



# 2021

## Sustainability Report



# About the Report



In accordance with its own resource conditions and core competencies, and after taking both the internal conditions and external demands into consideration, the Union Bank of Taiwan Co., Ltd. is devoted to providing substantial assistance at social, environmental and economic topics and generating the maximum positive influence. To implement promotion of sustainable development, the Union Bank of Taiwan reviewed and revised to add Measures for Setting Corporate Social Responsibility Committee at the 17th Board of Directors' Meeting of the 8th Session on February 11, 2015, and established the Corporate Social Responsibility Committee of the Union Bank of Taiwan. At the 7th Board of Directors' Meeting of the 11th Session on March 7, 2022, the Measures for Setting Corporate Social Responsibility Committee was revised to Rules of Organization for Sustainable Development Committee, renaming Corporate Social Responsibility Committee to Sustainable Development Committee (hereinafter referred to as the "Committee"). In accordance with its purpose, the Committee gathered relevant management units of the Head Office to think about how to provide substantial assistance regarding the international social and livelihood economic topics at present, and drafted a set of systematic ESG strategic planning with clear objectives of our bank, to make use of unique resources and specialties of enterprises and input in related ESG topics with emphasis, which could not only strengthen enterprises' competitiveness, but also increase social well-being and generate maximum social benefits, and paying attention to combination of sustainable development and operation strategy can create more business opportunities and social feedbacks.

## Scope and Boundary of the Report

This report is issued every year. Main contents of this report are performances of the Union Bank of Taiwan Group in economic, social and environmental aspects in 2021 (from January 1, 2021 to December 31, 2021), and some information includes differential comparison with historical data. Some information of the report still covers scope of operation and services of the Union Bank of Taiwan and its subsidiaries (five subsidiaries i.e. Union International Leasing Co., Ltd., Union Finance Co., Ltd. (Hong Kong), Union Securities Investment Trust Co., Ltd., Union Information Technology Corporation and Union Venture Capital Co., Ltd., as well as the Corporate Body i.e. Union Foundation for Culture and Education) in Taiwan.

## Basis of Data Calculation

The statistical data disclosed in this report were all related with our bank's statistical and investigation results, but only the financial data came from the information published to the public upon certification and recognition by the accountant, and was presented with NT\$ as the calculation unit.

## Basis of Writing

The Union Bank of Taiwan's Sustainability Report 2021 was prepared in accordance with the GRI Standards (Core Options) published by the Global Reporting Initiative (GRI) in 2016. The orientation of information disclosure in the report also follows regulations in "Code of Practice for Sustainable Development of Listed and OTC Companies" and "Operational Measures for the Preparation and Application of Sustainability Reports by Listed Companies", and corresponds to UN's Sustainable Development Goals (SDGs). Contents of this Report are announced on website of our bank (special column for sustainability of enterprise), and files are provided for reading when making download.

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Date of issue: June 30, 2022 (previous date of issue: June 30, 2021)

## Verification of the Report

This Report has been verified by the third-party verification unit i.e. Ernst & Young Accounting Firm (hereinafter referred to as "Ernst & Young"), and has been performed independent limited assurance in accordance with No. 1 Statement on Assurance Standards issued by Accounting Research Development Foundation of the Republic of China (which was formulated in reference to the International Assurance Standards ISAE 3000), where, the Assurance Report was disclosed in Appendix to this Report.



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01

Message  
from  
Chairman



# 01

## Message from Chairman

聯邦銀行董事長 林鴻聯



Since outbreak of COVID-19 Epidemic, we have always been living a tense but free life. In May 2021, there were cluster infections in some areas by accident, and infections in local place expanded rapidly, so the Epidemic Command Center announced entry in three-level vigilance comprehensive, and we returned to the horrible atmosphere again. Union Bank of Taiwan also launched Disaster Recovery again, and took various response measures; in addition to making response, we also continued to perform our sustainable corporate social responsibility, made active cooperation with the bail-out loan policy, and during the COVID-19 epidemic period, we also upgraded video communication to guarantee zero contact service, established internal online audit platform rapidly, and optimized the application, incoming pieces and audit operations, so as to enable the Union Bank of Taiwan's number of "small-scale business loans" to be in leading place among privately-owned banks, thus embodying the Union Bank of Taiwan's core concept of showing care for customers and being devoted to being consumer demand oriented in details. During the vigilance period of COVID-19 epidemic, with joint efforts of everyone in accordance with instruction of the Epidemic Command Center, we returned to

our normal life, and learned that it turned out that Taiwan was capable of doing well, in fact, the spirit of Taiwan is the spirit of Taiwan People, the Union Bank of Taiwan was also thankful for everyone's help.

Although the banking sector in Taiwan has been subject to continuous negative impact from COVID-19 epidemic, the year 2021 was a year in which the Union Bank of Taiwan was recognized by all walks of life. The Bank actively implemented the principle of fair customer service, and enhanced guarantee for consumers' rights and interests, and won Outstanding Progress Award in fair customer service appraisal of the financial service sector in 2021, and will continue to provide good customer-oriented financial service in the future following the initial intent of the service sector; the Bank actively provided quality digital financial services, including cross-sector and cross-area integrated digital financial service of New New Bank digital accounts, all-round action payment experience of credit cards and full-channel application services of cyber-physical bail-out loans, which have been welcomed by the public due to the simple and rapid use experience, therefore, the Union Bank of Taiwan won "Optimal Digital Financial Service Award of Non-financial Control

Class" during the bank appraisal in 2021; continued to cooperate with the government's new south-ward policy, and hosted the largest joint loan of Vietnam Securities Traders in US\$ again, and won Excellent Bank Award for "Credit Extension to Targeted Countries of the New South-ward Policy" issued by the Financial Supervisory Commission (FSC); by virtue of strong capital strength, good and stable capital quality and proper risk management and control, the Bank's long-term issuer credit rating was up-regulated from "twA" to "twA+" by Taiwan Ratings in December 2021. In addition, the Union Bank of Taiwan's surplus also achieved a new high in 2021, which was attributable to joint efforts of all staff, showing the Union Bank of Taiwan's business constitution of keeping pace with the Times and stable growth.

With intensified extreme climatic impact in the globe, sustainable development has become the primary goal for global economic transformation at present, therefore, the Bank issued credit card "UBOT Green Card" with sustainable energy and green circulation as the theme, where, such cards were not only made of PETG environmental-protection material, but also imported with virtual card technology, and in the meantime, there was also fund allocated for consumption amount of the cardholders to be donated to "Taiwan Environmental Information Association", for more environmental protection work and environmental promotion education, so as to achieve the environmental-friendly goal; by implementing ESG and actively integrating with the international, the Group's subsidiary - Union Investment Trust launched "Union's Multi-Asset Fund for Low-carbon Goal" in October, which was the first fund of low-carbon concept in China, and established private fund, to be fully invested in green energy technology of 5+2 innovation industry launched by the government at 100%; in line with the UN's sustainable development goals (SDGs), and continued to be committed to corporate sustainable development.

To realize the commitment to promoting social and economic development, the Bank made long-term investment in social welfare, and took practical actions to show care for various groups, participate in community development and charity activities, and promote local arts and cultural activities. The Union Bank of Taiwan continued to gather social caring people via the "Let's be Happy Together" public welfare platform of the Union Culture and Education Foundation, to pass on positive power of hope and happiness together; for fighting against the epidemic condition together, the Bank made donation to Taipei City Government and New Taipei City Government, to assist with the demand for medical care and anti-epidemic resources in Taipei City and New Taipei City; regarding the derailment accident of No. 408 Train of Taiwan Railway - Taroko Express and the fire accidents in Kaohsiung city, based on the sympathy for people, the Union Bank of Taiwan made donation to assist with the victims and family members of the wounded, hoping to call for all walks of life to provide assistance in social emergencies and disasters; in cooperation with Taichung Mass Rapid Transit (TMRT), the Union Bank of Taiwan set barrier-free ATMs (equipped with Braille equipment, voice navigation instructions) in 18 stations along the whole MRT line, where, and lowered keyboard position of the ATMs, to attach importance to requirements of disadvantaged financial consumers, and promote social fairness and achieve inclusiveness.

