality. The training is based on a dual-track system of both "leadership management competencies" and "business management competencies".

●○ Career training system



●○ Bonuses awarded for innovative employee proposals within the last 4 years

Unit: case, NT\$

Employee proposals	2019	2020	2021	2022	Total
Total proposals	97	196	147	322	762
No. of awarded proposals/Bonuses	45 / 15,200	76/24,000	74/23,000	126/40,400	321/102,600

4-5 Talent Training Programs

FFHC attaches a high level of importance to the cultivation of people with great potential. We use the performance evaluation matrix to identify employees with high performance or potential then tailor "Individual Development Plans" (IDP) to their professional background, language skills, and competency analysis. We also continue to work with external professional training institutions to provide training for related professional finance skills. First Bank works with the Taiwan Academy of Banking and Finance and Taipei Foundation of Finance in organizing professional training for foreign exchange derivatives, trusts, compliance, anti-money laundering, and overseas trainees. First Securities and First Securities Investment Trust arrange professional training courses such as pre-service training, on-the-job training, and business seminars through related business associations and the Securities and Futures Institute.

Overseas talent is also a key component of our global expansion. To ensure the smooth operations of overseas business units and the stability of the business operations of the unit. Outstanding employees interested in working at overseas branches are selected for management associate training every year. We provide employees with different professional training and foreign language courses based on their different business experience and professional background to strengthen their language skills, business skills, and management skills for understanding cultural diversity. As of the end of 2022, 399 overseas management associates have been cultivated.

The companies of the Group established various career development training programs for employees in response to the human resource risks under management. To ensure the "qualitative" and "quantitative" talent development and protect and control training effectiveness, we introduced the Kirkpatrick Model and Human Capital ROI to review and evaluate the changes and effectiveness of employees' behavior and performance during and after training.

Evaluation level	Evaluation method	Description
Response level (Level 1)	Questionnaire	Arranging students to fill out the course satisfaction survey after training, and encouraging them to suggest improvements to the course
	After course evaluation	Arranging a test immediately after the course to evaluate learning results
Learning level (Level 2)	Mock exercise	Conduct of scenario play, enhancing effectiveness through simulation practice
	Project presentation	Arranging students to conduct presentation and analysis of actual cases to enhance their application capabilities
Behavior level (Level 3)	360-degree evaluation	Evaluate whether a new employee has applied his knowledge in daily work through daily work performance, manager's review, as well as feedback of colleagues and customers
	Practical Assessment	Evaluation of student's work quality and professional knowhow
Results level (Level 4)	Effectiveness evaluation	Evaluating training effectiveness through operating performance growth
Returns level (Level 5)	Return on investment evaluation	Use the return on investment (ROI) to evaluate the results of training *ROI: (Financial benefits - training cost) / training cost

●○ Effectiveness of training based on implementation of the Kirkpatrick Model

Training program to link ESG and operations				
Objective: Implement strong ties between ESG and operations to boost the positive impact of sustainability and business performance.				
Operating performance: Strengthen the sustainable finance literacy and operating capabilities of colleagues, encourage enterprises to apply for green financing loans, increase the proportion of green financing to the overall enterprise's loan amount to promote a positive circulation of sustainability and operating performance. In 2022, the amount of approved green financing loans reached NT\$663.756 billion.				
Kirkpatrick Evaluation Level	2019	2020	2021	2022
Reaction level L1 : Number of personnel trained in ESG program	1,420	1,814	1,853	1,616
Learning level L2 : Number of participating volunteers at events	2,872	2,019	1,559	1,312
Behavior level L3 : Satisfaction level of volunteer services (%)	-	92.28	89.53	90.06
Results level L4 : Approved amount of ESG/green financing loans (NT\$100 million)	8,093.8	4,692.91	5,291.16	6,637.56
Rewards level L5 : Balance of green/ESG financing loans as a percentage of the balance of enterprise financing loans (%)	93.2	53.76	54.36	61.92

Management Trainee Succession and Training Program

Target: Improve the competency indicators such as management and leadership skills and judgment of managers to attain all business objectives.

Benefits for operations: Strengthen the team leadership skills of managers to enhance the cohesion force and motivation of employees and increase the revenue of the Company. The Company has employed 649 management associates between 2019 and 2022.

Kirkpatrick Evaluation Level	2019	2020	2021	2022
Response level L1 : Average satisfaction rate of training course (%)	92.2	94.6	94.1	94.2
Learning level L2 : Test passage rate (%)	100	100	100	100
Behavior level L3 : Key talent retention rate (%)	100	100	100	100
Results level L4 : Operational risk ratio (%)	4.78	4.56	4.57	4.23
Returns level L5 : Estimated return on investment (ROI) for training	78.8	114.4	109.5	109.9

* : Operational risk ratio = (operational risks/total risk-weighted assets) *100%

* : Estimated return on investment (ROI) for training = revenue (operating expenses - (salary cost + benefit cost)) ÷ (salary cost + benefit cost)

Digital Banking Talent Transformation Program

Goal: Elevate their expertise in digital finance products and marketing capability.

Operating performance: We acquired 145 patents on Fintech inventions and new models and 3,472 employees passed the "Fintech knowledge certification". We enhanced the digital marketing performance with the enhancement of the smart customer service system, digital welcome system, and new functions in the mobile marketing platform app. The training cost in 2019, 2020, 2021, and 2022 totaled NT\$70,408 thousand, NT\$49,860 thousand, NT\$51,014 thousand, and NT\$57,183 thousand, respectively.

Kirkpatrick Evaluation Level	2019	2020	2021	2022
Response level L1 : After-course satisfaction questionnaire recovery rate (%)	90	88	95	94
Learning level L2 : Test passage rate (%)	100	100	100	100
Behavior level L3 : Utilization rate of electronic channels (%)	80.18	83.85	87.29	88.33
Results level L4 : Percentage of income from digital transactions (%)	6.97	7.49	8.12	6.99
Returns level L5 : Return on investment (ROI) evaluation	882	1,077	2,044	1,275

* : Financial benefits = interest income + service fee income

Overseas Trainee Program

Goal: Accelerate the professional training of overseas talent.

Operating performance: The increase in the quality of overseas personnel has helped the Bank increase overseas profitability each year. In 2019, 2020, 2021 and 2022 gross profits of overseas branches reached US\$264,032,000, US\$394,963,000, US\$425,098,000, and US\$427,310,000 respectively.

Kirkpatrick Evaluation Level	2019	2020	2021	2022
Response level L1 : Average satisfaction rate of training course (%)	92.6	93.6	91.7	92.6
Learning level L2 : Test passage rate (%)	100	100	100	100
Behavior level L3 : Overseas trainee turnover rate (%)	2.93	1.35	4.8	2.5
Results level L4 : Target achievement rate for new borrowers (%)	72.34	60.78	58.1	54.2
Returns level L5 : Operating margin growth rate of overseas units (%)	5.57	49.59	14.72	0.52

* : Although we maintained the operating margin in 2022, the comparison period was higher in 2021 and resulted in reduced growth rate of the operating margin.

Securities Salesperson Transformation Program

Goal: Respond to requirements for digital development, help salespersons evolve into an all-rounded financial management advisor

Operating performance: In 2022, a total of 166 securities salespersons acquired investment insurance certificates. The investment returns from co-marketing businesses in 2022 increased by 5.2%.

Kirkpatrick Evaluation Level	2019	2020	2021	2022
Response level L1 : Average satisfaction rate of training course	83.4	80.6	86	84
Learning level L2 : Test passage rate (%)	100	100	100	99
Behavior level L3 : Salesperson insurance license acquisition rate (%)	66.37	71.76	70.95	77.57
Results level L4 : Percentage of income of insurance products (%)	0.53	0.30	0.20	0.30
Returns level L5 : Return on investment (ROI) evaluation for insurance products through co-marketing	451.03	460.63	473.76	478.91

* : Financial benefits = service fee income for sales of insurance products

4-6 Employee Training and Development

In response to the FSC's bilingual banking policy, the Group launched online English courses and sponsored employees' participation in foreign language training and tests. First Bank also worked with Time International Language Center, Inc., Kojen English Centers and the Language Training and Testing Center in organizing the foreign language training for personnel, and the Company organized various English learning activities for employees, including English competitions, Test of English for International Communication, and foreign language proficiency test, and provided senior management and overseas personnel with foreign language training. We provided subsidies for 989 employees for foreign language training and test fees totaling NT\$4.36 million in 2022. As of the end of 2022, 3,069 employees passed English proficiency certification tests such as the LTTC, IELTS, TOEFL, TOEIC, BULATS, and GEPT, while 314 employees passed the JLPT and the LTTC's Japanese, Spanish, Korean, and German language certifications. To effectively strengthen Group personnel's knowledge and awareness of anti-money laundering and counter-terrorism financing, FFHC encourages employees to obtain the Certified Anti-Money Laundering Specialist (CAMS) certification. As of the end of 2022, 1,499 employees of the Group had obtained CAMS certification. 3,166 employees obtained the anti-money laundering and counter terrorism financing professional certification.

* : Professional certificates/licenses and number of licensed FFHC employees. Please refer to page 181~183 of the Company's 2022 Annual Report



●○ Bilingual Talent Development Program

Training Recipients	All employees
Training Content	<ul style="list-style-type: none"> • Purpose: The English proficiency training program is in response to the Financial Supervisory Commission's bilingual policy and the goal of establishing bilingual branches. • Content: Each year, a variety of English learning subsidies, competitions, and reward programs are implemented according to the "Learning Subsidies for Bank Personnel During Off Hours" and bilingual policy to encourage colleagues in the continued learning and accumulation of English proficiency. In 2022, the bank organized various learning programs such as subsidies for learning English through online platforms, advancement reward for English proficiency, managerial subsidies for English tutors, and subsidies for practical dialogue in bilingual branches to incentivize employee participation. A total of 989 personnel received subsidies totaling the amount of approximately NT\$4,357,000 in 2022. • Training Benefits: Support employees in building the habit of continuous English learning to lay the solid foundation for a bilingual bank.
Incentive Measures	<ul style="list-style-type: none"> • In 2022, the "Reclassification Guideline for the Promotion of Bilingual Personnel" was added as a direct promotion plan for level 6 personnel who have obtained advanced language proficiency certifications. • Industry-academia internship programs were co-organized with National Taipei University of Business as well as 13 other universities in 2022. A total of 100 students interned at branch locations and 91 interns applied for interviews; those who passed the interviews were appointed similarly to new employees. All admitted interns achieved language proficiency scores similar to TOEIC 600 and TOEIC 800 standards to reinforce the bilingual talent pool and enter as mid-level personnel of a higher job level.
Operating performance	Starting in 2021, the implementation of 25 bilingual branches is expected annually to complete bilingual coverage to all 188 domestic branches by 2028, thereby providing customers with accessible, comprehensive, and swift financial services.
Quantitative indicator	<ul style="list-style-type: none"> • The number of bilingual branches implemented increased from 12 (including 4 trilingual branches with services in Chinese, English, and Japanese) branches at the end of 2020 to 62 (including 11 trilingual branches with services in Chinese, English, and Japanese) by the end of 2022. • The ratio of employees who have completed English proficiency testing gradually increased from 30.87% at the end of 2020 to 39.21% at the end of 2022.

Professional Insurance Talent Training Program

Goal: Strengthen professional insurance knowledge to increase insurance marketing and fund utilization benefits.

Operating performance: After increasing the professional knowledge of channel sales representatives and investment department colleagues in First Life Insurance, a total of 11,866 accounts were newly added in 2022 while customer satisfaction level increased by 2%.

Kirkpatrick Evaluation Level	2019	2020	2021	2022
Response level L1 : After-course satisfaction questionnaire recovery rate (%)	89.80	90.6	91.5	93.82
Learning level L2 : Test passage rate (%)	100	100	100	100
Behavior level L3 : Customer satisfaction survey (%)	74.0	83.9	79.3	81.3
Results level L4 : Growth rate of the number of policyholders (%)	14.6	10.9	12	10.7
Returns level L5 : First Life Insurance EPS (NT\$)	0.63	1.14	1.3	0.12

We also organized digital finance courses to strengthen employees' digital finance knowledge. In addition to arranging employees to participate in external Fintech training courses and seminars, we also organized digital finance courses. As of the end of 2022, we had organized 12,181 hours of internal FinTech courses for a total of 2,838 participants. To increase the effectiveness of employees' training, we registered a total of 245,545 attendances of employees in internal and external training in 2022, which equals an average of 64.48 hours of training per person.

○ Average employee training hours and training expenses in past years

Item \ Year	2019			2020			2021			2022		
			Total			Total			Total			Total
Total attendances in training for managers	17,003	15,612	32,615	21,105	19,315	40,420	22,880	20,831	43,711	26,159	23,699	49,858
Total training hours for managers	58,176	54,383	112,559	66,194	59,823	126,017	61,117	54,265	115,382	70,006	64,769	134,775
Average training hours per manager	69.17	67.73	68.47	77.24	73.22	75.28	70.01	64.91	67.51	80.10	75.23	77.68
Total attendances in training for non-managers	74,009	42,381	116,390	90,480	52,325	142,805	98,881	57,315	156,196	124,178	71,509	195,687
Total training hours for non-managers	260,028	150,468	410,496	274,417	159,580	433,997	260,043	157,798	417,841	326,115	190,059	516,174
Average training hours per non-manager	53.18	49.64	51.82	54.33	51.08	53.09	50.56	50.63	50.59	62.86	59.92	61.74
Average employee training hours	54.68			56.86			53.49			64.48		
Average employee training cost (NT\$)	7,805			5,647			5,610			6,014		
Total training expenses (NT\$10,000)	7,466			5,561			5,593			6,071		

*1 : Managers refer to employees who assume managerial roles and administrative duties.

*2 : Training include physical and online courses.

○ Return on human capital investment of First Financial Holding in the past 4 years

Item	Year	2019	2020	2021	2022
Consolidated net income (a) (NT\$1,000)		62,317,874	59,568,228	62,604,429	67,756,394
Operating expenditure (b) (NT\$1,000)		23,901,112	24,730,173	26,274,683	27,787,186
Employee benefits expenditure (c) (NT\$1,000)		15,550,872	16,131,065	17,331,619	17,818,913
Human Capital ROI (a-(b-c)) / c		3.47	3.16	3.10	3.24
Total no. of employees		9,565	9,849	9,969	10,095

Talent retention and accessibility benefits

GRI : GRI 2-19 、 201-3 、 401-1 、 401-2 、 401-3 、 404-2

SASB : FN-CF-270a.1

5-1 Competitive remuneration and performance evaluation system

The Group regularly reviews investigations and reports on market remuneration and the level of benefits to fulfill the responsibility of caring for employees. The full annual salary of employees is at the market level of P65 (better than 65% of peers in the financial sector). After a comprehensive 2022 salary adjustment of 4% as well as average adjustments of 6.5% for promotions, the average salary of full-time employees in non-managerial roles is NT\$1,337,000, a 3.3% growth compared to NT\$1,294,000 in 2021. Total expenditure for employee benefits in 2022 was NT\$17.82 billion, a 2.8% increase from NT\$17.33 billion in 2021.

For employee compensation at overseas units, we take into account the remuneration survey results of international management consultants as well as local economic data, compensation trend forecasts and information exchanged with local competitors. The pay grade principle was used to gradually adjust the remuneration standards of local employees overseas. We are also focusing on global human resources issues to better look after the livelihoods of local employees and compliance with labor laws.

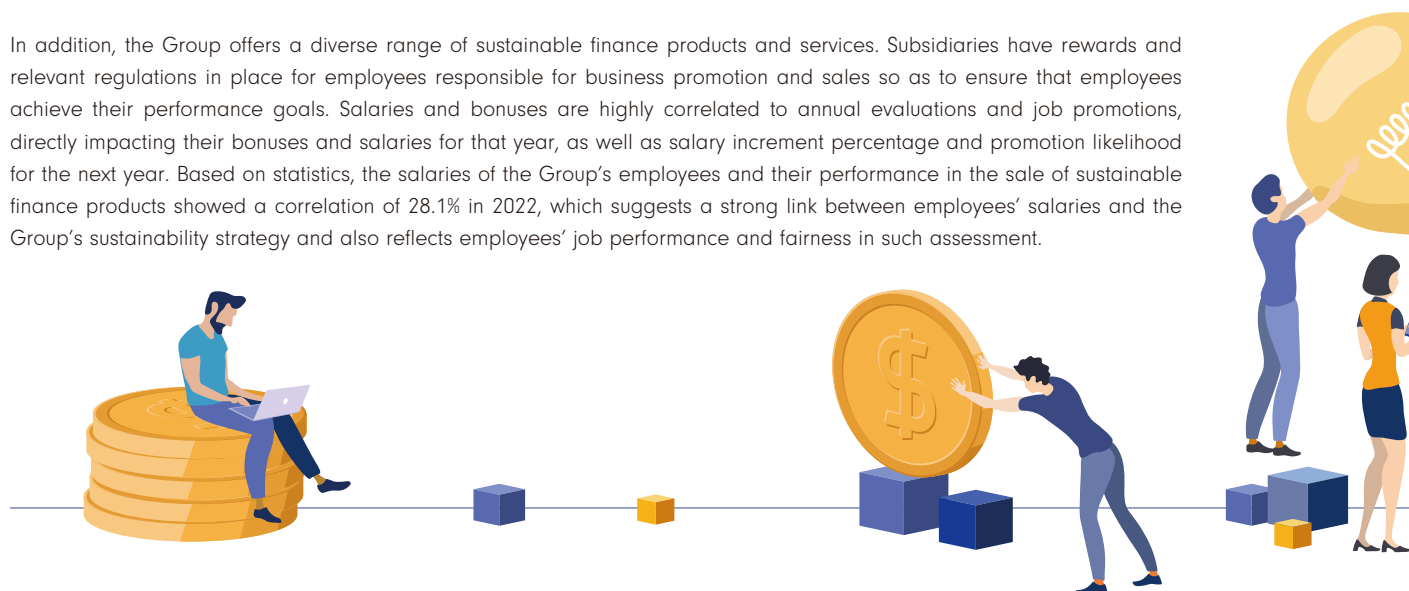
Information on salary of full-time non-supervisory employees

Item \ Year	2019	2020	2021	2022	Percentage of change (%)
Number of people	7,835	8,056	8,171	8,360	2.3
Average salary (Thousands NTD)	1,243	1,208	1,294	1,337	3.3
Median salary (Thousands NTD)	1,133	1,103	1,180	1,245	5.5

* : Calculated in accordance with Article 3, Paragraph 1, Subparagraph 31 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Fund.

Apart from a transparent and fair evaluation system, regular performance and career development assessment is conducted on all employees. Evaluations in the first and second halves of the year are used as a way for managers to build up employee consensus on individual targets set by the company. At the end of the year, results of mid-year evaluations are used to summarize the overall performance of the employee for the year and emphasizes the long-term performance of employees and implements the "Employees Stock Options Purchase Plan" in order to boost morale and reward employees who contributed significantly to the company. During application for capital increase, employees can purchase their respective amount of stock options at a favorable price based on their position, seniority and performance. The amount of stock options issued is higher than the market standard to effectively enhance employee loyalty.

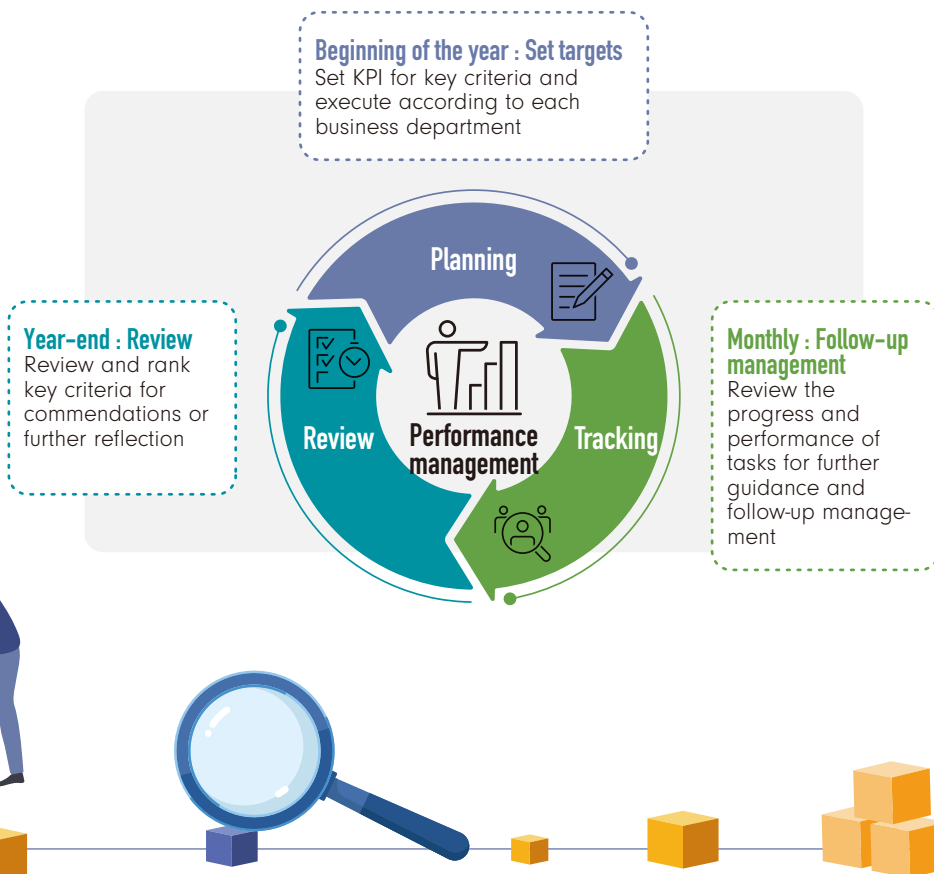
In addition, the Group offers a diverse range of sustainable finance products and services. Subsidiaries have rewards and relevant regulations in place for employees responsible for business promotion and sales so as to ensure that employees achieve their performance goals. Salaries and bonuses are highly correlated to annual evaluations and job promotions, directly impacting their bonuses and salaries for that year, as well as salary increment percentage and promotion likelihood for the next year. Based on statistics, the salaries of the Group's employees and their performance in the sale of sustainable finance products showed a correlation of 28.1% in 2022, which suggests a strong link between employees' salaries and the Group's sustainability strategy and also reflects employees' job performance and fairness in such assessment.



The "Retention and Promotion of Employees" regulation stipulates that employees above grade 5, upon accumulating 2 years of seniority, would be promoted according to number of years in service, performances, sales capability, management capability, leadership qualities and business requirements. In addition, employees' salaries and bonuses are highly correlated to annual evaluations and promotion levels. Annual evaluations directly affect employee bonuses and salaries for that year, as well as salary increment percentage and opportunities for promotion for the next year; Approximately 35% of the special incentive bonus is based on the employee's long-term performance and special contribution. The calculation of employees' compensation is based on weightage on evaluation as well as seniority and position. Promotion of employees takes into consideration the current position, as well as evaluation scores for the last 1-9 years; the selection of assistant supervisor associates take into account their evaluation scores at the current grade for the past 1-5 years as well. Each weightage is correlated to the employees' long-term performance. Additionally, ESG training has been included as an indicator, accounting for approximately 5-6% in the performance evaluations of all employees. Evaluations for the promotion of reserve deputy managers will list volunteer activities as a necessary criterion to practice sustainable development by protecting the environment and caring for the disadvantaged. The compensation of personnel is linked to individual performance evaluations and departmental performance to appropriately reflect operating performance or results in employee remuneration. Employee compensation will be distributed based on operating performance so that employees may share in the Company's operating results.

Encourage teamwork based in agile thinking

The Group established operating performance review guidelines for domestic operations by implementing performance review based on the 3 procedures of planning, tracking, and review. Business targets are established at the beginning of each year and incentive events such as war reports or honor rankings are held for key businesses at the middle of each year. Execution performance is tracked monthly so that departments can offer timely guidance and feedback. At the end of each year, teams and individuals are given rewards and bonuses based on execution results; additionally, the 4 steps of PDCA are utilized to train employees in agile thinking. Cross-company and department integration of resources through teamwork models are encouraged to improve the cohesiveness of teams so that hopefully an agile culture of teamwork can be formed to quickly address changes in market trends.



5-2 Talent Retention Measures

To increase the competitive advantage and employees' willingness for long-term employment, attract and retain quality talents by offering benefits, and encourage employees to start saving for their retirement, the Company began implementing the "employee group annuity insurance" scheme in 2020. Full-time employees who have worked for the Company for more than 6 months are free to opt in for the insurance. The Company provides a fixed amount of subsidies for insurance premiums. Employees may claim the annuity benefits upon retirement or collect the value of their insurance policy account in advance when they leave the Company. The value of the policy account with company contribution of insurance premiums shall be determined based on the employee's number of years of enrollment and the contribution ratio described as follows:

Years of enrollment	Value of the policy account with company contribution of insurance premiums and contribution ratio (%)
< 3 years	0
3-6 years	50; Calculated based on the accumulated policy account value of the insurance policy at the time
6 years or more	100; Calculated based on the accumulated policy account value of the insurance policy at the time

The Bank also started the "Employee Deposit and Employee Shareholding Trust" to provide official employees who have served for more than six months with the option of participating in deposit or shareholding trusts starting from 2019. The Bank provides a fixed amount of deposit each month. As of the end of 2022, 94% of individuals have participated in the program. The Bank deposited a total of NT\$90.92 million. We help employees share the Company's growth and the interest derived from rising stock prices through long-term shareholding of the Company's shares to strengthen cohesion. When they resign, employees could withdraw the entire amount invested in their voluntary pension account; whereas the amount that can be withdrawn from the mandatory pension account is dependent on employees' number of years in the trust plan:

Number of years in trust plan	Percentage (%) of amount that can be withdrawn from the mandatory pension account
< 3 years	0
3-6 years	50 (Plus cumulative profit or loss from this)
6 years or more	100 (Plus cumulative profit or loss from this)

First Life Insurance appropriates retention benefits for employees each month and purchases group annuity insurance based on the preferences of employees to strengthen their economic independence after retirement. As of the end of 2022 a total of 127 employees participated in the program and we appropriated a total of NT\$44.74 million.

First Financial Investment Trust has implemented a long term incentive plan for fund managers that exceeds 1 year. In accordance to the "Investment Researcher's Compensation and Penalty Plan", long term performance bonuses would be awarded after 2 to 3 years of fund management. The bonus would be given in stages to prevent any loss on the company's end after the award of bonuses.

We are working to create a happy workplace environment with diversified benefits and comprehensive compensation/bonus scheme. We have established incentive schemes to encourage employees to focus on performance and established clear avenues of promotion. The selection, evaluation, training and promotion of future management associates and overseas management personnel are held at regular intervals as well. Employee attributes, experience and specialties are compiled into a database then analyzed to provide a reference for planning the employee's career development. Apart from new employees who are recruited as replacements for dismissed and resigned employees, experts and management professionals are cultivated internally. We also encourage employees to attend external courses in their spare time. Subsidies are provided based on their grade and the course. Employees studying finance-related graduate or higher degrees in Taiwan and overseas may also apply for up to 3 years of unpaid leave. We endeavor to enhance corporate sustainability by promoting lifelong employability among employees.

We encourage internal rotations for talents and increased opportunities for employees to actively arrange and plant their personal careers. The Company has strengthened the disclosure of information on internal openings and focused on on-the-job training for employees. We also use systematic job rotations to gradually reduce the turnover rate of employees. Our group turnover rate was 7.08% at the end of 2022. If those applying for retirement at the age of 65 in accordance with the Labor Standards Act are excluded then the turnover rate was 6.03%. Our internal opening fulfillment rate was 70.07% in 2022.

In recent years, we have repeatedly increased the starting salary of new employees with an increment percentage of 6.5%, an above average increment when compared to industry peers. The ratio of the minimum salary of entry-level employees to the local minimum wage is 1.51:1. We also use transparent and fair promotion and performance evaluation mechanisms to create a diversified bonus system to provide the young generation with a fair, transparent, and promising future. The retention rate of new employees was 87.12% in 2022. In order to effectively retain ground level employees, the bank has revised the "Rules for Employee Promotion" by decreasing the experience threshold for level 3-5 personnel, thereby accelerating their rate of promotion. In order to build an excellent workplace environment and create work life balance for employees, we provide several benefits and leave regulations that exceed the minimum benchmark set by the labor law, in the hope of retaining our younger employees as well as providing support for them and their families. Pension for retired employees is provided in accordance with the Employee Pension Rules and dismissed employees are provided with severance pay and pay in lieu of notice in accordance with work rules, so as to cover employees' living costs after retirement or while they seek employment.

Employee Resignations in 2022

End of 2022	Total no. of employees	▲				▼				Total	
		Less than 30	30-50 years old	Over 51 years old	Retirement at 65 years	Less than 30	30-50 years old	Over 51 years old	Retirement at 65 years	▲	▼
Number of employees in Taiwan	9,517	117	136	39	58	71	126	16	45	350	258
Percentage of total employees (%)	94.27	1.16	1.35	0.39	0.57	0.70	1.25	0.16	0.45	3.47	2.56
Number of employees overseas	578	36	35	8	3	13	11	1	0	82	25
Percentage of total employees (%)	5.72	0.36	0.35	0.08	0.03	0.13	0.11	0.01	0	0.81	0.25
Total	10,095	153	171	47	61	84	137	17	45	432	283
Percentage (%)	100	1.52	1.69	0.47	0.60	0.83	1.36	0.17	0.45	4.28	2.80
Percentage of employees of the same gender/age	-	14.21	4.91	3.12	-	15.3	6.42	1.26	-	7.13	7.02

Overview of employee resignation rate and recruitment cost over the past 4 years

Item	Year	2019	2020	2021	2022
Resignation rate (%)		8.43	7.26	6.96	7.08
Resignation rate (%) - Excluding retirees		7.06	5.89	5.81	6.03
Voluntary resignation rate (%)		6.82	5.68	5.67	5.92
Average recruitment cost (NT\$)		8,723	2,491	11,708	12,875
Total no. of employees		9,565	9,849	9,969	10,095

* : Average recruitment cost = (recruitment expenses for the entire year/number of new employees) + training expenses ; The Company organized two large-scale recruitment events in 2022, and the adoption of pandemic prevention measures resulted in increased recruitment cost.

Ratio of open positions filled by internal candidates in past years

Category	Year	2019	2020	2021	2022
Ratio of open positions filled by internal candidates (%)		73.84	84.21	79.53	70.07
Ratio of management positions filled by internal candidates (%)		98.63	100	99.29	99.40
Ratio of non-management positions filled by internal candidates (%)		37.16	58.75	42.67	32.03

* : Ratio of open positions filled by internal candidates = number of internal candidates accepted / open positions

5-3 Employee Communication and Commitment

To respond to the Company's business development and protect employee rights, regarding the minimum notice period for important job changes, the Company complies with the "ILO Indicators of Forced Labour" of the International Labour Organization and Taiwan's labor regulations including the "Labor Standards Act", "Employment Service Act", "Act of Gender Equality in Employment", and "Middle-aged and Elderly Employment Promotion Act". We specify regulations in the Work Rules and human resource management bylaws. In addition, employees must be notified of important work changes as soon as possible. For instance, employees must be notified of the establishment of new business units or the re-assignment of personnel due to business requirements in writing one week in advance. For the assignment of employees to overseas business locations (including branches, offices, and preparatory offices), employees must first be assigned to the relevant domestic units for training and given reasonable time to learn about the regulations, culture and lifestyle of the destination country. This will shorten the amount of preparation time, reduce the time required for handover, protect employees' labor rights, and reduce operational risks. Employment may be terminated in the event of business shut down, transfer of ownership, losses, reduced business, change in nature of business or where the employee is clearly unfit for their job. Advance notice must be given in accordance with the following rules: (1) 10 days' notice for employees with more than 3 months and less than 1 year of continuous service. (2) 20 days' notice for employees with 1 -3 years of continuous service. (3) 30 days for employees who have continuously served for three years or more.

The Group's various companies have conducted employee commitment surveys since 2017. The Company seeks to learn about the opinions of employees, their satisfaction of work, approval of the Company, and recommendations on the Company's development in order to improve and optimize related business management systems. The results of the Employee Commitment Survey of the Group in the past three years are as follow:

Item	Year	2020	2021	2022
Number of questionnaires		9,053	9,051	9,375
Number of returned questionnaires		8,896 (Male: 3,638/Female: 5,258)	8,928 (Male: 3,581/Female: 5,347)	9,201 (Male: 3,759/Female: 5,442)
Recovery rate (%)		98.27	98.64	98.14
Overall commitment (%)		92.38	91.03	91.74
Level of commitment of male employees (%)		93.79	92.54	92.77
Level of commitment of female employees (%)		91.43	90.01	91.04

* : >90% represents a high degree of professionalism, 80-90% represents a medium degree of professionalism, <80% represents a low degree of professionalism.

Main aspects of the questionnaire

- Company policy and culture (Do you agree with the Company's operating theme of emphasizing laws and regulations, ESG, digital development, and customer service quality)
- Work and healthy lifestyle (Is the work environment healthy and safe, are health examinations and health information provided regularly)
- Training and development (Are opportunities for comprehensive training, job rotations, and career development provided)
- Compensation and benefits (Are you satisfied with the company's benefits related to childbirth and childcare and do you believe that performance is linked with rewards)
- Leadership and management (Does your direct supervisor clearly communicate work targets, actively show concern for colleagues, and provide timely assistance)
- Relationship with colleagues (Do you find it possible to collaborate with colleagues by providing mutual guidance and sharing and establishing harmonious work relationships)
- Participation in volunteer activities (Do you participate in volunteer activities held by the Company)

Improvement mechanisms

- Introduce a mentorship system where senior employees lead and counsel new employees, assisting them with familiarizing themselves with work content quickly and implementing timely adjustments based on the starting salary of new employees. Provide various benefits and measures that exceed industry peers and have senior executives reinforce their concern through visits to decrease the turnover rate of new employees.
- Enhance training for professional competencies and establish transparent talent assignment mechanisms.
- We continue to recruit new employees, implement job rotation, and strengthen orientation training to eventually achieve equal job distribution and assist employees in learning different business practices.
- Accelerate talent development and assign employees with high performance and high potential to attend professional training courses.
- Added new employee benefit measures, increased expenditure towards employee benefits.
- Organize quarterly employer-employee meetings to enhance the communication channels between managers and subordinates.
- Encourage employees to take part in volunteer activities including those that are not organized by the Company.

- Comprehensive salary adjustments of 4% and average compensation increase of 6.5% for promotions in 2022.
- First Bank evaluated employees under the age of 45 with medium high performance and medium high potential based on the results of competency assessments. A total of 34 employees have been reassigned to core businesses.
- The Company cooperated with external professional institutions in foreign language learning programs and helped employees pass foreign language certification tests. As of the end of 2022, 3,069 employees passed English proficiency certification tests and 339 employees passed other foreign language proficiency certification tests.
- When promoting local hires, we compile a list of candidates eligible for promotion and provide it as a reference for overseas units, thereby helping these units to promote local talents and implement local business strategies. To ensure that we offer more competitive salaries to local hires, we regularly review the salary standards for local hires and adjust them accordingly as needed by overseas units and based on the economic data of the country where the unit is based.
- All companies within the Group have increased maternity leave from 56 to 58 days. Leave for prenatal checkups and paternity were increased from 7 to 8 days which is superior to current laws and regulations. Starting in 2023, 2 days of "Artificial Insemination Leave" was implemented, allowing female colleagues undergoing invasive treatments due to artificial insemination to apply for paid leave.
- Review the differences in the benefits provided by the Company and other financial institutions and increase related benefits. The total employee welfare costs in 2022 amounted to NT\$17.82 billion, up 2.8% from NT\$17.33 billion in 2021.
- All companies hold Employer-Employee Meetings at regular intervals and encourage employees to join the labor union. The percentage of employees who are members of the union is 94.22%.