Looking forward to the future, the Union Bank of Taiwan will continue to "store simple happiness" for customers following the core concept of "Deep Development in Taiwan, and Sustainable Operation", enhance internal control, legal compliance, risk control and asset security and perfect asset quality, hoping to achieve new heights together with all staff of the Union Bank of Taiwan on the existing basis.

Best Regards

Wish you a good health and all the best

林鴻聯 





# 02 Sustainable Development Governance Structure



# Sustainable Development Governance Structure

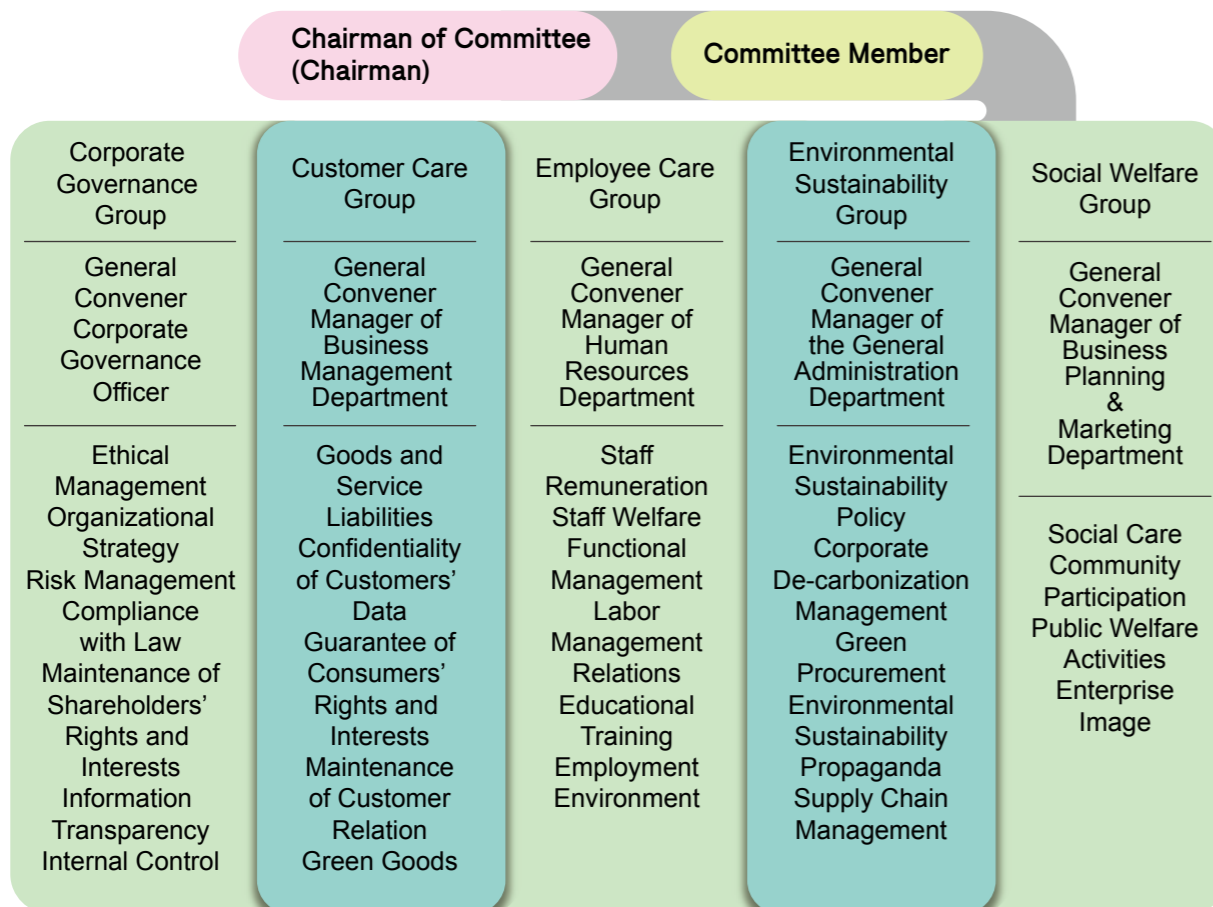
To make the Bank implement corporate social responsibilities, and promote the improvement of economic, environmental and society so as to achieve the goals of sustainable development, in response to UN's Sustainable Development Goals (SDGs), the Bank has implemented 17 goals gradually via corporate citizenship commitment, to improve contribution to national economy, to improve quality of life of staff, community and society, to promote the competitive advantages with sustainable development oriented, and to conform to the trend of international development. While pursuing for sustainable operation and profit, in addition to paying attention to rights and interests of stakeholders, the Bank also lays emphasis on environmental, social and corporate governance factors, includes them into corporate management principles and operating activities, and establishes the sustainable development concept that goals and visions of the Bank are rooted in economic development, social justice and environmental protection.

To implement promotion of corporate social responsibility and sustainable development, the Bank passed to formulate Measures for Setting Corporate Social Responsibility Committee at the Board of Directors' Meeting in February 2015, and established the Corporate Social Responsibility Committee of the Union Bank of Taiwan (CSR Committee), to promote and guarantee implementation of corporate social responsibility policy. In cooperation with the trend of international development, and practicing the goals of sustainable development, in March 2022, the Board of Directors' Meeting passed and revised "Rules for Organization of Sustainable Development Committee", changing "Corporate Social Responsibility Committee" to "Sustainable Development Committee" (ESG Committee), to serve as the supreme level of sustainable development decision-making center within the company, and formulated Code of Practice for Sustainable Development of the Union Bank of Taiwan, to manage the economic, environmental and social risks and impacts of the Bank.

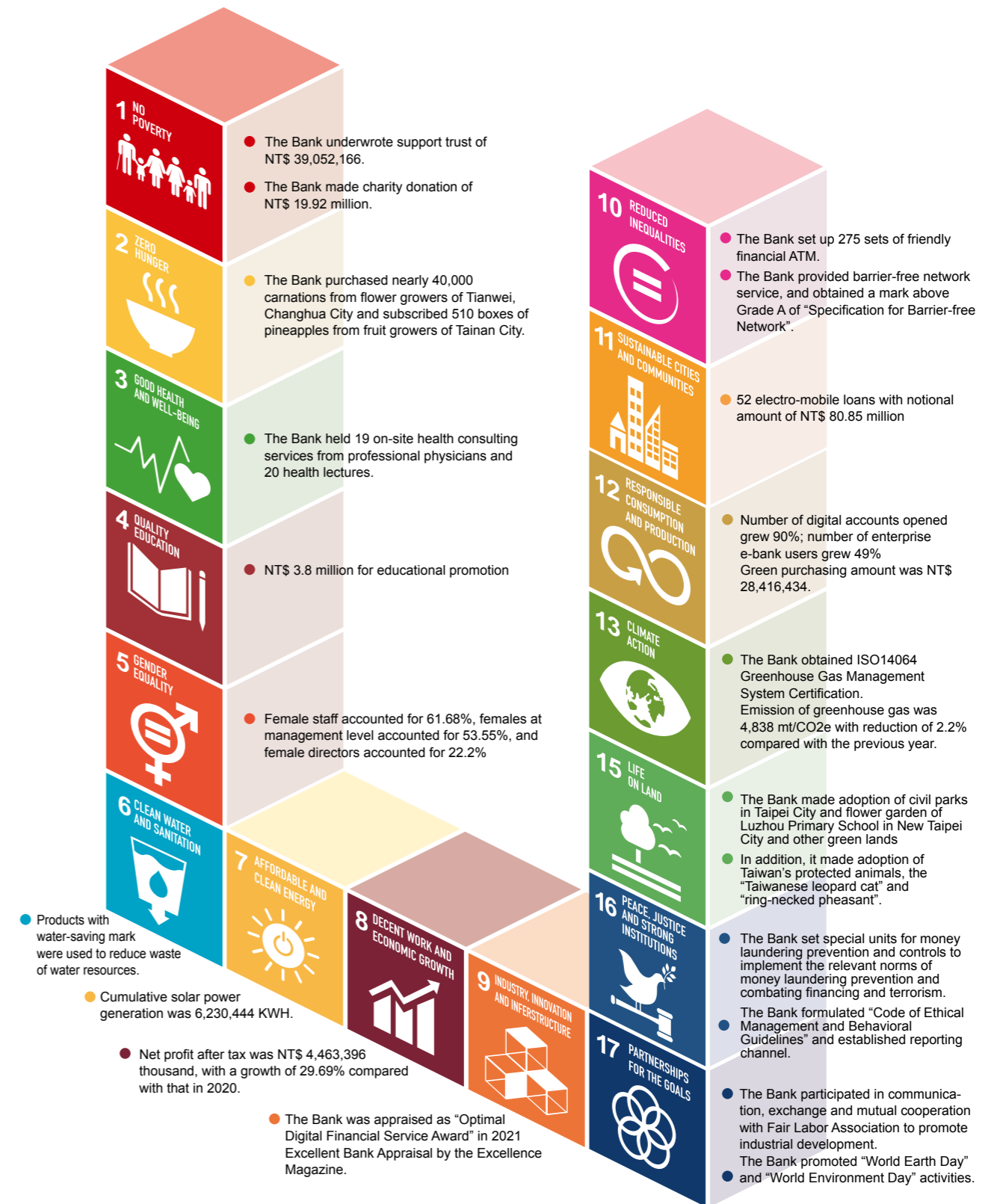
ESG Committee is responsible for coordinated handling of the Bank's policy, management principles and specific promotion plan of sustainable development of the Bank, and reporting the handling circumstance to the Board of Directors regularly every year.

ESG Committee has subordinated groups of Corporate Governance, Customer Care, Employee Care, Environmental Sustainability and Social Welfare. Such groups shall draft schemes for the Union Bank of Taiwan's sustainable development execution plan or proposals of the matters instructed by the ESG Committee, and then submit to the ESG Committee for review or for future reference. In addition, the ESG Committee appoints the Business Management Department as the business unit, to be responsible for convening, arranging agenda, sorting out data, making minutes and listing instruction matters, etc. of meetings as required by the Chairman of the ESG Committee (held by Chairman of the Bank).

## Sustainable Development Committee Structure and Functions



# 2021 SDGs's Sustainability Performance





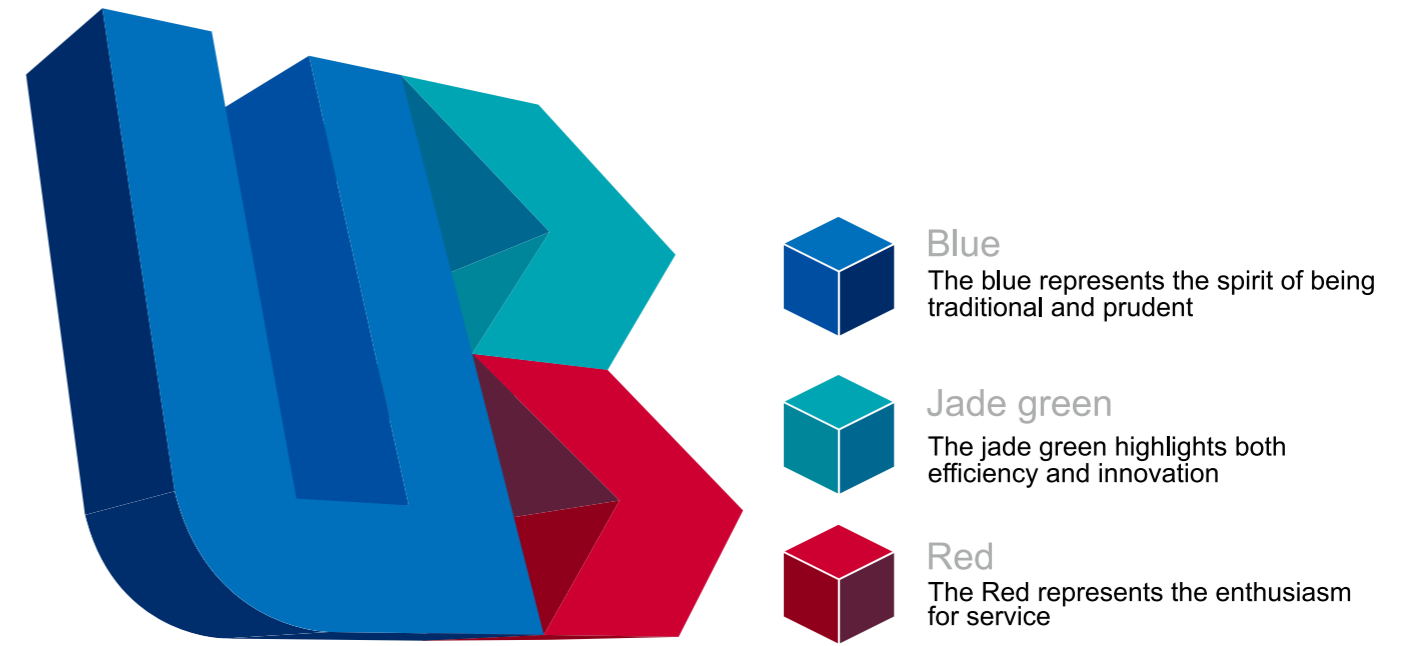


# 03 ABOUT UBOT



# 03

## ABOUT UBOT



### Brand Spirit and Operation Principle

Union Bank of Taiwan's brand Logo "UB" is designed according to abbreviation of the Company's English name "Union Bank", and its lines are sophisticated and agile, tough but rounded, just like the professional image of the bank by being both prudent and efficient. The innovation in color has fully embodied the brand spirit, and the blue represents the spirit of being traditional and prudent; the red represents the enthusiasm for service; the jade green highlights both efficiency and innovation. On the whole, it gives a sense of both steady and modern, and fully embodies Union Bank's operation concept of "enthusiasm, steadiness, efficiency and innovation".

### The Sky is the Limit

With "get close to customer demands and participate in customers' life circle" as the goal of continuous pursuit, UB is devoted to struggling for new customer groups and improving customer service quality. Confronted with the digital reform in the post-pandemic era, instead of acting blindly, UB listened to consumers actively, and made constant refinement to improve its strength to catch up with the changes, and it took "get close to customer demands and integrate in the customers' life circle" as the goal to accelerate promotion of digital transformation and to provide all-round digital financial service. These included to open on-line New New Bank digital accounts and diversified online services in order to provide convenient and safe financial experience for customers; to provide high-feedback credit card preference regarding online shopping and food take-out for pandemic prevention at home; to provide "e-level excellent loan" on-line loan service to help the public handle bail-out loans, exert the function of providing assistance in emergencies and difficulties, and embody the Bank's maneuverability of keeping pace with the Times and being practical and innovative.