FFHC subsidiaries provide multiple channels for employee communications and whistle blowing. A positive interactive relationship is maintained and whistle blowers are protected against improper treatment. Apart from personal meetings between managers and employees, the employee mailbox and complaints hotline, video conferencing, intranet pages, the bi-weekly publication and monthly publication all enable employees to keep track of company developments and communicate and report problems to corporate governance.

Employee communication, complaint, and whistleblowing channels

1. To strengthen the complaint and communication mechanisms of employees and external entities, the Company and subsidiary companies have established reporting procedures reviewed and passed by the companies' Board of Directors. We also set up hotlines, fax, emails, and other complaint channels and publish them on company websites. The internal audit unit/branch audit manager accept complaints and assign cases to units that have independent power for investigation based on the nature of the cases to effectively process complaints.
2. The telephone number and e-mail for employee complaints are posted under the "Stakeholder Communications" section of our corporate website. The "ESG - Sustainability Report" section also features a stakeholder opinion survey that can also be used as a channel for employee communication and complaints.
3. The compliance system at each company requires "the compliance officer should provide improvement suggestions for violations of the law or regulations. Where the improvement suggestion is not accepted by the management and leads to major losses for the company, a report should be prepared and submitted at once, the supervisors/independent directors and Audit Committee notified, and the competent authority informed as well."
4. A range of transparent, equal and convenient complaints channels have been established including the "President's Mailbox", "Ideas Mailbox", "Employee Support Hotline", and "Chief Auditor's Mailbox" to ensure complaints are handled properly.
5. To facilitate the reporting and handling of sexual harassment cases, "Sexual Harassment Prevention Complaints and Disciplinary Regulations" have been formulated and issued at each company along with the telephone, fax and e-mail for filing sexual harassment complaints. The above information is posted prominently on the corporate website and in the workplace. All employees also undergo training on sexual harassment prevention every year.
6. The Company does not tolerate workplace bullying or harassment by any of the Company's senior executives. If the Company receives a report of illegal infringement, discrimination, or harassment, the Company shall assist employees in addressing the issue immediately and provide psychological counseling and legal assistance in accordance with the Company's internal rules and regulations.
7. A proposal system and themed competitions are used to encourage employee to make suggestions on process improvements. A total of 322 employee recommendations were proposed in 2022 including improving the quality of services, Improvement of current operations, improvement of automatic services, improvement of operation methodology, cost savings, and building a better corporate image. All recommendations were studied closely by the relevant departments and 126 of them were eventually accepted.
8. To ensure open communications between the employer and employees, employee suggestions from each department are proposed for discussion and communication during the regular "Employer-Employee Meeting" and monthly meetings.
9. We conduct employee commitment surveys as channels for them to express opinions. We also formulated improvement mechanisms to follow up on the effectiveness of improvements.

5-4 Employee Communication and Commitment

To create a positive work environment, maintain the physical and mental well-being of employees as well as build up passion and loyalty of employees, FFHC provides a wide range of employee health management mechanisms and benefits:

* : Employees refer to full-time employees.

Health management

- Health exam for employees and their families
- Health workshops and nutrition management
- Medical clinics and full-time nutritionist
- Abnormal Workload-triggered Diseases Prevention Plan
- Human-factor Hazard Prevention Plan
- Maternal Employee Health Protection Plan
- Tobacco-free Workplace, Air Quality Testing and Maintenance
- Psychological consultation for employees
- Flu vaccinations and cancer screening
- Care for hospitalized employees



Various subsidies

- Marriage, childbirth subsidies
- Subsidy for continuing education at university
- Subsidy for learning foreign language
- Subsidy for professional exam entrance fees
- Subsidy for birthday celebrations, annual parties and holiday travel
- Subsidy for funerals
- Subsidy for recreational courses and events
- Subsidy for hire of sporting venues
- Employee deposit and shareholding trust
- Employee group annuity insurance
- COVID-19 Prevention Insurance and subsidies for relevant supplies



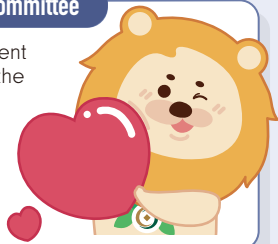
Consolation payments

- COVID-19 Care Package
- Consolation payment for serious illness or injury
- Consolation payment for major disasters
- Consolation payment on the three major holidays for retired employees
- Consolation payment for the family of employees who passed away



Establishment of Employee Welfare Committee

- Subsidies for employee self-improvement trips and distribution of gift boxes on the three major holidays
- Employee birthdays
- Souvenirs for retired personnel
- Compensation for hospitalization of family members and funerals
- Scholarships for employees' children

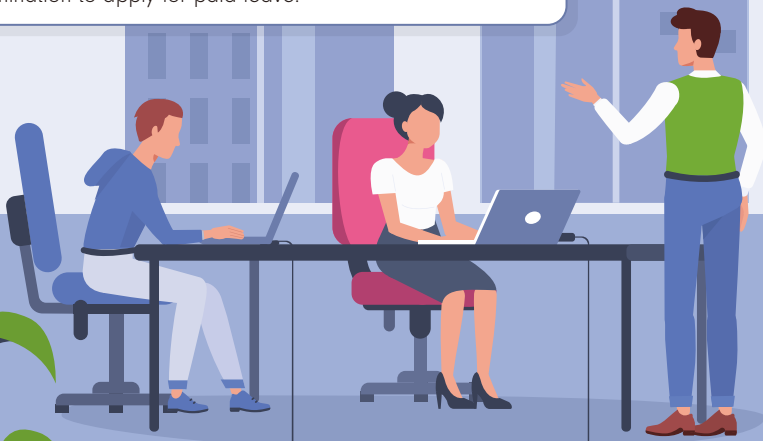


Employee dormitories and guest houses

- Employee guest houses in Beitou, Penghu and Hualien
- Employee dormitories in Taipei City, New Taipei City, Hsinchu, Taichung, Tainan, Kaohsiung and Hengchun

Leave regulations that surpass the legal requirement



- Salary is not deducted (excluding the first year of new employees) for 14 days of personal leave (including leave for epidemic prevention care), 30 days of sick leave, and 3 days of menstrual leave.
- The number of leave days for weddings, funerals, maternity, prenatal checkups, paternity, and miscarriage are superior to laws and regulations.
- One day of volunteering leave
- Epidemic prevention quarantine and care leave are included into the calculation for 14-days of paid personal leave; vaccination leave is included into the calculation for 30-days of paid sick leave.
- After approval in 2022, 2 days of "Artificial Insemination Leave" was implemented on January 1, 2023 to allow female employees who receive invasive treatment due to artificial insemination to apply for paid leave.











Implementation results of employee welfare measures in 2022

Childbirth and childcare benefits	Marriage	<ul style="list-style-type: none"> We encourage employees to build families and raise children. We provide NT\$30,000 in marriage allowances and 14 days of marital leave which is superior to regulations specified in the Labor Standards Act. A total of 202 employees applied for the marriage allowance in 2022 which resulted in the issuing of NT\$6.06 million. Encourage single employees to attend singles matchmaking events organized by external public agencies, government approved marriage agencies, and events organized by single employees. A total of 73 employees applied for the subsidy in 2022, amounting to the total of NT\$87,400.
	Pregnancy	<ul style="list-style-type: none"> We provide a maximum of 44 days of paid tocolysis leave, sick leave, personal leave (superior to the half-salary for sick leave and unpaid personal leave specified in the Labor Standards Act), and prenatal checkup leave/paternity leave (8 days). The use of leave is not included in the annual performance evaluation and does not affect promotions. A total of 265 people applied for such leave in 2022 and the average duration was 11.5 days. FFHC appoints full-time nurses and in-house physicians to provide pregnant employees with related health instructions and consulting services. We provided pregnant employees with the "First Pregnancy Pack" and adjusted the work environment of pregnant employees when assessed as needed.
	Childbirth	<ul style="list-style-type: none"> In August 2021, the childbirth allowance was increased to "NT\$100,000 for the first child and NT\$150,000 for all subsequent children". In 2022, a total of NT\$25.15 million was issued in subsidies resulting in the cumulative total of 1,452 newborns up till the end of 2022. To ensure the safety of pregnant employees commuting to and from work, the Company introduced a "Transportation Subsidy for Pregnant Employees" in August 2020. Pregnant employees who need to commute to work by taxi, they may apply for this subsidy, and each pregnant employee is entitled to a maximum of NT\$10,000. In 2022, this subsidy was granted to 43 pregnant employees. Total subsidy of NT\$238,000. Employees with a miscarriage after being pregnant for less than three months shall be given 7 days of maternity leave. This provision is superior to the 5 days of maternity leave for miscarriage after being pregnant for less than 2 months. In 2022, maternity leave for female employees giving birth increased to 58 days (superior to the legal requirement of 56 days), prenatal checkup leave was increased to 8 days (superior to the legal requirement of 7 days), and paternity leave (for non-caretaker employees) also increased to 8 days (superior to the legal requirement of 7 days). A total of 105 employees throughout the Group applied to leave days superior to the legal requirement in 2022. Employees who have given childbirth are gifted with a "First Mommy Bag" along with evaluations of their work environment and locations to implement adjustments.
	Breast-feeding	<ul style="list-style-type: none"> Breastfeeding rooms have been implemented in the headquarters building of First Financial Holding, the Yanping building of First Bank, information building, and both Bade and Zhongshan buildings. Each have obtained the Excellent Breastfeeding Room Certification valid for 1 year. A cumulative average of 573 colleagues use the facilities of these buildings each month. Organize seminars related to breastfeeding in the workplace and childcare - Parent-child attachment relationships and infant upbringing, communicating with children as workplace parents, and how to teach according to children's aptitude.
	Childcare (family care leave /personal leave)	<ul style="list-style-type: none"> Provide 14 days of full-salary personal leave (includes 7 days of family care leave, epidemic quarantine and care leave) which is superior to laws and regulations. A total of 5,998 employees applied for an average number of 6.2 days of leave per employee. Encourage children's education by providing employees with education subsidies for children studying from elementary school to university, receiving subsidies ranging from NT\$500 - NT\$5,000. A total of NT\$12.28 million was issued in subsidies. FFHC has signed an agreement with a well-known national chain to provide all employees with discounted daycare service. FFHC organized workplace childcare health talks, family reading, and relaxing childcare activities. FFHC protects the promotion prospects, performance evaluation, and benefits of employees on unpaid parental leave, and offer diversified care and support for employees. In 2022, a total of 145 people applied for unpaid maternity leave and the reinstatement rate reached 96.43%; the retention rate one year after reinstatement in 2022 for employees who went on unpaid child care leave was 96.12%.
Leisure and care measures	Vacation subsidies	<ul style="list-style-type: none"> To help employees take care of both work and family, we implement a family-friendly policy that encourages employees to travel and plan leisure activities with their family on their off-days. We launched a "vacation subsidy program" in 2022, offering employees a subsidy of NT\$5,000 for taking 7 days off, NT\$7,500 for taking 10 days off, and NT\$10,000 for taking 14 days off. The Company provided a total of NT\$39,765,000 in subsidies in 2022. The Company established 20 sports and cultural clubs, which attracted the participation of 1,464 employees and their dependents. Various sports and recreational activities (including singing competition, table tennis/tennis/softball tournaments, etc.) were organized to promote a healthy, motivated and optimistic workforce. A total of 11,027 people took part in these activities in 2022 and the Company provided NT\$7,363,000 in subsidies. As a means of encouraging employees to take part in volunteering activities, the Company continued to adopt the volunteer leave system in 2022, which allows employees to earn points and redeem them for one day of volunteering leave (3 points). In total, 2 employees are qualified to redeem points for one day of volunteering. Retired employees enjoy group insurance benefits with the same preferential rates as current employees. In addition to organizing regular socializing activities each year, we also invite retired employees to participate in sports, cultural, and health activities organized by the Group (singing contents tennis/softball tournament, etc.) to continue to care about the life and physical and mental health of retired employees. Retired employees may apply to use the dormitories in Hualien and Penghu as well as the reception center in Beitou.
	Sports and recreational activities Volunteering leave	
Disease prevention and care	Care measures	<ul style="list-style-type: none"> Due to the impact of COVID-19 on stationed personnel overseas, full-salary quarantine leave is given to employees during their period of quarantine isolation. If stationed personnel are transferred or return to their station and are given public leave for self-health management, the number of airfare ticket subsidies and annual leave days unused for family visitation in 2021 may be deferred for use in 2022 along with subsidies for epidemic prevention hotel fees in Taiwan. In order to boost epidemic prevention, all employees shall receive subsidies of NT\$3,500 (same below) in an epidemic prevention fund for the purpose of obtaining epidemic insurance, vaccine insurance, and testing fees. <ol style="list-style-type: none"> A total of 7,877 employees obtained insurance through the policy for a total amount of NT\$4,166,399. A total of 888 employees applied for vaccine insurance for a total of NT\$415,228. A total of 3,152 employees applied for testing fees for a total of NT\$2,984,986. <p>"Stay-at-Home Epidemic Prevention Pack": Employees who have tested positive for COVID-19 are provided with NT\$1,600 for procurement. In 2022, a total of 3,777 received a total of NT\$5,964,803 in subsidies; additionally, each employee received a rapid testing kit subsidy of NT\$500.</p>

●○ Statistics on applicants for child care leave in 2022

	2022 Total no. of employees on parental leave	2022 No. of applicants for child care leave	2022 No. of returning employees expected (A)	2022 No. of actual returning employees (B)	2021 No. of actual returning employees (C)	2022 No. of employees who returned from child care leave and stayed for at least 1 year (D)	Reinstatement rate (%) (B/A)	Retention rate (%) (D/C)
Total - 	285	122	117	114	91	87	97.44	95.60
Total - 	373	23	23	21	12	12	91.30	100
Grand Total	658	145	140	135	103	99	96.43	96.12

●○ Statistics on rate of reinstatement and retention in past years

Item	Year	2019			2020			2021			2022		
				Total			Total			Total			Total
Reinstatement rate (%)		85.54	100.00	87.10	87.64	90.00	87.88	85.19	92.31	85.95	97.44	91.30	96.43
Retention rate (%)		92.31	88.89	91.95	89.19	100.00	90.00	83.33	80.00	82.95	95.60	100	96.12

●○ FFHC Pension Contribution Plans in Past Years

Unit: NT\$1,000

Category	Year	2019	2020	2021	2022
New Pension System		274,071	317,994	290,930	331,939
Old Pension System		352,208	327,151	334,556	306,310
Overseas personnel		16,514	18,798	17,883	19,576

Please refer to page 330~331 of the Company's 2022 Annual Report for detailed information on the pension contribution plan and contribution status



Management procedures to identify employee health hazards and occupational health and safety

01

Evaluate health hazards

Review and evaluate the impact of the Company's business activities and work environment on occupational safety and health

02

Formulate corresponding plans

Discuss major occupational accidents and health risk issues and formulated annual health promotion plans in meetings of the Occupational Safety and Health Committee

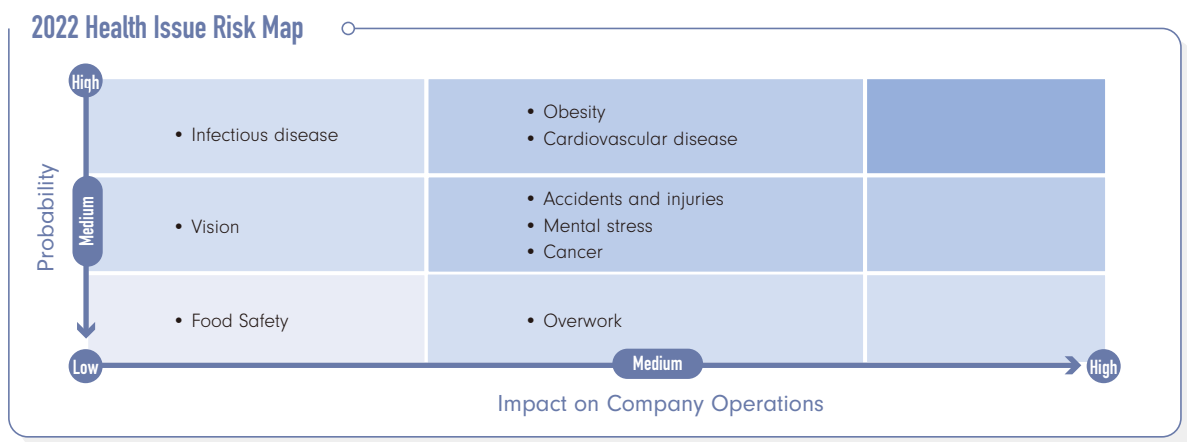


Occupational safety and health

GRI : 403-1 、 403-2 、 403-3 、 403-4 、 403-5 、 403-6 、 403-8 、 403-9 、 403-10

6-1 Occupational Safety and Health Risk Management Map

To effectively protect employees' safety and health, we evaluated employees' health risks based on important indicators such as the nature of work, work environment, health examination results, age distribution, and the four plans for workplace health promotion (abnormal work load, human factors, maternity, and illegal infringement). We identified 9 employee health issues and produced the following employee health issue risk map based on the probability of occurrence and level of impact on the Company's operations.