To implement ESG sustainable policy in response to the Financial Supervisory Commission's "Green Financial Action Plan 2.0", the Bank and various subsidiaries actively participated in various corporate social responsibility actions and environmental protection, and launched the credit Card "Union Green Card" with "sustainable energy and green circulation" as the theme. Union Venture Investment participated in investing green power generation to support energy transformation in Taiwan, and the subsidiary Union Investment Trust launched the first domestic low-carbon concept fund "Union's Multi-asset Fund of Low-carbon Goal". UB did not only make continuous efforts in its own sector, but also, as a link of sustainable financial ecological system, shouldered the responsibility as a pioneer to continuously promote the new value of ESG to be implemented in various businesses. Thus, the Bank stepped toward the new milestone for "30th Anniversary of Establishment" steadily.

### Enterprise Overview

Company Name :	Union Bank of Taiwan Co., Ltd.
Date of Establishment	December 31, 1991
Chairman	Lin, Hung-Lien
Address of Head Office	No. 109, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City 10544
Capital	NT\$ 34,952,187 thousand only (as of December 31, 2021)
Total assets	NT\$ 841,589,146 thousand only (as of December 31, 2021)
Total number of staff	4,272 (including staff of subsidiaries, as of December 31, 2021)
Location of operations	90 branches





## Company Organization

### ■ Union Bank of Taiwan Co., Ltd.

UBOT was the third bank established by the Government for opening private banks under the policy of promoting financial liberalization and internationalization with all initiators of the Bank following the common concept of creating sustainable operation. UBOT established the Preparatory Office on March 29, 1989, and was open for business officially on January 21, 1992. It was officially listed for trading over the counter on September 19, 1995, and made public listing of shares officially on June 29, 1998, thus becoming a listed company affirmed and recognized by the general public. To move toward the goal of internationalization, in addition to establishing the Representative Office in Ho Chi Minh City, Vietnam, the Representative Office in Hong Kong and the Representative Office in Hanoi, Vietnam at present, the Bank was also approved by the Financial Supervisory Commission in 2019 to establish a branch in Danang, Vietnam; therefore, it will have more dense access service network, and could provide the customers with more diversified and convenient services.

In order to expand the operation access and the scale, the Bank made purchases and assumptions of assets, liabilities and operations of Chung Shing Bank Co., Ltd. on March 19, 2005, and completed merger with Union Bond Finance Co., Ltd. on August 16, 2010. To integrate overall resources, enhance management and exert operational performance, the Bank completed merger with Union Insurance Brokerage Co., Ltd. on August 1, 2016, with Union Bank as a surviving company to continue to provide services for the original customers of Union Insurance Brokerage.

To enrich the operational capital and enhance the financial constitution, the Bank issued Class A special shares at NT\$ 10 billion in October 2017, which have completed fund-raising successfully, and become officially listed on the stock market on December 1, 2017.

The Bank is headquartered in Taipei City, Taiwan, with 4,272 staff all over the globe (including staff of subsidiaries, as of December 31, 2021), and has 5 affiliated subsidiaries, including Union Finance & Leasing International Corporation (hereinafter referred to as "Union Leasing"), Union Finance International (HK) Limited (hereinafter referred to as "Union Finance"), Union Securities Investment Trust Co., Ltd. (hereinafter referred to as "Union Investment Trust"), Union Information Technology Corporation (hereinafter referred to as "Union Information"), and Union Venture Capital Co., Ltd. (hereinafter referred to as "Union Venture Capital"), and it also established a corporate body of Union Culture and Education Foundation (hereinafter referred to as "Union Culture and Education").

### ■ Union Finance & Leasing International Corporation

Following the enthusiasm of making deep development and loving homeland, UB made 100% re-investment to establish Union Finance & Leasing International Corporation in November 1996 to provide the customers with more complete and diversified financial services. Union Leasing's main business items are purchases & sales and leasing business of real estate, transportation facilities and various machines and equipment, assignment business of accounts receivable, and development and leasing business of residences and buildings. In addition, in view of improvement of consumption concept in automobile market, the individuals can enjoy "service by special person", "uninterrupted care usage" and "guaranteed privacy", etc. for long-term car rental, and the enterprises can enjoy "effective capital utilization", "beautification of financial statements" and "saving of business tax and income tax", etc.; therefore, the method of car use, "rental instead of purchase," has become a trend. Union Leasing established Vehicle Leasing Department in June 2004 to provide a long-term car rental solution tailored for enterprises and individuals, taking cost, tax saving and convenience into account, thus providing the customers with the optimal selection of car use. The Union Leasing also obtained the Business License for leasing of Grade A passenger cars in January 2008.

### ■ Union Securities Investment Trust Co., Ltd.

Established on December 22, 1998, Union Investment Trust was a member of Union Enterprise Group, and it was mainly established with UBOT as the professional initiator and upon joint contributions from domestic well-known enterprises. In 2019, following the operation principle of being professional, steady and honest, it provided the investors with diversified investment options and pursued for optimal operating performance. As a financial management and investment institution with independent operation business under the Union Group, Union Investment Trust is specialized in researches on domestic fixed-income products and Taiwan stock market, and it is an important member in the Group. Following the attitude of being professional, steady and honest, it emphasizes cooperation and interaction of the research team, and grasps the pulse and investment opportunities of various industries so as to provide the investors with quality and professional investment services.