5 Matters of medium-high occurrence rate/impact level according to the 2022 health risk map were listed as health risks requiring management. Of these risks, obesity, cardiovascular disease, cancer, accidental injury, and work-related stress are medium to high risk factors. First Financial Holding establishes various prevention plans and mitigation measures that manage and follow-up on varying degrees of risk levels to effectively decrease the occurrence of occupational accidents and health hazards as well as assist employees with solving problems at work, home, and relating to their health. This supports employees to work safely and boost the organization's performance.



03

Supervise and implement plans

Implementation of occupational safety and health measures, system certification, and training, and follow up on the implementation status

04

Performance assessment and improvement

Analyze and review results to adjust the mitigation measures. Assign in-house physicians and nurses for follow-up management and provide health instructions.

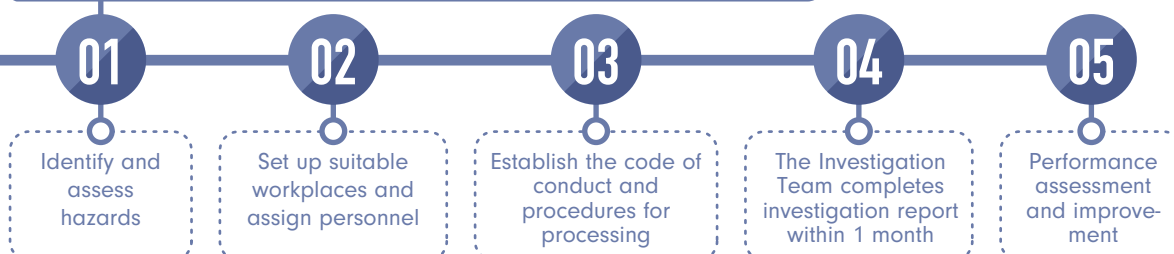
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The employee health risk prevention plans in 2022 are as follows :

- 1. Health Check:** We provide regular physical health examinations superior to regulatory requirements and provide subsidies for health examinations for senior executives, overseas personnel, night shift personnel, and catering personnel each year. We provide other employees with health examinations at partner hospitals every two years. Full-time nurses and in-house physicians actively notify employees with irregularities in their health examination results to receive further check-ups at hospitals. They provide employees with healthcare instructions and recommendations for improvements and follow up on their improvement status. Employee health examinations were held in 2022 to achieve an examination rate of 98.34% for a total of 7,286 employees. Also, 126 senior executive completed health examinations and received subsidies totaling approximately NT\$24.71 million.
- 2. Abnormal Workload-triggered Diseases Prevention Plan:** Evaluation is performed once a month by completing the table of abnormal workload risk identification and evaluation. Employees are screened to determine their risk rating based on personal risk factors. High-risk employees are provided with telephone interviews and healthcare instructions by the in-house physician. Staff nurses send out e-mails with relevant health information to moderate-to-low-risk employees and notify their supervisors to provide appropriate assistance. 13 high-risk employees and 326 moderate-to-low-risk employees were identified in 2022.
- 3. Human-factor Hazard Prevention Plan:** Conduct an annual assessment for employees suspected of musculoskeletal symptoms and draw up a tracking table. The in-house physician learns about the reasons of symptoms in individual cases, provide suitable recommendations for improvement, and regularly follows up on the improvement status through the telephone. In 2022, 128 employees were suspected of having human-factor hazards they made improvements with the assistance of the in-house physician.
- 4. Maternal Employee Health Protection Plan:** Female employees, upon learning of their pregnancy and those reinstated within one year of childbirth, jointly fill out the "Health Risk Assessment Form for Pregnant/Postpartum Employees" with their manager to assess the impact on maternal health due to work.. In 2022, 185 pregnant employees were included in the Maternal Employee Health Protection Plan and medical personnel completed risk assessment and confirmation in 350 cases through the telephone or onsite interviews. They provided related health education information for the pregnancy and postpartum periods and informed employees of related information such as childbirth subsidies and benefits.
- 5. Prevention of Illegal Infringement at Work Plan:** Senior executives have signed the "Declaration to Prevent Illegal Infringement in the Workplace" while new and current employees undergo training programs to prevent illegal infringement in the workplace. The probability of illegal infringement occurring both internally and externally in the workplace is decreased through measures such as configuring safe work environments, appropriate allocation of manpower, and providing information on stress relief as well as free mental health consultations. Furthermore, the representatives of both labor and management established the "Illegal Infringement Complaint Investigation Team" to investigate cases of illegal infringement, implementing the concept of preventing illegal infringement in the workplace. "Stalking and Harassment Prevention" was included in 2022 to protect the occupational safety of victims suffering from stalking and harassment.

If the Company receives a report of illegal infringement, the Company shall assist employees in addressing the issue immediately and actively provide psychological counseling and legal assistance in accordance with the Company's internal rules and regulations based on the physical and mental state of the employees. Perpetrators in such cases shall be penalized in accordance with related regulations and they shall be transferred from their original positions to prevent further contact with the victims. The Company shall provide the victims with the necessary assistance and support, and arrange psychological counseling services, peer support, rehabilitation or leave, or adjustments in work to provide support and encouragement. The Company's medical staff shall provide follow-up care and we hire lawyers to provide assistance for civil cases to claim compensation for damages and process related litigation.

Prevention of Illegal Infringement at Work Plan Implementation Process



●○ Statistical table on related illegal infringement complaints in past years

Item	Year	2019	2020	2021	2022
Illegal infringement (number of cases)		0	0	2	0

2022 employee health risk mitigation measures and effectiveness:

Health risk	Mitigation/Prevention Measures	Effectiveness
Obesity	Organized health promotion activities	<ul style="list-style-type: none"> Organized a 7-month "Join Together, Place Health and Fitness First" campaign. The event allowed participation as individuals or groups and anticipated that forming teams could improve employee cohesion and togetherness to reinforce each other's motivation and enhance the benefits of weight loss. A total of 1,914 employees registered for the event, with 1,804 employees reporting their weight upon completion. A total of 50 groups participated to collectively lose 4,598.87 kg; the greatest amount of weight loss for an individual was 26 kg; the highest average weight loss in the groups was 10.47 kg per person. Organized 3 health promotion seminars (conducted through the 3 major directions of diet, knowledge, and exercise) by inviting nutritionists, doctors, and physical therapists to speak. A total of 157 employees attended the seminars.
	Nutrition Management	Our Company operates an employee cafeteria with professional nutritionists retained to design a menu low in salt and fat. We also have arrangements with organic vegetable farmers to supply fresh and healthy cuisine with Food Traceability certification. Each dish is labeled with its calorie count and the total calorie count of each meal is kept between 600-800 Kcal to take care of employees' dietary health. The average number of diners each day in 2022 was 1,037.
Cardiovascular disease	Individual guidance by health professionals	A total of 202 employees were diagnosed with a >15% risk of contracting cardiovascular disease within 10 years according to health screening results. Phone interviews with health professionals were provided, in addition to health measures and tracking such as regular medical counseling through email. The company has also set up a health page on its website to provide health care information.
	Installation of automated external defibrillator (AED)	As of the end of 2022, we have installed AEDs in 61 business sites to protect employees and customers, and received the "AED Safe Workplaces Certification".
Accidents and injuries	<ol style="list-style-type: none"> Increased awareness through internal official documents Enhanced occupational hazard reporting 	We reminded employees to pay close attention to safety and traffic conditions on their commutes and official travel. They must be careful when walking at the workplace and should not run or use their mobile phones when walking. They must pay attention to their surroundings to avoid slipping and must hold hand rails and step carefully when going up or down the stairs to avoid accidents.
Mental stress	Appointed the "Teacher Chang Foundation" to provide employees with psychological consultation	<ul style="list-style-type: none"> Commissioned Teacher Chang Foundation to assist employees with identifying and solving issues that affect their personal work performance, such as: Physical and mental stress, adapting to the workplace, children's upbringing, and more. A total of 127 employees received consultation services in 2022. Employees can find relevant information at the "Mental Consultation Services Zone" on the internal website.
	Organized health talks	<ul style="list-style-type: none"> Commissioned Teacher Chang Foundation to conduct 5 mental health seminars, including "Crisis as Opportunity: Communication and Handling of Conflict in the Workplace", "Have Your Employees Disappeared? Depression in the Workplace and Suicide Prevention", "Overcome Nights of Counting Sheep: Sleep Disorders", "Tranquility in the Body and Mind - Emotions and Mental Health", "Love Out Loud: Family Conflicts and Positive Communication" Invited professionals to host stress-relieving seminars such as "Positive Thinking" and "Stress Relief Through Music" to boost employee awareness of healthy stress relief and relevant skills.
Cancer	Provided support mechanisms for serious illness or injury and severe disasters	We provided employees with consolation fund for serious illness or injuries (26 applicants in 2022). We also set up a "Family Association" and encouraged employees to support and share their healthcare experiences with each other. For individual patients, health professionals made phone calls to check up on seriously ill or injured employees and provide professional healthcare information. 317 expressions of support were conducted during 2022.
	Organized talks	Invited a professional doctor to host the talk "Love Your Lungs (Lung Cancer)" to increase employee awareness of their own health risks.
Infectious disease	Issued e-newsletter to provide health care information	E-newsletters were issued to deliver health information on the prevention and treatment of infectious diseases such as tuberculosis and on seasonal infectious diseases such as influenza and flu-like illnesses. We also set up the "COVID-19" section on the internal website to provide employees with the latest COVID-19 disease prevention information.
	Protective measures	<ul style="list-style-type: none"> Maintain cleanliness of the workplace environment with periodic cleaning and disinfection and increase the number of disinfections when necessary. Provide employees with necessary protective equipment such as transparent separation boards, visors, face masks, and disinfectants.
	On-site service by nursing personnel	Based on the health examination results, if the workplace has employees who contracted infectious disease, dedicated nursing professionals were invited to provide disease health education at the workplace to improve employees' understanding of the disease and prevention methods.
	Organized talks	Invited a professional doctor to host a talk on "COVID-19" to boost employee's awareness in protecting their personal health.

* : While infectious disease is not listed as a medium to high level risk factor that requires management, the Company continues to promote mitigation measures and disclose their effectiveness in consideration of the ongoing cases of COVID-19.

6-2 Workplace Safety

1. Implementation of OSH-related Activities and Training

To prevent occupational injuries as well as protect the safety and health of employees, the Company has established an "Occupational Safety and Health Committee" (OSH Committee) in accordance with the "Occupational Safety and Health Act", "Enforcement Rules of the Occupational Safety and Health Act", and the "Management Guidelines for Occupational Safety and Health". The committee will have 7 members comprising of the employer, labor representative and department manager, with 3 members, or 43% coming from the labor union. Conduct quarterly meetings to review various health related issues, prevention of illness and health promotion matters, occupational hazards reports and others. Pay attention to employee health and workplace safety issues, in addition to the regular tracking of the progress of implementing items agreed upon in the meeting such as: safeguarding public safety in the workplace, tracking and management of employee health, supervision of safety and hygiene, and other measures beneficial to improving workplace safety and hygiene management

●○ The Company's occupational health and safety management system

Item	Description												
Organization	<ul style="list-style-type: none"> For the Occupational Safety and Health Committee, the President appoints the Vice President of a business group to oversee committee operations Type of meetings: Routine, face-to-face employer-employee meetings Meeting frequency: Quarterly Meeting content: Review, coordinate, and give advice on safety and health-related matters Participants: Occupational Safety and Health Committee members(including department heads and labor representatives), persons in charge of occupational safety and health management, and health professionals who provide health services, etc. 												
Risk identification	<p>By using the Occupational Safety and Health Act and PDCA management cycle as framework, the Company adopts different communication channels and conducts questionnaire surveys through automatic inspection programs, health examination programs for all employees, and four major programs for mental and physical health protection, to identify safety risks that might occur in various operating procedures, contents, and environment. Risk maps showing the health of employees are also analyzed.</p> <p>In 2022, evaluations showed that medium high risk factors were obesity, cardiovascular disease, accidental injuries(traffic accidents), mental stress, and cancer.</p>												
Target setting	<p>To achieve 70% outpatient visits for those with serious health issues shown on medical check-up reports; achieved actual outpatient visit rate of 73.2%.</p> <p>To obtain healthy workplace certification for 61 business locations</p> <p>To educate employees and raise their awareness on occupational safety and health from time to time</p>												
Supervision mechanisms	<p>The Occupational Safety and Health Committee performs quarterly follow-up on the company's performance in addressing occupational safety and health issues.</p>												
Internal/ External audit	<p>Compliance audits are held during the first and second half of each year, an ISO 45001 internal audit is held once each year.</p> <table border="1"> <thead> <tr> <th></th> <th>Audit Content</th> <th>Auditors</th> <th>Audit Month</th> </tr> </thead> <tbody> <tr> <td>Compliance Audit</td> <td>Compliance to legal and other requirements</td> <td>Department managers, deputy managers not involved in the supervision of occupational health and safety</td> <td>Each June and December</td> </tr> <tr> <td>ISO 45001 Audit</td> <td>Operating procedures, guidelines, and execution related to ISO management systems.</td> <td>Auditors with ISO 45001 internal auditor licenses</td> <td>Completed in Q3 of each year (before external audit)</td> </tr> </tbody> </table> <p>Details of internal audit:</p> <ul style="list-style-type: none"> The 2022 compliance audit found no matters requiring improvement as the occupational health and safety management in all departments are compliant with regulatory requirements. The 2022 ISO 45001 internal audit found that personnel supervising occupational health and safety needed to complete on-the-job training by the end of 2022. At the time of audit, many personnel had yet to complete training due to the fact that the Bank was coordinating with the Bankers Association to arrange and conduct on-the-job training for occupational safety licenses; this oversight was rectified in December (on-the-job training programs were completed in December). 		Audit Content	Auditors	Audit Month	Compliance Audit	Compliance to legal and other requirements	Department managers, deputy managers not involved in the supervision of occupational health and safety	Each June and December	ISO 45001 Audit	Operating procedures, guidelines, and execution related to ISO management systems.	Auditors with ISO 45001 internal auditor licenses	Completed in Q3 of each year (before external audit)
	Audit Content	Auditors	Audit Month										
Compliance Audit	Compliance to legal and other requirements	Department managers, deputy managers not involved in the supervision of occupational health and safety	Each June and December										
ISO 45001 Audit	Operating procedures, guidelines, and execution related to ISO management systems.	Auditors with ISO 45001 internal auditor licenses	Completed in Q3 of each year (before external audit)										
Performance-linked remuneration	<p>The Company adopts a performance management system (KPI) to regularly evaluate the occupational safety and health management performance of supervisors in charge of a business unit's occupational safety and health (OSH supervisor).</p>												

In addition, the performance evaluation of OSH supervisors is correlated with their performance in supervising occupational safety and health management and is included in their annual performance evaluations. Their remuneration and job performance are highly correlated.

Applicability	KPI	Calculation Formula (scoring criteri)
OSH supervisor	Performance in supervising occupational safety and health management	<ul style="list-style-type: none"> • Unsatisfactory (< 60%): Half of the KPIs in the semi-annual evaluation have not been completed or there are major deficiencies that cannot be corrected immediately, thus posing risk of immediate labor inspection and punishment. • Correction needed (61%-74%): Half of the KPIs in the semi-annual evaluation have not been completed but can be corrected immediately before labor inspections. • Meet expectation (75%-84%): All of the KPIs in the semi-annual evaluation have been completed and although there are minor deficiencies but they can be corrected immediately. • Exceed expectation (85%-94%): All of the KPIs in the semi-annual evaluation have been completed and were almost faultless. • Outstanding performance (> 95%): All of the KPIs in the semi-annual evaluation have been completed and were completely faultless, and the individual is able to actively provide suggestions on corrections.

●○ Statistics on Occupational Safety and Health Committee meetings in the past 4 years

Item	Year	2019	2020	2021	2022
No. of meetings		4	5	4	4
Proposals		10	9	8	6

All business units have appointed an OSH supervisor, first-aid personnel and fire-prevention manager to protect the safety and health of business units. Certified personnel are also dispatched to receive on-the-job training in accordance with the frequency specified in regulations to keep their OSH knowledge up to date. A continuous workplace safety and health inspection plan is also practiced to build an accident-free workplace.

●○ Statistical Compilations of Occupational Safety and Hygiene Related Training for the last 4 years

Item	Year	2019	2020	2021	2022
Number of Trainees and Training Hours for Workplace Safety and Hygiene Managers		728 / 7,309	29 / 645	702 / 5,205	35 / 1,087*
Number of Trainees and Training Hours for Fire Hazard Prevention Management		93 / 1,116	693 / 4,314	9 / 108	50 / 582
Number of Trainees and Training Hours for Emergency Rescue		625 / 2,640	33 / 594	19 / 342	640 / 2,375
Number of Trainees and Training Hours for ISO 45001 Management Systems		50 / 179	29 / 645	44 / 66	22 / 33
General employee		3 hours of OSH in-service training over 3 years			

* : Supervisor training for occupational health and safety is conducted once every two years which was the reason there were fewer participants in 2022 and 2020.

2. Improvement of the "ISO 45001 Safety and Health Management System"

To ensure the safety and health of employees, we obtained the Healthy Workplace Certification (Health Initiation Mark and Health Promotion Mark) through the evaluation of the Health Promotion Administration, Ministry of Health and Welfare. In 2018, we incorporated ISO 45001 - Environmental Management System guidelines at the FFHC Headquarters building. The President is committed to becoming a signatory to the occupational safety and health policy, and this commitment is announced on the company's Intranet. The Plan-Do-Check-Act (PDCA) management approach is adopted to strengthen various management measures. The scope was expanded to include the following: Support and participation by leaders, collection and planning of internal and external issues, needs and expectations of stakeholders, establishment and evaluation of risk identification procedures, consultation and communication with non-management personnel, application of performance indicators, and evaluation of the effectiveness of corrective and preventive measures. Meanwhile, through management review, internal audit, automatic inspection, safety and health inspection, and other mechanisms, we identify safety concerns and opportunities for correction to ensure that the spirit of such system is effectively implemented across management. This system has been certified by the British Standards Institute (BSI) and applies to all business units in Taiwan, including employees who work in the company's head office building and contractors. In 2022, the Company continues to make improvement and ensure that the certificate is valid. We practice occupational safety and health management by using a systematic management mechanism, such as revising and adopting relevant procedural documents, identifying and continuously improving workplace safety and health hazards, and performing management reviews and safety and health inspections. Our objective is to provide a safe and health work environment where employees are protected from accidents and occupational illnesses.