## Important Events

- 1989**
  - The original sponsors Mr. Li Tsun-Ching, Mr. Lin Jung-San, Mr. Li Yu-Chuan and other gentlemen jointly discussed the organization of the Company.
  - The company name was determined as the "Union Bank of Taiwan Co., Ltd."
- 1991**
  - The Ministry of Economic Affairs approved the establishment and registration, and the Company was formally established.
- 1992**
  - The business department and savings department of the Headquarters were officially opened to the public.
- 1995**
  - The Wealth Management Center of the Savings Department was established to provide various financial services for VIP customers based on the concept of "perspective wealth management with noble and considerate services"
  - The Bank successfully issued a floating rate certificate of deposit (FRCD) of US\$50 million, which greatly enhanced the international image of the Bank.
- 1996**
  - The Bank's stock was officially listed on the Taipei Exchange.
  - The first 24h automated service area of e-banking was set up in Chiayi.
- 1997**
  - The "Union Finance & Leasing International Corporation" established by reinvestment was officially opened for business.
  - The Bank's self-built online banking server was officially launched.
  - The Bank extended the foreign currency transaction time to 4:00 a.m. to provide investors with the best timing for swap in the foreign exchange market.
  - The Bank officially established "Union Finance International (HK) Ltd." on Queen's Road, Central, Hong Kong, which became the first overseas subsidiary among the 16 new banks.
  - For the second time, the Bank successfully issued a floating rate certificate of deposit (FRCD) of US\$50 million, which further enhanced the international image of the Bank.
  - The "Union Insurance Brokers Co., Ltd." established by reinvestment was officially opened for business.
- 1998**
  - The Bank cooperated with Taiwan Secom Company to establish the first "24h automatic service area of leased E-bank" in Taiwan.
  - The Bank opened its Vietnam representative office in Ho Chi Minh City.
  - The Union Culture and Education Foundation was established.
  - The Bank's stock was officially listed on the stock market.
  - The "Union Securities Investment Trust Co., Ltd." established by reinvestment was officially opened for business.
- 1999**
  - Hong Kong Monetary Authority approved the Bank to set up an office in Hong Kong.
  - The Bank's Hong Kong Representative Office was opened.
- 2002**
  - The Savings Department was renamed Taipei Branch and the Securities and Finance Department was established.
  - The "Union Information Technology Corporation" established by reinvestment was officially opened for business.
  - The Bank officially launched the "National Cash Card", a small loan business.
- 2003**
  - Number of the Bank's credit cards in effective circulation broke through 2 million as of April 8.
  - The Bank ranked the 3rd in amount of issuing credit cards in Taiwan with 2.18 million credit cards in circulation.
  - The Bank officially launched the first national "mini card" for its credit card business.
- 2004**
  - The Bank cooperated with MasterCard International to launch the first irregular card - Union Tourist Card.
  - In order to provide social elites with quality life, the Bank launched "Da Vinci A + Financial Management Card", using high-tech intelligent chip cards with three-in-one functions of financial card, credit card and financial management card.
  - The Bank launched chips, "Universal Financial Card", which imported consumption transfer and deduction, multi-accounts for 1 card and other functions, and even took the initiative to abolish the third track to improve the security of anti-counterfeit and anti-theft recording.
- 2005**
  - The Bank officially completed the settlement with Chung Shing Bank and the Central Deposit Insurance Corporation, and the Bank's number of branches increased to 87, becoming the bank with the largest channels among non-government-owned and non-financial holding banks.
- 2010**
  - In response to the merger and capital increase of the Bank and the Union Notes, the Headquarters established the Notes Finance Department.
- 2011**
  - The Board of Directors approved the proposals on the application for the establishment of the "Hong Kong Branch" and the formulation of the "Rules of Organization of the Salary and Remuneration Committee"
- 2013**
  - The Union Bank and Kaohsiung Rapid Transit Corporation and other institutions jointly initiated the establishment of a one-card ticket company by reinvestment. This company is the third professional issuer approved by the Financial Supervisory Commission to issue electronic tickets.
- 2014**
  - The Bank announced to cooperate with Smart Catch International Co., Ltd. officially, and issued the first Micro SD NFC mobile-phone credit card with Visa Organization Security Certification.
  - In the early morning, a fire occurred in the Union Bank Headquarters at Floor 1 (Union Enterprise Building), No.109, Sec. 3, Minsheng E. Rd., Taipei City/Songshan District/Fire, Taipei City, and the business hall was burned down.
- 2015**
  - The Legal Affair & Compliance Department was established.
  - The "Corporate Social Responsibility Committee" was established.
  - The "OTA Mobile Credit Card" was launched.
  - The Audit Committee was established.
- 2016**
  - Three new securities branches were established, including Tai Yip, Xingzhong and Fortune.
  - ATM cardless cash withdrawal service was launched.
  - The Union National Fuel Co-branded Card was issued.
  - Merged with Union Insurance Brokers Co., Ltd. to form the Insurance Agency Department.
- 2017**
  - 25th anniversary of the establishment of Union Bank of Taiwan.
  - Supported the use of Apple Pay, Samsung Pay, and became a partner of Android Pay.
  - At 7:00 p.m., a fire broke out in the Pingtung Branch at Minzu Road, Pingtung City.
  - NT\$10 billion of Class A special shares were issued and officially listed.
- 2018**
  - Cooperated with Garmin to jointly launch Garmin Pay.
  - Cooperated with Fitbit to develop wearable mobile payment Fitbit Pay.
  - The digital bank "New New Bank" was officially launched.
  - The 20th anniversary of the Union Culture and Education Foundation.
  - Officially launched a strategic investment relationship and follow-up business cooperation with LINE Pay.
  - Launched "LINE Pay All-in-One Card (Electronic Payment) Account Linking Bank Account Service" with LINE Pay and All-in-One Card, becoming one of the first batch of cooperative banks.
  - The Bank completed the investment in LINE Pay, and carried out cooperation with LINE Pay officially.
- 2019**
  - The annual new card, Lai Dian Card, was launched, and the concept of digital card was introduced for the first time, so as to provide card users with an immediate feedback experience of swiping the card.
  - The subsidiary, Union Venture Capital Co., Ltd., was established.
  - A reinvestment undertaking, "Line Bank Co., Ltd.", was newly added.
  - The Bank was approved by the Financial Supervisory Commission to set up Da Nang Branch and Hanoi Representative Office in Vietnam.
- 2020**
  - The digital bank "New New Bank" launched online time deposit and foreign exchange businesses, and provided customers with the service of online application for opening a digital deposit combined account through the Internet.
  - The Bank's Hanoi Representative Office was opened in Vietnam.
  - The Union Bank VISA Debit Card supported the consumption function of Apple Pay.
  - The E-Banking Friendly Services added the "Non-Agreed Account Transaction Service" function.
  - The Bank established the employee stock ownership association.
- 2021**
  - Established "Staff Shareholding Trust" and "Staff Welfare Savings Trust"
  - Established "Inter-bank Transfer Service via Mobile Phone Number"
  - Re-elected the 11th directors, with Mr. Lin, Hung-Lien taking over the position of Chairman
  - Established on-line opening of securities account
  - Issued Union Green Card with "Sustainable Energy and Green Circulation" as the theme
  - The Bank's long-term issuer credit rating was up-regulated to "twA+"



## Union Information Technology Corporation

Established on August 10, 1998, Union Information is a member of Union Enterprise Group, and is mainly engaged in system integration and design and development of financial application program, IBM mainframe application program, IBM Lotus Notes application program and Web application program; in addition, it also operates YesGoGoGo e-commerce website, and provides bonus exchange platform for credit card holders of Union Bank. Following the principle of "enthusiasm", "steadiness", "efficiency" and "innovation" with many years of experience in integrating software and hardware of information system, and by fully grasping the pulse of the information market, the Company continued to move toward the following direction of operation and service:

1. Setting and maintenance service for bank credit card information system
2. Setting and maintenance service of bank information system
3. Setting and integration service of information system
4. Design service of application software system

Confronted with the development trend of information service, Union Information has established many successful models in finance industry by virtue of many years' professional knowledge and capacities accumulated in financial information field. Confronted with the prosperous development of financial market at present, Union Information is very confident in welcoming the market opportunities and challenges.

## Union Finance International (HK) Limited

Established on April 2, 1997, Union Finance is a member of Union Enterprise Group, and it is originally established to cooperate with the Government's export-oriented policy and the plan of establishing Asia Pacific Regional Operations Center (APROC). In the meantime, in view of the rapid growth of entrepot trade at that time in the Chinese Mainland and Taiwan as well as Chinese Mainland, Hong Kong and/or Macao and Taiwan, and in order to expand the overseas business and implement the Government's policy of bank internationalization. Therefore, it re-invests to establish overseas subsidiary in order to serve the Taiwanese businessmen nearby and also extends domestic import & export foreign exchange business and its related short-term financing. At present, its main business consists of financial service and financial investment.

## Union Culture and Education Foundation

Union Bank and its affiliated enterprises established "Union Culture and Education Foundation" on April 17, 1998 to promote academic and cultural exchange by holding cultural and artistic activities, academic lectures and seminars, etc. with the objective of engaging in culture, education and welfare undertakings. Therefore, it has attached equal importance to material life and spiritual life during the process of achieving economic wealth, thus balancing the social maladjustment due to excessive emphasis on politics and economy but ignorance of culture and education. Also, it hopes that the Union Culture and Education Foundation can drive the whole society to cherish the living environment and resources, carry forward potential loving heart and kindness, cultivate temperament with the beauty of art and literature, improve quality of life, and create a healthy and safe living space as well as a harmonious society. With full support and authorization from the sponsor unit, the Union Culture and Education Foundation took the holding of "Union New Artist Award" as the starting point to not only encourage young artists to dare to realize their dreams, but also provides new artists with a performance stage, thus having been affirmed by all walks of life. In the future, it will play an active driving role in creating a better society via diversified forms and combining with resources of all walks of life.

## Union Venture Capital Co., Ltd.

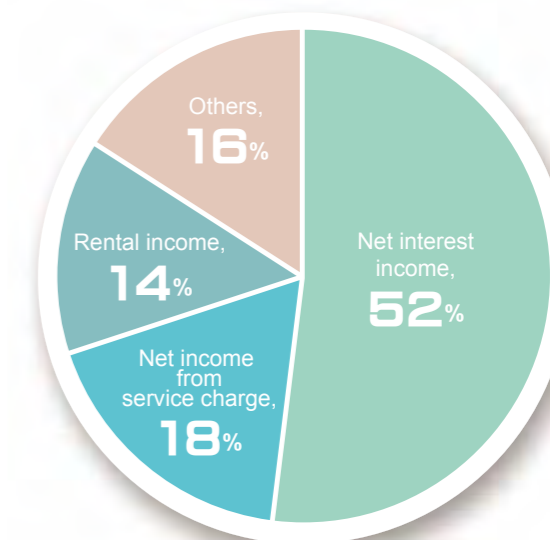
Established on November 21, 2019, Union Venture Capital is a member of Union Enterprise Group, and it is established for the purpose of complying with overall industrial development requirements of the country, cooperating with the financial policies of the Government and the Financial Supervisory Commission and assisting and actively promoting the funds needed for development of 5+2 newly-created key industries. Investment objects of the Union Venture Capital are mainly concentrated in industries, such as "Asia · Silicon Valley", "Intelligent Machinery", "Green Energy Technology", "Biotechnology & Medicine", "National Defense", "New Agriculture" and "Circular Economy", etc., to specialize in investment and operation of domestic and foreign science and technology careers or other domestic and foreign venture investment careers, or to provide the invested careers with direct capital and assist with operation or supervision. Thus, it serves as the core for driving continuous developed of science and technology industry in our country and growth of next generation of industries in Taiwan.

## Operation Performance

### (I) Operating capacity/Profitability

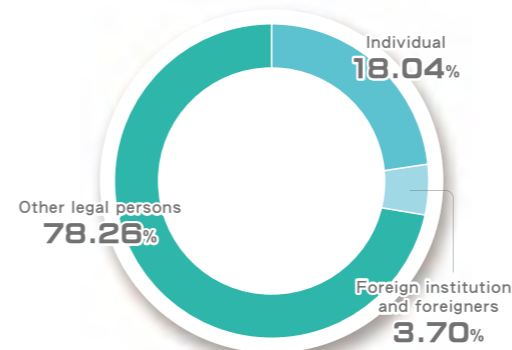
Year	2021	2020
Net income (NT\$ thousand)	16,688,773	14,430,362
Total assets (NT\$ thousand)	841,589,146	757,558,002
Shareholders' equity (NT\$ thousand)	65,865,069	60,192,412
Net profit after tax (NT\$ thousand)	4,463,396	3,441,505
Earnings per share after tax (NT\$)	1.21	0.90
Return on shareholders' equity (%)	7.51%	6.14%
Return on assets (%)	0.56%	0.47%
Average income of staff (NT\$ thousand)	3,900	3,329
Average profit of staff (NT\$ thousand)	1,043	794

### (II) Proportion of various businesses (by revenue source)

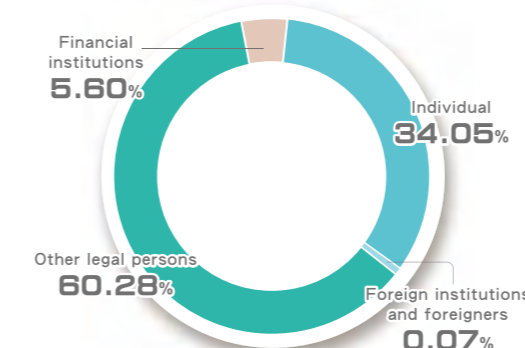


### (III) Shareholders' structure (as of March 29, 2022)

#### 1. Ordinary shares



#### 2. Special shares



### (IV) Credit rating of the latest period

Rating Company		Taiwan Ratings Corporation (TRC)
Latest rating date		December 8, 2021
Rating result	Long-term	twA+
	Short-term	twA-1
Other rating information	Rating outlook	Stable

Rating Company		Standard & Poor's Corp
Rating result		December 8, 2021
Rating result	Long-term	BBB
	Short-term	A-2
Other rating information	Rating outlook	Stable

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## Joy-sharing

1994.08.23	The Bank won "First Prize in Handling Financing Business of Medium and Small-sized Enterprises" issued by the Ministry of Finance.
1995.11.20	In "Business Week Service Quality Survey", the Bank ranked the second on the list of the best service quality of national banking industry in 1995 with high score, and it won single champion for "Staff Service Attitude" assessment.
1997.12.25	In "Business Week Service Quality Survey", the Bank ranked the tenth on the list of the best service quality of national banking industry in 1997, and ranked the second place for "Staff Service Speed" and "Accuracy of Business Treatment" assessment.
1999.12.13	The Bank won Excellent Information Application & Product Award issued by the Executive Yuan.
2000.11.01	The Bank won Golden Manufacturer Award for Excellent Manufacturers & Excellent Training Units held by the General Chamber of Commerce of the Republic of China.
2000.11.02	In "Business Week Service Quality Survey", the Bank ranked the eleventh on the list of the best service quality of national banking industry in 2000.
2003.04.08	Number of the Bank's credit cards in effective circulation broke through 2 million as of April 8.
2003.07.31	The Bank ranked the 3rd in amount of issuing credit cards in Taiwan with 2.18 million credit cards in circulation.
2003.09.09	The Bank officially launched the first national "mini card" for its credit card business.
2004.02.26	The Bank cooperated with MasterCard International to launch the first irregular card - Union Tourist Card.
2004.11.01	In order to provide social elites with quality life, the Bank launched "Da Vinci A + Financial Management Card", using high-tech intelligent chip cards with three-in-one functions of financial card, credit card and financial management card.
2004.11.09	The Bank launched chips, "Universal Financial Card", and, in addition to basic functions, it also imported consumption transfer and deduction, multi-accounts for 1 card and other functions, and even took the initiative to abolish the third track to improve the security of anti-counterfeit and anti-theft recording.
2008.04.29	The Bank was awarded Excellent Financial Institution for Handling Credit Guarantee and Financing Business of Small and Medium-sized Enterprises in 2007 by the Ministry of Economy.
2009.05.04	The Bank was awarded Excellent Financial Institution for Handling Credit Guarantee and Financing Business of Small and Medium-sized Enterprises in 2008 by the Ministry of Economy.
2010.10.04	The Bank ranked the 6th place of Dragon Award for Total Number of National Payment (Tax) Business Transactions in 2010 by the Association of Banks, and ranked the 2nd place of Dragon Award for Total Number of National Online Payment Transactions.
2012.03.19	The Bank launched "Union LOHAS App" Intelligent Mobile Banking to provide the customers with more convenient mobile financial services.
2012.12.28	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2012.
2013.11.27	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2013.
2014.02.24	The Bank announced to cooperate with Smart Catch International Co., Ltd. officially, and issued the first Micro SD NFC mobile-phone credit card with Visa Organization Security Certification.
2014.08.06	The Bank's "Mobile-phone Credit Card" won Jury's "Highly Commended Award" in honor of the items of "Best Initiative in Mobile Payments" of CEPI Asia Trailblazer Awards in 2014.
2014.09.29	The Bank received the Certificate of Appreciation in 2013 from the Environmental Protection Administration, Executive Yuan for promoting environmental protection and implementing green procurement.
2014.11.21	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2014.
2015.04.01	The Bank received a Commendation Certificate from the Financial Supervisory Commission for participating in the "Continuous Promotion Task Force on Prevention of Money Laundering and Combating the Financing of Terrorism".
2015.08.31	The Bank received the Certificate of Appreciation in 2014 from the Environmental Protection Administration, Executive Yuan for promoting environmental protection and implementing green procurement