3. Safety Protection

The FFHC Headquarters building has a defense corps and emergency SOP in place. A vice president serves as the corps commander while the heads of the Human Resource Division and General Administration serve as deputy commanders. There is also one chief director and one director, who oversee the Control Center and five teams, these being the Engineering Team, Protection Team, Supply Team, Medical Team and Firefighting Team. Each team has a team captain, a deputy captain and several team members (assigned as necessary). In the event of an emergency, they can take the necessary response measures at any time to protect the safety of employees and property in the FFHC headquarters building.



4. Comprehensive Insurance Plan

In addition to labor insurance and national health insurance as required by law, the Bank also provides group policy at discounted rates to employees for accident, injury, hospital stay and cancer. The insurance plan is open to employees, their dependents and retired personnel. A total of 16,192 people were enrolled in 2022; First Securities, First Life Insurance, First Financial AMC, and First Securities Investment Trust also provide group insurance for employees. A total of 1,709 employees were insured at a cost of NT\$ 5,036,000. First Bank personnel stationed overseas are not only covered by local group medical insurance but can also enroll in the International SOS for emergency medical assistance. Half of the cost is borne by the company to meet emergency medical needs.

5. Occupational Injuries

Aside from complying with the "Incident Reporting Guidelines" to immediately report employees who have suffered accidental injury due to work or in the workplace, follow-up for accidents in the workplace must be conducted by the supervising department of occupational health and safety, the general affairs maintenance and repair department, the department supervisor of where the incident occurred, and a labor representative who must visit the incident site together to investigate, understand, and analyze the reason for disaster to plan preventative measures; once rectification is complete, records should be maintained for future follow-up. Support and assistance should be provided to employees as soon as possible to minimize injuries and apply for labor insurance claims or provide injury leave based on actual conditions. A total of 54 employees applied for injury leave in 2022; 0 employees suffered from occupational diseases; a total of 17 employees (including dispatch and security personnel) suffered from occupational accidents.

* : The occupational accidents include falling incidents, inappropriate actions, and traffic accidents.

Execution Process for Employees Suffering from Injury Leave



Overview of occupational injuries in 2022:

Gender	Number of people on occupational injury leave	Number of days of occupational injury leave	Occupational injury rate % (*1)	Lost day rate % (*2)	Disabling injury frequency rate % (FR,*4)	Severity of disabling injuries rate % (SR,*5)	Number of days absent (excluding leave)	Absenteeism rate % (*6)
Female	42	992	0.70	82.68	3.50	82.68	11,411.09	0.76
Male	12	193	0.30	24.08	1.50	24.08	4,501.34	0.45
Total	54	1,185	0.53	58.90	2.69	58.90	15,912.43	0.63

Occupational Injuries and absences in past years

Year	2019			2020			2021			2022		
			Total			Total			Total			Total
Occupational injury rate%	0.58	0.37	0.49	0.47	0.36	0.43	0.62	0.73	0.66	0.70	0.30	0.53
Absenteeism rate %	0.66	0.36	0.54	0.73	0.63	0.69	0.36	0.84	0.55	0.76	0.45	0.63

* :

- Occupational injury rate: Number of people on occupational injury leave
- Lost day rate: Days of occupational injury leave/ Work hours * 1,000,000
- Total work hours: : 20,109,240 hours

- Disabling Injury Frequency Rate (FR): Based on the total number of disabling injuries during the period in question. Disabling Injury Frequency Rate is calculated as the total number of disabling injuries for every million work hours (to two decimal places). The formula is as follows:

$$\text{Disabling Injury Frequency Rate (FR)} = \frac{\text{Frequency of disabling injuries (persons)} \times 10^6}{\text{Total hours worked}}$$

- Disabling Injury Severity Rate (SR): Based on the total number of days lost due to disabling injuries during the period in question. Disabling Injury Severity Rate is calculated as on the total number of days lost due to disabling injury for every million work hours (to nearest integer). The formula is as follows:

$$\text{Disabling Injury Severity Rate (SR)} = \frac{\text{Total number of days lost} \times 10^6}{\text{Total hours worked}}$$

- Absence Rate Number of absence days (injury + sick (including extended sick leave) + menstrual leave)/total number of working days. The 2022 increase in absence rate is primarily due to an increase in the number of employees who contracted cancer and applied for extended sick leave as well as employees who took sick leave due to COVID-19.
- Atypical employees (including temporary workers and security staff) are excluded because the nature of their work is different from that of full-time employees.
- Recordable occupational injury rate = 17 employees recorded with occupational injuries/ total number of working hours 20,109,240 hours * 1,000,000 = 0.85.



INDEPENDENT ASSURANCE OPINION STATEMENT

First Financial Holding 2022 Annual Sustainability Report

The British Standards Institution is independent to First Financial Holding Co., Ltd. (hereafter referred to as FFHC in this statement) and has no financial interest in the operation of FFHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of FFHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by FFHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to FFHC only.

Scope

The scope of engagement agreed upon with FFHC includes the followings:

1. The assurance scope is consistent with the description of First Financial Holding 2022 Annual Sustainability Report.
2. The evaluation of the nature and extent of the FFHC's adherence to AA1000 Account Ability Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the First Financial Holding 2022 Annual Sustainability Report provides a fair view of the FFHC sustainability programmes and performances during 2022. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the FFHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate FFHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that FFHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to FFHC's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on FFHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview
- interview with 15 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source

- and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that FFHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the FFHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The FFHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of FFHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the FFHC's management and performance. In our professional opinion the report covers the FFHC's materiality assessment process and material issues.

Responsiveness

FFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the FFHC is developed and continually provides the opportunity to further enhance FFHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the FFHC's responsiveness issues.

Impact

FFHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. FFHC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the FFHC's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, FFHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within First Financial Holding 2022 Annual Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

FFHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the FFHC's sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the FFHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



Statement No: SRA-TW-2022031 For and on behalf of BSI:
2023-05-23

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

...making excellence a habit.™

Peter Pu, Managing Director BSI Taiwan

English Translation of a Report Originally Issued in Chinese

Limited Assurance Report of Independent Auditors

To: First Financial Holding Co., Ltd.

Scope

We have been engaged by First Financial Holding Co., Ltd. (the “Company”) to perform a ‘limited assurance engagement’, hereinafter referred to as the “Engagement”, as defined by the Taiwan Accounting Research and Development Foundation, to report on the selected sustainability information (the “Subject Matter”) included in the Company’s 2022 Sustainability Report (“the Report”).

The Subject Matter selected by the Company and their applicable criteria

The Company’s management is responsible for the preparation of the Company’s 2022 Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for the commercial banks industry and consumer finance industry, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Company’s 2022 Sustainability Report.

Regarding the Subject Matter selected by the Company and their applicable criteria, please refer to Appendix A.

The Company’s responsibilities

The Company’s management is responsible for the preparation of the Company’s 2022 Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for the commercial banks industry and consumer finance industry, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Company’s 2022 Sustainability Report. The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the Statements of Assurance Engagements Standards No. 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the Taiwan Accounting Research and Development Foundation. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which basic principles are integrity, objectivity, professional competence, due care and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures related to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures performed included:

- Interviewing with the Company's management and personnel to understand the Company's sustainability implementation and the reporting process.
- Understanding the expectations and requirements of the main stakeholders and stakeholders of the Company, the specific communication channels between the two parties, and how the Company responds to such expectations and requirements through interviews and inspection of relevant documents.
- Performing analytical procedures on selected performance information, gathering and checking other supporting documentation and management information obtained, testing samples if necessary.
- Reading the Report to ensure the overall sustainability implementation is consistent with our understanding.
- Checking whether the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.

Inherent Limitations

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

Conclusion

Based on our procedures and the evidence obtained, nothing has come to our attention that causes us to believe that any material modifications or adjustments should be made to the Subject Matter in accordance with applicable criteria.

Yu-che Tseng

Tseng, Yu-che
Ernst & Young, Taiwan
July 18, 2023

Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix A: Summary of Subject Matters Assured

No. 1

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Subject Matter Information :

Approximately 3.4 million (36.93%) entries of customer data were used for the second time (e.g., marketing or improvement of product/service quality) without violation of related laws and regulations or agreements signed with customers.

* : The scope of information statistical disclosure hereunder covers FFHC and all its subsidiaries.

Applicable Criteria :

FN-CF-220a.1

Number of account holders whose information is used for secondary purposes : Refers to the first point in the technical protocol of SASB FN-CF-220a.1, and in accordance with the statistics on the First Financial Holding Co., Ltd.'s (hereinafter referred to as the "FFHC") system parameters, as of December 31, 2022, the total number of customers using customer data for secondary purposes has been accumulated.

No. 2,3

Pg. 83

Subject Matter Information :

In 2022, First Bank was penalized by the competent authority for 1 case of data and personal information leak (for details, refer to appendix: Sustainable Operating Index) resulting in 1 customer being affected and a fine of NT\$50,000. The matter has been appropriately handled by strengthening employee training.

* :

- The financial losses hereunder are subject to the penalty cases published on the website of the competent authority.
- The litigation hereunder are subject to the penalty cases as published on the website of the competent authority.
- The information leakage hereunder is based on whether it is leaked outside the FFHC, and the information leakage behavior does not comply with the FFHC's relevant regulations on confidentiality and information security management.
- Number of data leakage events: 1 case; ratio of incidents involving personally identifiable information to the total number of data leakage incidents: 100%; Number of customers affected by data leakage incidents: 1 person.

Applicable Criteria :

FN-CF-220a.2

Refers to the first point in the technical protocol of SASB FN-CF-220a.2, the statistics on financial losses arising from legal proceedings due to customer privacy disputes in 2022.

FN-CF-230a.1 \ FN-CB-230a.1

- Number of data breaches : Refers to the first point in the technical protocol of FN-CF-230a.1 and FN-CB-230a.1, and based on FFHC's Information Security Incident Management Regulations, the total number of data breaches that occurred in 2022.
- Percentage involving personally identifiable information (PII) : Refers to the second point in the technical protocol of SASB FN-CF-230a.1 and FN-CB-230a.1, and based on FFHC's Information Security Incident Management Regulations, the percentage of data breaches involving personally identifiable information in 2022.
- Number of account holders affected : Refers to the third point in the technical protocol of SASB FN-CF-230a.1 and FN-CB-230a.1, and based on FFHC's Information Security Incident Management Regulations, the total number of account holders affected by the data breaches involving personally identifiable information that occurred in 2022.

No. 4

Pg. 208

Subject Matter Information :

On Page 208 Table "Credit card fraud", Fraud number and Loss amount of (Non-)presenting a physical credit card.

* : The loss number hereunder is the same as the refund amount.

Applicable Criteria :

FN-CF-230a.2

Refers to the first, second and third points in the technical protocol of SASB FN-CF-230a.2, statistics on the amount of fraud/s-cam losses related to the type of non-presenting and presenting physical credit cards in 2022.

Subject Matter Information :

Contents of report P78~82 chapter on information security and privacy protections:

Disclosure Elements	Corresponding Report Contents
Privacy/ Personal Information Policy	<p>The Company and its subsidiaries has enacted Personal Data protection policy or guidance in accordance with relevant regulations of "Personal Data Protection Act", "The Safety Management Regulation of Personal Data Document held by Non-Government Agencies Designated by the Financial Supervisory Commission", "UK General Data Protection Regulation (UK GDPR)" and "EU General Data Protection Regulation (EU GDPR)".</p>
Scope of Privacy/ Personal Information Protection	<p>Set up relevant Company personnel's rights to access Personal Data collected, processed, used when performing duties, management their contact of these Personal Data and agree with these personnel on their confidential obligations to strictly forbidden disclosure of Personal Data or customer's data.</p> <p>*: Include employees of the Company, temp worker sent by the temp agency and appointed institution which has appointment relationship with the Company and personnel of such institution.</p>
Guidelines and Measures for Privacy/ Personal Information	<ul style="list-style-type: none"> • FFHC established the "Personal Data Protection and Management Committee", which the President is the chairman to be in charge of promoting and supervising the operation of Personal Data protection and management system, and established the "Personal Data Incident Response Team" in order to effectively respond to and handle Personal Data incidents which is inspected externally by accountants every year. • To announce confidentiality measures for customers' information on the front pages of the companies of the Group's websites and specify the range and measures of confidentiality to each confidential documents (including paper and electronic documents), diagrams, messages, computer programs, media or objects. • When Personal Data is stolen, tampered with, damaged, lost, leak or when there's other major Personal Data security incident, the Risk Management Department and the Compliance Department shall be notified and the Financial Supervisory Commission shall be notified within 72 hours of such incident. • Conduct periodical training to employees, in 2022 the Group has conducted Personal Information Protection Act training, GDPR and customer privacy training and other related trainings to all employees, the total number of employees trained is 10,145 and the total hours trained is 6,515.5 hours, the completion rate is 100%. • Shall at least inspect Personal Data protection policy once a year in order to keep up with latest governmental laws and regulations, rules of industries, information technologies and business development of the Company.
Internal Controls for Privacy/ Personal Information	<ul style="list-style-type: none"> • Include Personal Data breach information security risks as newly arisen risks, establish main risk identification, evaluation, risk reducing measures, supervision and management procedures and report newly arisen risks of the year to the President. • Stated that all subsidiaries shall include Personal Data protection procedure into their internal control system, hold self-check periodically and audit units shall conduct checking for Personal Data protection.
Personal Information Management of Overseas Branches	<p>Except that the domestic units of First Bank shall follow EU General Data Protection Regulation (EU GDPR) and relevant regulations, other overseas branches shall also follow regulations policies of competent authorities of each country (for example: UK General Data Protection Regulation (UK GDPR)) and in order to request employees to follow Personal Data Protection Act, the breach of Personal Data has been included into deduct items of business units' evaluation and personal punishment will be made according to the degree of seriousness of the violations.</p>
Information Security Policy	<ul style="list-style-type: none"> • The Information Management and Information Safety Policy was revised and approved by the board of directors in 2022* to provide guidelines for the management of information operations in compliance with the characteristics of each industry for the Company and its subsidiaries. <p>*: In May 2022, the Guidance for Information Management Policy was renamed to Information Management and Security Policy.</p> <ul style="list-style-type: none"> • In order to strengthen the information operating systems, network equipment, and data security of the Company and its subsidiaries, the Rules for Managing Information Operations was established to reinforce internal control functions and comply with the laws and regulations of information management. In response to the Bankers Association's requirements on controls for internet-of-things (IoT) equipment, the Rules for Managing Information Operations includes provisions on the use and security guidelines of IoT equipment. • In order to immediately knew the efficiency of handling information security incidents, the Company has enacted the "Information Security Incidents Report Operation Rules" for companies of the Group to follow, the procedure to handle information security incidents is stated as follows: <ul style="list-style-type: none"> Step 1: Report : When the Company or its subsidiary has an information security incident, it shall report immediately, and the Company's point of contact shall immediately register after it received such report. Step 2: Determine the level : When department being the point of contact receives a report, it shall report to relevant supervisors according to the level of incidents. Step 3: Enforce : Responsive measures Unit where the incident occurred shall enforce relevant responsive measures and recover plans and report back to the Company on the process and outcome of handling. Step 4: follow-up and close : The department in charge of being the point of contact shall follow-up on each improvement measure and review whether or not the recovery plan is sufficient, in order to close the case.

Disclosure Elements **Corresponding Report Contents**
Information Security Management Unit

- We established an IT Development Committee with the president of FFHC as the chairperson. Committee members include vice presidents, the head of the Information Technology Department, presidents of subsidiaries, and vice presidents responsible for IT operations (or managers with an expertise in IT). The IT Development Committee is convened regularly to discuss and review IT development, IT security and management issues at each subsidiary.
- In order to comprehensively improve digital financial business and information security management efficiency, the Company has hired two Ph.D.s with backgrounds in computer science and information management as directors and set up a Chief Information Security Officer, which is assumed by the former director of the National Center for Cyber Security Technology of Executive Yuan and deputy director of the CyberTrust Technology Institute of the Institute for Information Industry. It is in charge of the Information Technology Department and is responsible for the planning, establishment, promotion and management of the Group's information systems and information security control measures, as well as the sharing and integration of related resources.
- FFHC has set up a Chief Information Security Officer in 2022. First Bank and First Securities have set up Chief Information Security Officers in 2021 and 2022 respectively. All were assumed at Vice President level
- The Digital Security Division of First Bank has set up an "Information Security Advisory Team", which has recruited two external information security experts from academia as members of the team. The team provides decision-making advice for information security framework, development blueprint planning, major information security incidents and information security implementation.
- In 2022, the "Computer Information Security Incident Response Team" was established and the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." was enacted.
- In 2022, the Company enacted the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." and established the "Computer Information Security Incident Response Team", which appointed the Information Security Officer of the Company to be the convener, the head of the Information Technology Department of the Company to be the vice convener, the information security supervisors of the Information Security Section of the Information Technology Department, the Information Planning Section of the Information Technology Department and the subsidiaries to be the Team member, and divide the Team into five groups to be receptively in charge of responding, handling, contacting externally and safety managing information security incidents.

Information Security Internal Control

- To comply with the authority's rules, banks, securities, investment trust and life insurance subsidiaries have included the overall implementation of information security in 2022 into the internal control system statement, and such companies' chief information security officer or the supervisor
- The Internal Control System contains detailed rules and manuals for information security/online security risks, including application system operations management, hardware and environment management, network management, webpage management, e-mail security management, computer user access rights management, disaster recovery procedures, subsidiary supervision and computer file preservation, storage and processing principles.

Information Security Governance Maturity

- First Bank has cooperated with the Financial Information Sharing and Analysis Center (F-ISAC) in evaluating the Cybersecurity Assessment Tool (CAT), and has produced the F-ISAC Taiwan's version of cybersecurity maturity assessment.
- First Bank, First Securities, FSITC and First Life Insurance have all introduced the ISO 27001 information security management system. First Bank and First Life Insurance also have acquired BS 10012 Personal Data Management System certification and First Bank has already imported ISO 20000 IT Service Management System and enhanced the effectiveness of information operation and information management through third party independent external institution's inspection and review.
- First Bank's Digital Security Division has established a KPI for adding two international information security licenses each year. First Securities also set up a management goal that all personnel of information security units shall acquire information security licenses, and this goal has been accomplished for three years in a row.
- To enhance information security resilience, First Bank continues to purchase the "information system illegal conduct insurance" to mitigate the financial losses of the penetration of the system.
- It also appoints an independent third party to conduct information security evaluations, examine the completeness and appropriateness of existing control measures for the overall computer system, and uncover potential information security threats and vulnerabilities.

Information Security Drills

- To ensure the security of the IT operating system, network, and data, and ensure continuity of operations, the Company established the "IT Operating Management Guidelines" and "Guidelines for Disaster Recovery Plan" which serve as the basis for emergency response for IT operations. The Company executes disaster recovery drills every six months.
- The Company enhanced information security education to prevent malicious programs from penetrating the Company's information system through social engineering. First Bank, First Securities, First Securities Investment Trust and First Life Insurance organized 2-4 social engineering drills irregularly within the scope of security monitoring for all employees.
- The occurrence of information security hazards causing the Company or its subsidiaries to be severely punished by the competent authority are listed as annual performance appraisal indicators for employees.

Applicable Criteria :**FN-CF-230a.3 \ FN-CB-230a.2**

Refers to the first to seventh points in the technical protocol of SASB FN-CF-230a.3 and FN-CB-230a.2, we confirm and clarify the information security management policy and structure of FFHC, and protect and identify methods of information security-related risks.

Subject Matter Information :

Based on statistics, the salaries of the Group's employees and their performance in the sale of sustainable finance products showed a correlation of 28.1% in 2022, which suggests a strong link between employees' salaries and the Group's sustainability strategy and also reflects employees' job performance and fairness in such assessment.

* : The fixed salaries hereunder include basic salaries, meal allowances, year-end and holiday bonuses, and the salaries not included hereunder are calculated as variable salaries.

Applicable Criteria :**FN-CF-270a.1**

Refers to the first and second points in the technical protocol of SASB FN-CF-270a.1, the total number of fixed salaries and variable salaries of employees of FFHC and all its subsidiaries are counted in 2022, and used to calculate the ratio of variable salaries to total salaries.

Subject Matter Information :

On Page 208 Table "Indicators of loan and credit card products - distinguished by credit risks", Approval rate of Loan and Credit card of each risk level customers.

* :

- Pre-paid card products are not provided by First Bank. Therefore, in accordance with "Key Points of Credit Rating of First Bank's Consumption Amount" and "Credit Card Application Scorecard Development Manual", risks of loan and credit card application are distinguished, and the approval rate and overall approval rate are counted.
- Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.
- Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

Applicable Criteria :**FN-CF-270a.2**

Refers to the first and second points in the technical protocol of SASB FN-CF-270a.2, the approval rate and statistical application of loan and credit approval rate is counted separately on the basis of credit risk level, and counted the overall loan and credit card approval rate after credit risk assessment.

Subject Matter Information :

On Page 208 Table "Indicators of loan and credit card products - distinguished by credit risks", Interest rate, Average account terms and Average number of accounts held of Loan and Credit card of each risk level customers.

* :

- First Bank does not have any additional product charges due to credit risk.
- The data of average annual interest rate, average account term and average number of account held hereunder is distinguished in accordance with First Bank's internal credit card risk related rating methods.
- Pre-paid card products are not provided by First Bank. Therefore, in accordance with "Key Points of Credit Rating of First Bank's Consumption Amount" and "Credit Card Application Scorecard Development Manual", risks of loan and credit card application and related data are distinguished and counted.
- Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.
- Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

Applicable Criteria :**FN-CF-270a.3**

- Average fees from add-on products for customers with FICO scores above and below 660 : Refers to the first point in the technical protocol of SASB FN-CF-270a.3, review First Bank's additional product fees due to credit risks.
- Average APR, average age of accounts and average number of trade lines for customers with FICO scores above and below 660 : Refers to the second, third and fourth points in the technical protocol of SASB FN-CF-270a.3, for loan and credit card products, the average annual interest rate, average account term and average number of account held are distinguished and counted in accordance with credit risks.
- Average annual fees for pre-paid products for customers with FICO scores above and below 660 : Refers to the fifth point in the technical protocol of SASB FN-CF-270a.3, review First Bank's annual fees for holding pre-paid products.

Subject Matter Information :

In 2022, the total number of customer complaint cases received through all kind of channels is....., among which the number of cases through competent authorities is 183 (Appendix: sustainable operation indicators),.....

* : The information sources of the competent authority hereunder are mainly based on the filing records of the complaint cases archived by the FFHC, except for the statistics on the complaint cases of the Financial Ombudsman Institution and FSC Banking Bureau.

Applicable Criteria :**FN-CF-270a.4**

- Number of complaints filed with the Consumer Financial Protection Bureau (CFPB) : Refers to the first point in the technical protocol of SASB FN-CF-270a.4, statistics on the number of customer complaints filed by the competent authority of FFHC in 2022.
- Percentage with monetary or non-monetary relief : Refers to the second point in the technical protocol of SASB FN-CF-270a.4, statistics on the percentage of all FFHC's customer complaints filed by the competent authority through monetary or non-monetary mediation in 2022.
- Percentage disputed by consumer : Refers to the third point in the technical protocol of SASB FN-CF-270a.4, statistics on the percentage of all FFHC's client complaints filed by the competent authority that failed the mediation in 2022.
- Percentage that resulted in investigation by the CFPB : Refers to the fourth point in the technical protocol of SASB FN-CF-270a.4, statistics on the percentage of all FFHC's customer complaints filed by the competent authority that entered into the Financial Ombudsman Institution in 2022.

Subject Matter Information :

In 2022, the Group had 6 sanctions by competent authorities and lawsuits related to product sales and services, with a total loss of NT\$2.53 million (see appendix for details: sustainable operation indicators), the Group has improved the relevant deficiencies and added relevant control mechanisms, effectively enhancing the protection of consumers' rights and interests.

* :

- The sanction cases counted by the competent authority hereunder are consistent with the description of the sanction cases issued by the FSC Insurance Bureau.
- The amount of property damage hereunder does not include the financial loss of the case being accepted.

Applicable Criteria :**FN-CF-270a.5**

Refers to the first point in the technical protocol of SASB FN-CF-270a.5, inventory of FFHC's sanction cases and litigations related to product sales and services that have been counted by the competent authority.

Subject Matter Information :

In 2022, the total number of valid credit card customers of First Bank was 691,301.

* : Pre-paid card products are not provided by First Bank.

Applicable Criteria :**FN-CF-000.A**

Refers to SASB's activity metric FN-CF-000.A, statistics on the total number of customers with valid credit cards held by First Bank as of December 31, 2022.

Subject Matter Information :

In 2022, the total number of valid credit card customers of First Bank..., and the number of cards in circulation reached 1,499,813.

* :

- Pre-paid card products are not provided by First Bank.
- The number of credit cards in circulation hereunder is consistent with the relevant statistical data of the Banking Bureau.

Applicable Criteria :**FN-CF-000.B**

Refers to SASB's activity metric FN-CF-000.B, statistics on the number of credit cards in circulation with valid credit cards held by First Bank as of December 31, 2022.

Subject Matter Information :

- The table on P.72 of the report details the amount and number of landowners that benefited in 2022 through the Self-managed urban renewal and the reconstruction of dangerous and old buildings and Developer-consolidated urban renewal and the reconstructions of dangerous and old building projects.
- The table on P.75 of the report :For small scale enterprises Additionally, enterprises are provided with a maximum quota of NT\$ 3.222 billion and total of 4,845 small scale enterprises customers.

* : A small business is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established or less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

Applicable Criteria :**FN-CB-240a.1**

Refers to the first point in the technical protocol of SASB FN-CB-240a.1, the number of loans and outstanding loans amount qualified to programs designed to promote small business made by First Bank as of December 31, 2022.

Subject Matter Information :

On Page 139 Table "Provide financial education to disadvantaged groups and in remote regions and surrounding areas".

* : The definition of group hereunder includes disadvantaged groups and in remote regions and surrounding areas as defined by the competent authority.

Applicable Criteria :**FN-CB-240a.4**

Refers to the first and second points in the technical protocol of SASB FN-CB-240a.4, statistics on the total number of customer engagements in providing financial education for the unbanked, underbanked, or underserved customer group in 2022.

Subject Matter Information :

As of December 31,2022, ESG has been included in the loan decision review process for 100% of enterprise credit loans with a total of 11 cases that received "conditional approval" (e.g.: loan amount decrease or increased interest rates) or "rejected" due to ESG risk factors,

* : The definition of group hereunder includes disadvantaged groups and rural areas as defined by the competent authority.

Applicable Criteria :**FN-CB-410a.2**

Refers to the technical protocol of SASB FN-CB-410a.2, the percentage of credit process that incorporate ESG factors as of December 31, 2022.

Subject Matter Information :

In 2022, the Company had no financial losses resulting from litigation involving fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, corruption, or other violations of financial industry laws and regulations.

* : The financial losses hereunder are subject to the statistics of penalty cases published on the website of the competent authority.

Applicable Criteria :**FN-CB-510a.1**

Refers to the first point in the technical protocol of SASB FN-CB-510a.1, the total amount of monetary losses incurred in 2022 as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

Subject Matter Information :

The whistleblower system and procedures in page 90~91 Table "Whistleblower System, Process, and Results" in Chapter "Ethical corporate management execution status" :

Disclosure Elements	Corresponding Report Contents
Whistleblowing Policy	The "Corporate Governance - Rules of Governance" on the website of the Company discloses the Rules of Implementing a Whistleblower System that has been reviewed and passed by the board of directors. Our subsidiaries all established a whistleblower system that was reviewed and passed by their respective Board of Directors.
Receiving unit	The Company's legal compliance department and internal audit/unit/supervisor are responsible for handling whistleblower cases.
Whistleblowing Channels	The Company set up a "Whistleblower Area" in the "Stakeholder Communications" section on our official website and provides whistleblowing channels via telephone, email, and mail.
Whistleblowing Methods	Any individual who discovers that a Company employee is suspected of crime, fraud, or law violation may submit a whistleblowing report to the receiving unit by stating their real name, contact method, the specific incident, and supplementary evidence through written notice such as mail and email; whistleblowing can also be conducted by phone or personally recounting the incident. The receiving unit must establish records stating the details of each incident, real names, and contact methods.
Case Acceptance Principles	<p>The Whistleblowing Review Committee ("the Committee") reviews all whistleblowing cases and determines if they will be accepted.</p> <p>The Committee may decide not to accept whistleblowing reports if it falls under any of the following circumstances:</p> <ul style="list-style-type: none"> • The whistleblower has not provided his/her real name and contact information. However, in cases where the content of the whistleblowing report is specific and there are verifiable materials, it still can be processed with care and discretion. • The whistleblower report does not fall under Article 3 as an accepted category of the implementation rules or is unrelated to the execution of business. • The whistleblowing report is obviously made with malicious intent, is obviously false, or has no substantial content. • The whistleblower was requested to provide or supplement the evidence materials within a certain period of time. However, the whistleblower failed to do so, which hindered the investigation. • The reported matter is regarded as the same as a case that has already been investigated to completion, and the whistleblower has failed to present new facts or new evidence. • The reported matter has been investigated by relevant judicial agencies, or is already under investigation by a court of law, or has been subject to non-prosecution or deferred prosecution, or has already received a verdict therein.
Case Handling Procedures	<p>1. The Committee approves acceptance of a case: The report should be registered confidentially and separate investigations should be established based on the contents and category of each report. The Investigation Panel is required to produce an investigation report within thirty days from the day after receipt. The investigation report shall be sent to the receiving unit within thirty days after the report is completed; this deadline may be extended if necessary.</p> <p>2. Investigation Method: Based on the necessity of the case, telephone, written review, or interviews should be performed. When an investigation is conducted, related units shall cooperate with the investigation and provide necessary documents and data. The information involving related parties in the reported contents and the data or information they provide must be kept strictly confidential and may not be leaked. The Investigation Panel may give the reported person an opportunity to make a statement verbally or in writing, which shall, in principle, be processed in a non-public manner.</p> <p>3. Recusal in Conflicts of Interest: During the process of processing, investigating, deliberating, reviewing and reporting the whistleblowing reports, any person who has interests in individual whistleblower reports or other persons that may affect a fair investigation shall recuse themselves.</p> <p>4. Notifying the Results of Investigation: The receiving unit shall update the whistleblower on the status of the investigation in writing or by other means within ten days after the investigation report is completed and approved. Where the whistleblowing report is transferred to a subsidiary for processing, the said subsidiary shall notify the whistleblower and submit a copy to the Company. The receiving unit shall send the investigation result to the head of the responsible unit of the reported person, and the unit head shall inform the reported person and take corrective action. If the reported person is the chairman, its supervisors/independent directors shall be notified.</p> <p>5. Follow-up Actions: Where a whistleblowing report is verified to be true or with an audit opinion, the inspected unit and the Company shall report it at the next month's board of directors meeting or the next board of directors meeting, submit it to the Company's dedicated unit (Ethical Management Committee) for future reference, and comply with the following procedures:</p> <ul style="list-style-type: none"> • Related units shall be assigned to review the internal control system and operating procedures, propose improvement measures. A copy shall be submitted to the audit unit. • The audit unit shall include the whistleblowing report in the most recent business audit items. <p>Major incidents or illegal cases shall be referred to or reported to the Company and relevant authorities in accordance with the "FFHC Incident Reporting Guidelines" and "First Financial Group Compliance Notification Guidelines".</p>

Case Handling Procedures

6. Incentive Measures: To encourage reports on illegal and unethical conduct, if a report is verified as true in an investigation, the Company shall grant a reward based on the severity of the reported violation. Where a whistleblower files a false report or a malicious accusation, the whistleblower shall be processed in accordance with related HR management rules.

7. Record Retention: Documentation of case acceptance, investigation processes, and investigation results shall be retained in complete written format or digital files for at least five years. In the event of litigation related to the whistleblowing case before the retention period expires, the documentation shall continue to be retained until the conclusion of the litigation.

* : Regulations hereunder are include the whistleblowing policy, receiving unit, whistleblowing channels, whistleblowing method, case acceptance principles, and case procedures.

Applicable Criteria :**FN-CB-510a.2**

Refers to the first point in the technical protocol of SASB FN-CB-510a.2, the company's policies, and procedures for disclosing whistle-blower systems are based on the "Whistleblower System Implementation Rules" applicable for 2022 of FFHC.

Subject Matter Information :

The table "Number of Accounts and Balance for Deposits and Loans of personal, Small Enterprises, and Enterprises" on P.209 of the report provides details on the number of deposit accounts and total value of personal and small enterprises at First Bank as of December 31, 2022.

Applicable Criteria :**FN-CB-000.A**

Refers to SASB's activity metric FN-CB-000.A, the number and value of checking and savings accounts of First Bank by personal and small business as of December 31, 2022.

Subject Matter Information :

The table "Number of Accounts and Balance for Deposits and Loans of personal, Small Enterprises, and Enterprises" on P.209 of the report provides details on the number of deposit accounts and total value of personal, small enterprises, and enterprises at First Bank as of December 31, 2022.

Applicable Criteria :**FN-CB-000.B**

Refers to SASB's activity metric FN-CB-000.B, the number and value of loans of First Bank by personal, small business and corporate as of December 31, 2022.

Subject Matter Information :

In 2022, First Bank was penalized by the competent authority for 1 case of data and personal information leak (for details, refer to appendix: Sustainable Operating Index) resulting in 1 customer being affected and a fine of NT\$50,000. The matter has been appropriately handled by strengthening employee training.

* :

- The financial losses hereunder are subject to the penalty cases published on the website of the competent authority.
- The information leakage hereunder is based on whether it is leaked outside the FFHC, and the information leakage behavior does not comply with the FFHC's relevant regulations on confidentiality and information security management.
- Number of data breaches:1 case; percentage involving personally identifiable information(PII): 100%; Number of customers affected: 1 person.

Applicable Criteria :

Sustainability disclosure metrics (Appendix: Table 1-3, Number 1) in Article 4-1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

By referencing the sustainability disclosure metrics (Appendix: Table 1-3, Number 1) in Article 4, Paragraph1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Compilation of the number of information leakage incidents, the number of leakage incidents relating to personal data, and the number of customers affected by data breaches at FFHC in 2022.

Subject Matter Information :

- The table on P.72 of the report details the amount and number of landowners that benefited in 2022 through the Self-managed urban renewal and the reconstruction of dangerous and old buildings and Developer-consolidated urban renewal and the reconstructions of dangerous and old building projects.
- The table on P.75 of the report :For small scale enterprises Additionally, enterprises are provided with a maximum quota of NT\$ 3.222 billion and total of 4,845 small scale enterprises customers.

* : A small business is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established or less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

Applicable Criteria :

Sustainability disclosure metrics (Appendix: Table 1-3, Number 2) in Article 4-1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

By referencing the sustainability disclosure metrics (Appendix: Table 1-3, Number 2) in Article 4, Paragraph1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Compilation of the number of loans and outstanding loans amount to promote small business and community development undertaken by FFHC in 2022.