## Joy-sharing

2015.11.05	The Bank won "Best Innovation Award for Mobile Payment in 2015" issued by the Finance Information Service Co., Ltd.
2015.11.11	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2015.
2016.03.02	The Bank received a Thank-you Card from the Ministry of Finance for purchasing green energy.
2016.08.26	The Bank received the Certificate of Appreciation in 2015 from the Environmental Protection Administration, Executive Yuan for promoting environmental protection and implementing green procurement.
2016.10.12	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2016.
2017.10.20	The Bank won the Excellent Award for the Group of Non-manufacturing Industry of Taipower's National Electricity Conservation Campaign in 2017.
2017.10.23	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2017.
2017.11.27	The Bank received the Certificate of Appreciation in 2017 from the Environmental Protection Administration, Executive Yuan for promoting environmental protection and implementing green procurement.
2018.06.08	22 branches of the Bank, including Sanchong Branch, were appraised as Excellent Shop of "Energy-saving Shops" by the Economic Development Board of New Taipei City Government.
2018.06.15	The Bank won Excellent Growth Award of "Award Competition of Financial Institutions in Promoting ACH Business" from August to October, 2017 held by Taiwan Clearing House.
2018.09.18	The Bank received a Certificate of Appreciation from the Environmental Protection Administration, Executive Yuan for making green procurement.
2018.10.07	The Bank completed the investment in LINE Pay, and carried out cooperation with LINE Pay officially.
2018.11.30	The Bank received a Certificate of Appreciation from Taipei City Government for making green procurement.
2019.08.28	The Bank won the "8th Taiwan Insurance Excellence Award" issued by Taiwan Insurance Institute.
2019.09.30	The Bank won "Proposal Business Service Award" of Taiwan Clearing House's Financial industry collection real-time service platform eFCS
2019.11.18	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2019.
2020.01.07	The Bank's Minquan Branch was awarded the Energy Conservation Action Award in the service industry by the Taichung City Government.
2020.04.13	The Bank won Lipper Taiwan Foundation Award - NT\$ Balanced Mixed Type - Ten-Year Period in 2020 jointly held by "Money" magazine and Lipper.
2020.06.12	The Bank won Grade A Bank Award for outstanding performance in the "SME Loans - Lending to Start-ups of Key Industries" in 2019 by the Financial Supervisory Commission.
2020.08.11	The Bank won the "Best Financial Innovation Award of Non-financial Holding Category" during excellence bank assessment in 2020 performed by Public Opinion Research Center of Shin Hsin University as entrusted by the Excellence Magazine.
2020.12.07	The Bank's Tianxin Branch won Certificate of High Distinction for voluntary energy saving activities by New Taipei City Government.
2020.12.17	The Bank was appraised by the Department of Environmental Protection of Taipei City for actively promoting "Green Procurement of Civil Enterprises and Groups" in 2020.
2020.12.29	The Bank won "Gold Quality Award - Credit Card and Credit Extension Data Category" at the "Award Ceremony of the 14th Gold Security Award, Gold Quality Award and Gold Excellence Award" in 2020 held by Joint Credit Information Center.
2021.07.15	The Bank won "Significant Improvement Award" in fair hospitality assessment by the Financial Supervisory Commission.
2021.08.19	The Bank won "Optimal Digital Financial Service Award" in 2021 Excellent Bank Appraisal by the Excellence Magazine.
2021.10.07	The Bank was recognized as an excellent bank for its international business of "Credit Extension to Targeted Countries of the New Southward Policy".
2021.10.21	The Bank won Bronze Award for Financial and Insurance Industry of the 14th "TCSA Taiwan Sustainability Award in 2021".
2021.12.16	The Bank's business proposal of Union Green Card won the Special Award and Procurement Award from the Economic Inclusion Section of the "Buying Power Procurement Incentive Mechanism for Social Innovation Products and Services" of the Small and Medium Enterprises Administration of the Ministry of Economic Affairs in 2021.



Picture: Union Bank won the "Best Financial Innovation Award of Non-financial Holding Category", and its General Manager, Hsu, Wei-Wen, was present to accept the award.