Subject Matter Information :

Table "Provide financial education to disadvantaged groups and in remote regions and surrounding areas " in P.139 of the report.

* : The definition of the group hereunder includes disadvantaged groups and in remote regions and surrounding areas as defined by the competent authority.

Applicable Criteria :

Sustainability disclosure metrics (Appendix: Table 1-3, Number 3) in Article 4-1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

By referencing the sustainability disclosure metrics (Appendix: Table 1-3, Number 3) in Article 4, Paragraph1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Compilation of the number of participants for financial education provided to disadvantaged groups that lack banking services by FFHC in 2022.

Subject Matter Information :

The "[Corporate Finance] - ESG-related products and their respective proportions " table on P.68 of the report discloses the amount of ESG products and their ratio at First Bank and First Venture Capital

* : The financial businesses encompassed in this scope include First Bank and First Venture Capital.

Applicable Criteria :

Sustainability disclosure metrics (Appendix: Table 1-3, Number 4) in Article 4, Paragraph1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

By referencing the sustainability disclosure metrics (Appendix: Table 1-3, Number 4) in Article 4, Paragraph1 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. Compilation of products and services designed to generate environmental or social benefits by the business divisions of First Bank and First Venture Capital in 2022.

Various Certifications





Index Table of 2022 Global Reporting Initiative (GRI)

Statement of use	First Financial Holding publishes the 2022 Sustainability Report in accordance with the GRI guidelines, and the scope of data and information is from January 1 to December 31, 2022.
GRI version used	GRI 1: Foundation 2021
GRI Industry Code Statement	None

GRI 2

GRI Disclosure Number	Description	Chapter	Pg.
1. Organization and reporting			
2-1	Organizational details		P2
2-2	Entities included in the organization's sustainability reportin		P2
2-3	Reporting period, frequency and contact point	Report information	P2~3
2-4	Restatements of information		P2
2-5	External assurance		P3
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Business Performance Sustainable Procurement and Supplier Management	P42 P125~127
2-7	Employees	Diverse Talent Recruitment and Skills Cultivation	P153~157
2-8	Workers who are not employees		P154~155
3. Governance			
2-9	Governance structure and composition		P84~87
2-10	Nomination and selection of the highest governance body		P84
2-11	Chair of the highest governance body	Corporate Governance	Our corporate chairman is Ms. Ye-Chin Chiou / President is Ms. Fen-Len Chen
2-12	Role of the highest governance body in overseeing the management of impacts		P87
2-13	Delegation of responsibility for managing impacts		P87
2-14	Role of the highest governance body in sustainability reporting	Sustainable Governance Operation Mechanisms	P10~11
2-15	Conflicts of interest	Corporate Governance	P86
2-16	Communication of critical concerns	Sustainable Development Goals Risk Management and Continuous Operation	P22~41 P47
2-17	Collective knowledge of the highest governance body	Corporate Governance	P86
2-18	Evaluation of the performance of the highest governance body		
2-19	Remuneration policies	Corporate Governance Talent Retention and Accessibility Benefits	P87~88 P151, P164~167
2-20	Process to determine remuneration	Corporate Governance	P87~88
2-21	Annual total compensation ratio		P88
4. Strategy, policies and practice			
2-22	Statement on sustainable development strategy	Chairman's Message	P4~5
2-23	Policy commitments	Sustainable Development Goals Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P22~41
2-24	Embedding policy commitments		P97~103
2-25	Processes to remediate negative impacts	Ethical Management and Fair Customer Treatment Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P90~91 P97~103
2-26	Mechanisms for seeking advice and raising concerns	Ethical Management and Fair Customer Treatment	P90~91
2-27	Compliance with laws and regulations	Risk Management and Continuous Operation	P47
2-28	Membership associations	Business Performance	P45

GRI Disclosure Number	Description	Chapter	Pg.
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Communication and Materiality Analysis	P14~21
2-30	Collective bargaining agreements	Protections for Human Rights and Gender Equality	P153

GRI 3 : Material Topics 2021

GRI Disclosure Number	Description	Chapter	Pg.
3-1	Process to determine material topics	Stakeholder Communication and Materiality Analysis	P14~21
3-2	List of material topics		P14~17
3-3	Management of material topics	Sustainable Development Goals	P22~41

Topic-Specific Standards

GRI 200: Economic Topics (With the exception of GRI 207 which is the 2019 version, the other GRI standards are based on the 2016 version)

Series	Disclosure	Description	Chapter	Pg.
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	Business Performance Corporate Governance ESG Products and Services Social Impact	P44 P88 P68~74 P137
	201-2	Financial implications and other risks and opportunities due to climate change	Responsible Finance Climate Strategy and Management	P65~66 P106~111
	201-3	Defined benefit plan obligations and other retirement plans	Talent Retention and Accessibility Benefits	P170~172
	201-4	Financial assistance received from government	None	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Protections for Human Rights and Gender Equality	P151, P164, P167
	202-2	Proportion of senior management hired from the local community	Diverse Talent Recruitment and Skills Cultivation	P154~155, P157
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	ESG Products and Services Digital Innovation and Inclusiveness	P68~74 P128~132
	203-2	Significant indirect economic impacts	ESG Products and Services Climate Strategy and Management Social Impact	P68~74 P110 P134~136
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	Sustainable Procurement and Supplier Management	P126
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Risk Management and Continuous Operation	P46
	205-2	Communication and training about anti-corruption policies and procedures	Ethical Management and Fair Customer Treatment	P89
	205-3	Confirmed incidents of corruption and actions taken		P91
GRI 207: Tax 2019	207-1	Approach to tax		
	207-2	Tax governance, control, and risk management		
	207-3	Stakeholder engagement and management of concerns related to tax	Tax Governance	P95~96
	207-4	Country-by-country reporting		P96
GRI 300: Environmental Topics 2016				
GRI 302: Energy	302-1	Energy consumption within the organization		P116
	302-2	Energy consumption outside of the organization		P117
	302-3	Energy intensity	Climate Action	P116
	302-4	Reduction of energy consumption		P112~120
	302-5	Reductions in the energy requirements of products and services		P117~122

GRI 300: Environmental Topics 2016

Series	Disclosure	Description	Chapter	Pg.
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Climate Action	P116
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity		P114~116
	305-5	Reduction of GHG emissions		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement and Supplier Management	P125~127
	308-2	Negative environmental impacts in the supply chain and actions taken		

GRI 400: Social Topics (With the exception of GRI 403 which is the 2018 version, the other GRI standards are based on the 2016 version)

GRI 401: Employment	401-1	New employee hires and employee turnover	Diverse Talent Recruitment and Skills Cultivation Talent Retention and Accessibility Benefits	P157 P166~167
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Retention and Accessibility Benefits	P170~172
	401-3	Parental leave		
GRI 402: Labor/Management relations	402-1	Minimum notice periods regarding operational changes	Protections for Human Rights and Gender Equality	P168
	403-1	Occupational health and safety management system	Occupational Safety and Health	P176~178
	403-2	Hazard identification, risk assessment, and incident investigation		P172~173
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		P173~179
403-5	Worker training on occupational health and safety			
GRI 403: Occupational Health and Safety	403-6	Promotion of worker health	Sustainable Procurement and Supplier Management	P125~127
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries	Occupational Safety and Health	P178 P179
	403-10	Work-related ill health		P173~174, P179
	GRI 404: Training and education	404-1	Average hours of training per year per employee	Diverse Talent Recruitment and Skills Cultivation
404-2		Programs for upgrading employee skills and transition assistance programs	Talent Retention and Accessibility Benefits	P158~163
404-3		Percentage of employees receiving regular performance and career development reviews	Corporate Governance Diverse Talent Recruitment and Skills Cultivation	P87~88 P164~165
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Corporate Governance Diverse Talent Recruitment and Skills Cultivation	P84~85 P154~157
	405-2	Ratio of basic salary and remuneration of women to men		P151
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Protections for Human Rights and Gender Equality	P146~149
GRI 407: Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable Procurement and Supplier Management	P125~127
			Protections for Human Rights and Gender Equality	P146~149
GRI 410: Security practices	410-1	Security personnel trained in human rights policies or procedures	Protections for Human Rights and Gender Equality	P147

GRI 400: Social Topics (With the exception of GRI 403 which is the 2018 version, the other GRI standards are based on the 2016 version)

Series	Disclosure	Description	Chapter	Pg.
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	Sustainable Procurement and Supplier Management	P126~127
	414-2	Negative social impacts in the supply chain and actions taken		
GRI 415: Public policy	415-1	Political contributions	NA	
GRI 417: Marketing and labeling	417-1	Requirements for product and service information and labeling	Responsible Finance Ethical Management and Fair Customer Treatment	P67
	417-2	Incidents of non-compliance concerning product and service information and labeling		P92
	417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	P83

Distribution Table of Indicators Disclosed by the GRI for Financial Service Industries

Index	Description	Chapter	Pg.
Aspect: Product Portfolio			
FS1/DMA	Policies with specific environmental and social components applied to business lines	Tax Governance	P95
		Risk Management and Continuous Operation	P48~49
		Responsible Finance	P56
		ESG Products and Services Climate Strategy and Management	P68~77 P110
FS2/DMA	Procedures for assessing and screening environmental and social risks in business lines	Risk Management and Continuous Operation	P50~51
		Responsible Finance	P57~67
		ESG Products and Services	P68~77
		Sustainable Procurement and Supplier Management	P125~127
FS3/DMA	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Responsible Finance	P57~67
		ESG Products and Services	P68~77
FS4/DMA	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Climate Action	P124
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	ESG Products and Services	P68~77
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Digital Innovation and Inclusiveness	P128~133
		Social Impact	P134~137
Aspect: Active ownership			
FS11	Percentage of assets subject to positive and negative environmental or social screening	ESG Products and Services	P68, P71
Aspect: Local communities			
FS14	Initiatives to improve access to financial services for disadvantaged people	ESG Products and Services	P75~77
		Ethical Management and Fair Customer Treatment	P92
		Social Impact	P139~141
FS15/DMA	Policies for fair design and sale of financial products and services	Ethical Management and Fair Customer Treatment	P94
FS16/DMA	Initiatives to enhance financial literacy by type of beneficiary	Ethical Management and Fair Customer Treatment	P94
		ESG Products and Services	P76~77
		Social Impact	139~141

United Nations Global Compact Principles

Classification	Content	Disclo- sure	Chapter	Pg.
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	●	Protections for Human Rights and Gender Equality	P146~151
	Principle 2: Make sure that they are not complicit in human rights abuses.	●	Responsible Finance Sustainable Procurement and Supplier Management	P61, P63 P125~127
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	●		
Labor	Principle 4: The elimination of all forms of forced and compulsory labor	●	Protections for Human Rights and Gender Equality	P146 P150~153
	Principle 5: The effective abolition of child labor	●		
	Principle 6: The elimination of discrimination in respect of employment and occupation	●		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	●	Climate Strategy and Management Climate Action	P104~111 P112~124
	Principle 8: Undertake initiatives to promote greater environmental responsibility	●	ESG Products and Services Climate Strategy and Management Climate Action Sustainable Procurement and Supplier Management	P69~71 P106~111 P112~P124 P125~127
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	●	ESG Products and Services Social Impact Digital Innovation and Inclusiveness	P68~74 P136 P128~133
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	●	Ethical Management and Fair Customer Treatment	P89~91

Comparison Table of Social Responsibility Guidelines

	Major Issues	Disclo- sure	Chapter	Pg.
Organizational governance	Organizational Governance	●	Sustainable Governance Operation Mechanisms	P10~11
	Compliance audits to prevent risks due to human rights issues	●	Protections for Human Rights and Gender Equality	P146~149, P153
	Human rights risks situations	●		P146~149
	Avoidance of complicity	●	Ethical Management and Fair Customer Treatment	P89~91
Human rights	Resolving grievances	●	Talent Retention and Accessibility Benefits	P168~169
	Discrimination and vulnerable groups	●	Protections for Human Rights and Gender Equality	P146~149
	Civil and political rights	●		P146~149, P152~153
	Economic, social and cultural rights	●	Talent Retention and Accessibility Benefits Social Impact	P170~172 P134~145
	Fundamental principles and rights at work	●	Protections for Human Rights and Gender Equality	P146~153
	Employment and employment relationships	●	Diverse Talent Recruitment and Skills Cultivation	P154~157
Labor practices	Conditions of work and social protection	●	Protections for Human Rights and Gender Equality Diverse Talent Recruitment and Skills Cultivation	P146~153 P168~169
	Social dialogue	●	Social Impact	P134~145
	Health and safety at work	●	Occupational Safety and Health	P173~179
	Human development and training in the workplace	●	Diverse Talent Recruitment and Skills Cultivation	P158~163

	Major Issues	Disclo- sure	Chapter	Pg.
The Environment	Prevention of pollution	●	Climate Action	P112~124
	Sustainable resource use	●	Climate Strategy and Management	P108~109
	Climate change mitigation and adaptation	●	Climate Action	P117~120
	Protection of the environment, bio-diversity and restoration of natural habitats	●	Social Impact	P138, P142
Fair Operating Practices	Anti-corruption	●	Ethical Management and Fair Customer Treatment	P89~91
	Responsible political involvement	●		
	Fair competition	●	Stakeholder Communication and Materiality Analysis	P14~41
	Promoting social responsibility in the value chain	●		
Consumer Issues	Respect for property rights	●	Ethical Management and Fair Customer Treatment	P89
	Fair marketing, factual and unbiased information and fair contractual practices	●	Ethical Management and Fair Customer Treatment	P92~93
	Protecting consumers' health and safety	●	Social Impact	P140~141
	Sustainable consumption	●	ESG Products and Services	P68~74
	Consumer service, support, and complaint and dispute resolution	●	Ethical Management and Fair Customer Treatment	P93~94
	Consumer data protection and privacy	●	Information Security and Privacy Protection	P83
	Access to essential services	●	Ethical Management and Fair Customer Treatment	P92~94
			ESG Products and Services	P68~74
			Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P97~103
	Education and awareness	●	Digital Innovation and Inclusiveness	P128~133
Ethical Management and Fair Customer Treatment			P94	
ESG Products and Services			P71~77	
Community participation	●	Social Impact	P137~145	
		Digital Innovation and Inclusiveness	P128~133	
		ESG Products and Services	P76~77	
Education and culture	●	Social Impact	P137~145	
		ESG Products and Services	P76~77	
		Social Impact	P137~145	
Community Involvement and Development	Employment creation and skills development	●	Diverse Talent Recruitment and Skills Cultivation	P51~152, P159~163
			Social Impact	P139~140
			Digital Innovation and Inclusiveness	P128~133
	Technology development	●	Digital Innovation and Inclusiveness	P128~133
	Wealth and income creation	●	Ethical Management and Fair Customer Treatment	P94
Promotion of health	●	ESG Products and Services	P75~77	
		Talent Retention and Accessibility Benefits	P170~171	
		Occupational Safety and Health	P174~175	
Social investment	●	Social Impact	P139~141, P144	
		Social Impact	P134~145	

Comparison Table of the Six Principles of the UN Principles for Responsible Banking (PRB)

Item	Chapter	Pg.
<p>Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	Stakeholder Communication and Materiality Analysis Sustainable Development Goals Responsible Finance	P14~21 P22~41 P56
<p>Principle 2: Impact & Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	Sustainable Development Goals	P22~41
<p>Principle 3: Clients & Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	Responsible Finance ESG Products and Services Social Impact	P56~67 P68~77 P134~145
<p>Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	Stakeholder Communication and Materiality Analysis Responsible Finance ESG Products and Services Sustainable Procurement and Supplier Management Social Impact	P14~21 P56~67 P68~77 P125~127 P134~145
<p>Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	Sustainable Governance Operation Mechanisms Sustainable Development Goals	P10~11 P22~41
<p>Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.</p>	Sustainable Governance Operation Mechanisms Stakeholder Communication and Materiality Analysis Sustainable Development Goals	P10~11 P14 P9~41

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Index	Description	Chapter/Description	Pg.
	The sustainability indicators that financial and insurance companies should disclose in their sustainability reports and obtain the opinion letter issued by the accountants in accordance with the standards issued by the Accounting Research and Development Foundation.		
Financial Institutions	1. Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Information Security and Privacy Protection Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P83 P192
	2. Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	ESG Products and Services Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P72, P75 P193
	3. Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	Social Impact Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P139 P193
	4. Products and services designed by individual operating units to create benefits for the environment or society.	ESG Products and Services Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P68 P193
Listed Company	The content of the sustainability report of a financial and insurance company shall cover relevant environmental, social, and corporate governance risk assessments, and set relevant performance indicators to manage the identified major topics.	Stakeholder Communication and Materiality Analysis Sustainable Development Goals	P14~21 P22~41
	Disclose climate-related information in a special chapter, and obtain greenhouse gas scope 1 and scope 2 inventory verification.	Climate Strategy and Management Climate Action	P104~111 P112~124

Climate Related Data of First Financial Holding

●○ Risks and opportunities caused by climate change to the Company and related response measures

Item

01 Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.

Implementation status

The Board of Directors of FFHC serves as the top governing unit responsible for overseeing the Group's climate-related risks. Their duties include approving, guiding, and ensuring the effective operation of risk policies. The ESG Committee and the Risk Management Committee operate under the supervision of the Board of Directors and are tasked with overseeing critical strategies related to the group's climate risks, which are outlined below:

- The ESG Committee is chaired by the Chairperson of the Board, with the Presidents of each company in the Group serving as committee members. The committee is primarily responsible for formulating short, medium, and long-term ESG objectives and plans of action related to climate change. They also establish annual ESG performance evaluation criteria for subsidiaries. Quarterly meetings are held to track and review the progress of each climate change and ESG target and action plan, and implementation performance from the preceding year is reported to the Board of Directors within four months after year-end to promote the adoption and implementation of the Group's sustainability policies. Starting in 2022, each subsidiary's annual business performance evaluation will include assessments of their climate change and comprehensive ESG performance to ensure the achievement of each annual target.
- The Risk Management Committee is headed by the Chairperson of the Board and consists of the President, Vice President, and Chairpersons and Presidents of the subsidiaries as its members. The committee provides regular reports and continuously monitors the outcomes of climate risk assessments and the implementation of mitigation measures, which are subsequently reported to the Board of Directors.

02 Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

Implementation status

A. Risks:

1. **Transition risks:** These refer to policy, legal, technological, and market changes that may occur during the low-carbon transition process, and which are used to mitigate and adapt to climate change.
 - Short-term: The collection of carbon taxes or fees.
 - Medium-term: Investment and financing clients' inability to undergo low-carbon transformation.
 - Long-term: Changes in market preferences.
2. **Physical risks:** These refer to the actual risks brought about by long-term climate change and immediate extreme weather, which may have financial impacts on the organization.
 - Short/medium-term: Increase in flooding and landslides.
 - Long-term: Sustained high temperatures cause a rise in sea levels or long-term heat waves.

B. Opportunities:

1. **Short-term:**
 - "Product and Service": In response to the development of digital technology, promote paperless banking, securities, and insurance service processes; follow the Equator Principles to implement due diligence and establish customer engagement mechanisms; develop products such as sustainable linked loans, sustainable development linked bonds, and green deposits.
 - "Resource Efficiency": When Group-owned or invested real estate is built or replaced, priority should be given to equipment with energy-saving and environmentally friendly labels.
 - "Energy Sources": Gradually increase the percentage of self-generated renewable energy.
2. **Medium-term:** "Market Opportunities": Assist the development of the green industry, such as increasing investment in renewable energy-related companies to help clients meet green supply chain regulations and demand, actively participating in the promotion of sustainable development bonds, issuing and expanding investment in sustainable development bonds, guiding funds to invest in projects that enhance environmental and social benefits.
3. **Long-term:** "Enhance Organizational Resilience": Based on scenario analysis results, take relevant actions; invest in the production of renewable energy for governments or businesses, continuously evaluate investment opportunities in the renewable energy industry, and adapt to the trend of sustainable development. Proactively plan investment, financing, or insurance products to meet new customer needs resulting from changes in customer behavior.

03 Describe the financial impact of extreme weather events and transformative actions

Implementation status

Following the "Guidelines for Domestic Banks' Climate Risk Financial Disclosure" established by the Financial Supervisory Commission, when disclosing financial information related to climate risks for the previous year, the reporting institution must submit relevant data to the regulatory agency. This includes the expected losses from natural disasters for individuals and businesses in various scenarios, such as orderly transition, disorderly transition, and no policy involved, evaluated for the years 2030 and 2050 as a percentage of the benchmark year's net worth and pre-tax profit. The institution should also plan to carry out climate change scenario analysis according to the "Guidelines on Climate-related Financial Disclosures of Insurance Companies," evaluating potential losses under different scenarios, including orderly transition, disorderly transition, and too little too late.

04 Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

Implementation status

The First Financial Group updated its "Risk Management Policy and Guidelines for First Financial Holding Co. and Subsidiary Companies" in 2020 to include emerging risks, such as climate change risks. In 2021, each subsidiary revised its risk management policy and now conducts regular reviews of loan limits for the group's business categories and high carbon emission (energy-intensive/high pollutant) industries. The review findings are reported to the FFHC's Risk Management Committee and Board of Directors every two months for evaluation.

05 If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

Implementation status

1. Scenario basis: The Network for Greening the Financial System (NGFS) is the primary basis for transformation scenarios, and the physical risk-related factors are integrated based on the representative concentration pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC).

2. Scenarios Hypothetical Pathway :

- For domestic investments, there are seven scenarios divided into "orderly transition," "disorderly transition," and "no policy" for both 2030 and 2050, and "no policy" for 2100. For international investments, there are only four scenarios divided into "orderly transition" and "disorderly transition" considered for both 2030 and 2050.
- The "orderly transition" and "disorderly transition" scenarios aim to achieve net-zero carbon emissions by 2050. Therefore, they are impacted by both physical and transition risks. The "no policy" scenario assumes the absence of any transition policies, thus only being affected by physical risks.

3. Types of climate risks, impact factors, and linkage factors:

(1) Types of climate risks:

- Physical risks consider events such as "flooding," "heavy rain," and "drought."
- Transition risks are mainly related to "carbon pricing" and "policy development."

(2) Impact factors:

- The macroeconomic pathway mainly considers the impact of the "economic growth rate," "unemployment rate," and "housing price level" on the benchmark default rate.
- The microeconomic pathway effects are as follows:
 - A. "Heavy rain" and "flooding" will cause losses from production shutdowns, asset damage, and collateral value losses.
 - B. "Drought" leads to increased corporate water costs.
 - C. "Carbon pricing" generates additional costs based on the customer's carbon emissions, further affecting their financial performance.

4. Linkage factors: The individual pathways mentioned above will impact borrowers' "loan-to-revenue ratio," "secured credit ratio," and "current loan-to-value ratio," resulting in the probability of default (PD) under stress situations. Additionally, the decrease in collateral value will affect the loss-given default (LGD) under stress scenarios.

5. Risk calculation is based on existing supervisory stress-test frameworks, incorporating the factors and pathways of climate change mentioned above to estimate expected losses (EL) by combining PD under pressure scenarios with LGD and exposure at default (EAD).

06 If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

Implementation status

To implement sustainable lending policies, the bank subsidiaries have established credit limit controls for industries that exacerbate climate change and environmental pollution. The credit limit for high-pollution (energy-consuming) industries is set at a maximum of 14.0% of the total credit limit of the bank and is monitored monthly. To fulfill responsible investment, each subsidiary has set a limit on the proportion of investment in high-pollution (energy-consuming) industries to avoid environmental pollution and harm to society caused by investment. In response to the trend of net zero emissions at home and abroad, the Group will no longer invest in new coal mining companies from 2022. From 2023 onwards, no new corporate financing cases for 100% coal-fired power plant projects and atypical oil and gas business accounting for more than 50% of revenue will be added to continue to enhance the financial influence of promoting net zero emissions.

07 If internal carbon pricing is used as a planning tool, the pricing basis should be stated.

Implementation status

Since 2010, the internal carbon pricing mechanism has been introduced, and the electricity saving of domestic business units has been set in accordance with the total carbon reduction target every year to improve carbon reduction awareness and carbon costs. Since 2021, the achievement of each unit's power saving target has been announced quarterly. After the end of the 4th quarter, target achievement rate will be published. Carbon reduction cost per ton based on the actual carbon reduction measures and the amount invested in carbon reduction will be disclosed and informed the unit that has not reached the target for excess carbon emissions and the additional cost. Then the proposes carbon reduction measures for the unit shall be reported. As for the units with excellent performance, reward the personnels and provide their carbon management specific practices for reference among domestic units.

08 If climate-related goals are set, the covered activities, scope of greenhouse gas emissions, schedule, annual progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the offsets should be explained. The source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs).

Implementation status

- **Setting climate target:** In order to meet the national 2050 net zero emission target, the company set carbon reduction target of 2.5% of the sum of carbon emissions scope 1 and scope 2 for 2022, and the absolute reduction will be adopted from 2023 to control the temperature rise within science-based reduction target (SBT) of 1.5°C carbon reduction target. And a 4.2% reduction target of the sum of scope 1 and scope 2 emissions than prior year (2021). If the annual target cannot be achieved, green electricity should be purchased or other carbon trading such as renewable energy certificates to make up for the unfulfilled part.
- **Carbon emission calculation scope:** The company and all its subsidiaries in the consolidated financial report have completed the inventory and confirmation of scope 1 and 2 emissions in 2022. The carbon inventory standard is based on ISO14064-1, and the total carbon emissions are 21,514.46 metric tons of CO₂e. Obtained the SGS verification certificate on Apr. 26, 2023. Among them, the scope 1 emissions are mainly from official vehicle oil, generator diesel and gas, and the scope 2 emissions are mainly from electricity consumption.
- **Progress of de-carbonization in 2022:**
 - Scope 1 :**
 - 2022 de-carbonization target : decreased by 33.42 tons than that of 2021
 - 2022 de-carbonization achievement : increased by 186.45 tons than that of 2021.(p.s. mainly due to the parameter GWP used in 2022(increased by 100 tons), and the refrigerant added (increased by 54 tons), making emission grew by total 154 tons.)
 - Scope 2 :**
 - 2022 de-carbonization target : decreased by 523.58 tons than that of 2021
 - 2022 de-carbonization achievement : decreased by 551.06 tons than that of 2021 (with deduction of green energy purchase of 1,148 thousand degrees and renewable energy certification in 2022, a total of 584.33 tons CO₂e was decreased.)

09 Greenhouse Gas Inventory and Assurance status (Fill in page 206)

Greenhouse Gas Inventory and Assurance status

<p>Basic information of the Company</p> <ul style="list-style-type: none"> ● Companies with a capital of more than NT\$10 billion 	<p>According to the regulations of the FSC, at least the following should be disclosed:</p> <ul style="list-style-type: none"> ● Parent company individual Inventory ○ Parent company individual Assurance ○ Inventory of consolidated financial reporting subsidiaries ○ Assurance of consolidated financial reporting subsidiaries
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Scope 1*1	Total emission (tons CO ₂ e)	Density (tons CO ₂ e/mn)*2	Assurance Institution	Assurance
Parent Company	1.67		SGS Taiwan Ltd.	According to the ISO 14064-1:2018 inspection standard, the company proposes the inspection of greenhouse gas claims, and has reached a bilateral agreement with SGS Taiwan Ltd. Perform greenhouse gas quantification, monitoring and reporting, and conduct inspections of direct and indirect greenhouse gas emissions based on ISO 14064-3:2006, ISO 14064-1:2018. The greenhouse gas emissions cover the period from January 1, 2022 to December 31, 2022, and the greenhouse gas emissions during the period are 21,514.46 tons of CO ₂ e. The inspection results of SGS have reached a reasonable assurance level to ensure the consistency and applicability of its scope of application, objectives and standards, and issue a confirmation report (please refer to this Report on pg 206~207)
Subsidiary	2,655.03	0.04		
Total	2,656.70			
Scope 2*1				
Parent Company	99.02			
Subsidiary	18,758.74	0.28		
Total	18,857.76			

Scope 3 : Investments and Financing inspection took December 31, 2022 as base period, the categories of assets include "equity investment", "bond investment", "commercial loans", "commercial real estate", "mortgages", "sovereign debt" and "project financing", and mainly with holding purpose. A total of 13,849,382 tons of emissions. For more information, please refer to our group's TCFD Report.

*1 : Scope 1 emissions are mainly from official vehicle oil, generator diesel and gas, and Scope 2 emissions are mainly from electricity consumption. The emission coefficients used are based on the 6.0.4 version of the greenhouse gas emission coefficient management table announced by the Environmental Protection Agency. In 2022, the annual inventory uses the warming potential value of the 6th assessment report of the IPCC in 2021, and the method used to consolidate the amount of greenhouse gases is the operation control method; the inventory standard is based on ISO14064-1.

*2 : Total Net Revenue of 2022 is NTD\$67,756,394 mn.

Greenhouse Gas Verification Statement

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146. Simultaneously

147. Simultaneously

148. Simultaneously

149. Simultaneously

150. Simultaneously

Appendix : Sustainable Operation Indicators

SASB : FN-CF-220a.2 、 FN-CB-240a.1 、 FN-CB-000.A 、 FN-CB-000.B 、 FN-CF-230a.2 、 FN-CF-270a.2 、 FN-CF-270a.3 、 FN-CF-270a.4 、 FN-CF-270a.5 、 FN-CB-410a.2

Consumer Privacy

●○ Financial losses generated due to litigation relating to customer privacy

	Litigation	Punishment of the Competent Authority
Number of cases		1
Incident description and improvement measure	An employee uploaded customer wire transfer information to a social media website, which was determined to be a violation of the Personal Data Protection Act by the Financial Supervisory Commission; employee training and internal control procedures have been reinforced.	
Total loss amount		NT\$50,000

Information Security

●○ Credit card fraud

Transaction type	Fraud number	Loss amount
Non-presenting a physical credit card*	1 case	NT\$166 thousand
Presenting a physical credit card*	51 cases	NT\$552 thousand

*1 : Type of non-presenting a physical credit card, including online transaction counterfeiting.

*2 : Types of presenting a physical credit card, including lost and stolen card, counterfeit card and counterfeit application

Sales Process

●○ Indicators of loan and credit card products - distinguished by credit risks

Industry category	Loan			Credit card		
	Low-risk credit rating customers	High-risk credit rating customers	Overall customers	Low-risk credit rating customers	High-risk credit rating customers	Overall customers
Approval rate (%)	61	2	55	81	35	75
Interest rate (%)	2.24	2.70	2.24	6.55	11.69	7.19
Average account terms (unit: year)	7.13	7.61	7.13	4.57	6.57	4.72
Average number of accounts (credit card) held (unit: account/card)	1.05	1.05	1.05	1.15	1.15	1.15

* :

- Prepaid card products are not provided by First Bank
- First Bank does not have any additional product charges due to credit risk.
- Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.
- Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

●○ Number of customer complaints counted by the competent authority

	Number of customer complaints counted by the competent authority (unit: case)	Cases established after mediation (%)	Cases failed after mediation (%)	Cases entering the review process (%)
2022	183	1.64	0	4.92

●○ Total financial losses resulting from product sales and services related litigation

	Litigation	Punishment of the Competent Authority
Number of cases	3	3
Incident description and improvement measure	<ul style="list-style-type: none"> The policyholder applied for claims but was discovered to have pre-existing conditions prior to insurance, resulting in a settlement between both parties after advisement from legal courts; currently, a settlement has been reached. The other 2 lawsuits are still under trial. 	<ul style="list-style-type: none"> Matters such as soliciting before an insurance product was listed and failure to sufficiently notify customers of relevant risks prior to insurance; operating rules have been revised and a system has been implemented to control, record, and register sales processes. Non-compliance to regulations prohibiting life insurance companies and insurance agencies from transactions that deviate from business norms, KYC questionnaires are not designed to truthfully reflect customer risk characteristics, failure to provide written notice and reasoning when denying disabled persons from insurance, and failure of life insurance subsidiary to implement rooms for independent transactions; all of the above have been rectified. Declared interest rate of insurance products with variable interest rates directly references declared rates set by industry peers; the product has been delisted. The declared interest rate of all subsequent products will be determined based on product characteristics and relevant laws.
Total loss amount	NT\$130,000 (Excluding the amount of losses which are still under trial)	NT\$2,400,000

●○ Status of Industry Risk Exposure

No.	Industry	Ratio of credit balance	No.	Industry	Ratio of credit balance
1	Real estate	13.04%	6	Petrochemical	4.28%
2	Wholesale and retail	10.31%	7	Machinery and tools	4.07%
3	Metal	5.61%	8	Construction	3.26%
4	Financial and insurance	5.81%	9	Transportation and warehousing	2.71%
5	Electronic information	4.40%	10	Hotel and foodservice	1.82%

Activity Metrics

●○ Number and value of loans by segment: (a) personal, (b) small business, and (c) corporate

Baseline date: December 31, 2022

Item	Person	Small business	Corporate
Number of loan accounts	147,241	27,061	17,915
Value of loans (Unit: NT\$1,000)	27,344,788	255,421,968	387,679,809
Number of checking and savings accounts	6,419,091	45,153	
Value of checking and savings (Unit: NT\$1,000)	1,728,846,436	164,692,476	

*1 : Exclude customers of overseas branches and subsidiaries.

*2 : The number of loan accounts and checking and savings accounts of this year is changed to be calculated based on personal accounts.

*3 : Value of loans does not include mortgage loans, revolving loans and overdue personal loans.

*4 : A small business is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established or less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

SASB Sustainability Disclosure Topics & Accounting Metrics Content Index

SASB Indicator

TOPIC	CODE	ACCOUNTING METRIC	Chapter/Description	Pg.
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Information Security and Privacy Protection Sustainable Operation Indicators	P83 P208
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		
Data Security	FN-CF-230a.1 FN-CB-230a.1	<ul style="list-style-type: none"> Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected 	Sustainable Operation Indicators	P208
	FN-CF-230a.2	Card-related fraud losses from <ul style="list-style-type: none"> card-not-present fraud and card-present and other fraud 		
	FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks		
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	ESG Products and Services	P72 ~ P75
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Relevant information will be further disclosed in the future.	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Relevant information cannot be collected yet.	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Social Impact	P139
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Talent Retention and Accessibility Benefits	P164
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Sustainable Operation Indicators	P208
	FN-CF-270a.3	For customers with FICO scores above and below 660: <ul style="list-style-type: none"> Average fees from add-on products, Average APR Average age of accounts average number of trade lines average annual fees for pre-paid products 		
	FN-CF-270a.4	<ul style="list-style-type: none"> Number of complaints filed with the Consumer Financial Protection Bureau (CFPB) percentage with monetary or nonmonetary relief percentage disputed by consumer percentage that resulted in investigation by the CFPB 		
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Information Security and Privacy Protection Sustainable Operation Indicators	P92~93 P209



TOPIC	CODE	ACCOUNTING METRIC	Chapter/Description	Pg.
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Sustainable Operation Indicators	P209
	FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	Responsible finance	P57~62
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethical Management and Fair Customer Treatment	P90~91
	FN-CB-510a.2	Description of whistleblower policies and procedures		
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	First Bank is not G-SIB, so this metric is not applicable.	
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Relevant capital adequacy management is disclosed on the 2022 financial statements. P171	
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Sustainable Operation Indicators	P209
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		
	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	ESG Products and Services	P73
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts		

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