# 04 Stakeholder Engagement

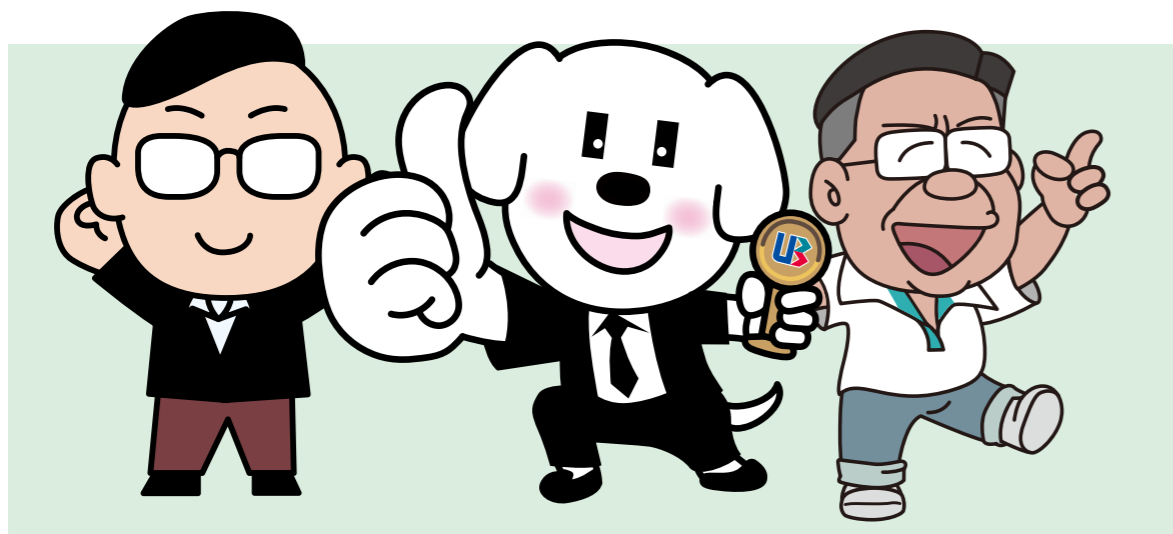


# 04

## Stakeholder Engagement

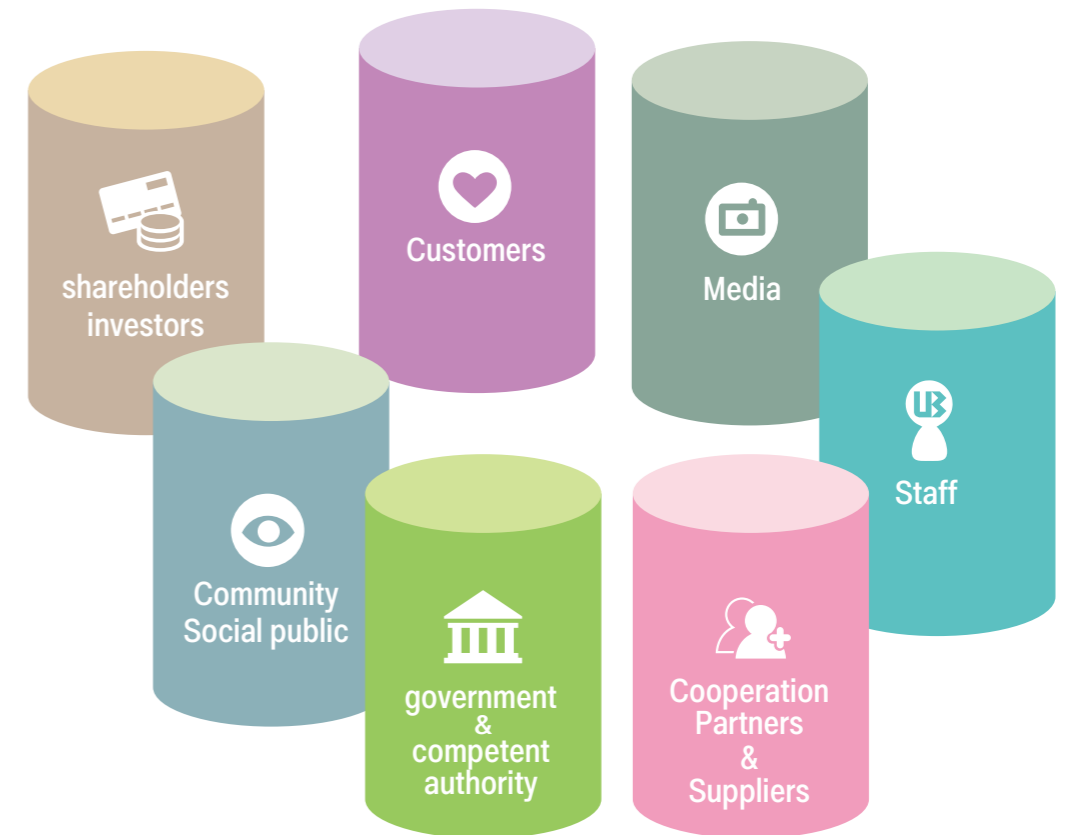


The Bank held considerable responsibility for the stakeholders and made two-way communication via various channels and means to understand the stakeholders' demands and their expectations toward the Bank. In the meantime, as an important consideration for implementing the enterprise sustainable development and related plans, the Bank established a sustainable operation mode with mutual benefit with the society and promotion of harmony and progress in combination with "vision, core competitiveness and strategy" to create the Creating Shared Value (CSV) and to jointly build a better home. The Bank summarized the topics of concern by letting the Sustainable Development Committee (hereinafter referred to as ESG Committee) communicate with the stakeholders via various channels, and then it decided the main stakeholders and major aspects of consideration in accordance with the context, significance, integrity and stakeholders' inclusiveness by category of the functional groups under the ESG Committee.



### Identification of Stakeholders

Union Bank's stakeholders mainly consist of shareholders/investors, customers, staff, cooperation partners/suppliers, community/social public, government/competent authority and media, etc.



### Communication Channels with Stakeholders

Regarding the above stakeholders, members of the various functional groups under ESG Committee were responsible for making interaction and communication with the social public and stakeholders and collecting opinions and statistical data via various channels and platforms, including special column on company website in Chinese and English, visitor message, annual report, Shareholders' Meeting, 24h customer service hotline and service mailbox, text customer service APP, customer service satisfaction survey, customer suggestion box, community lectures and various welfare activities, etc. Since 2020, the Bank would submit its communication condition with the stakeholders to the Board of Directors regularly every year. Detailed identification, communication method and channel of/with the stakeholders are summarized in the table below. Detailed identification, communication method and channel of/with the stakeholders are summarized in the table below.



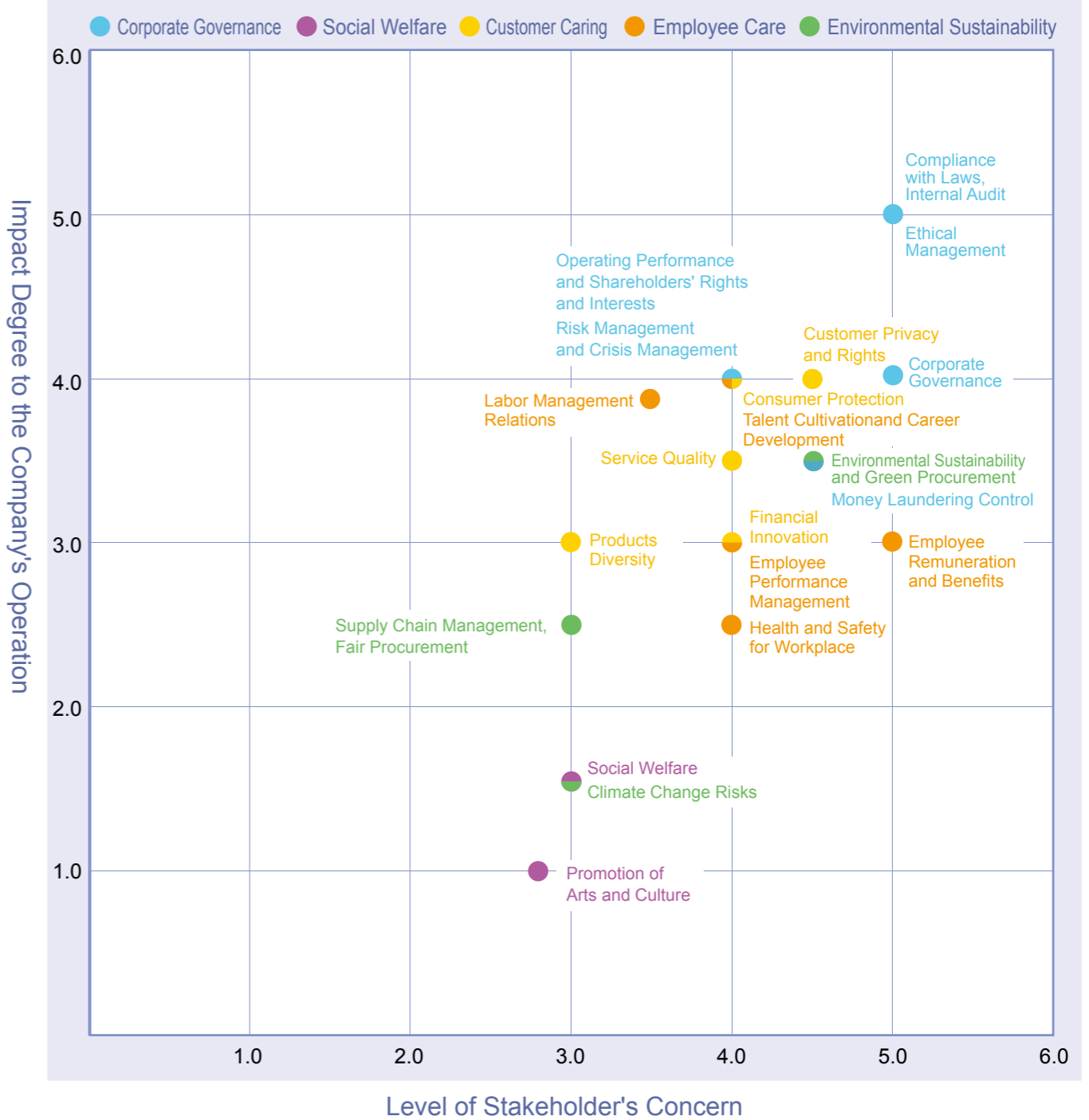
### Summary table of identification, communication method and channel of/with the stakeholders

Stakeholders	Topics of concern	Communication method and channel	Communication frequency	Corresponding Section
Customers	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Customer rights</li> <li>Service quality</li> <li>Debt consultation</li> <li>Diversification of financial innovation services</li> <li>Locations and channels of service</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of 24h customer service hotline, online text customer service, text customer service APP and online customer service mailbox, Union's Facebook Fan Page and official LINE account</li> <li>Collection of the customers' opinions via the branches, promotion units and customer service center, etc.</li> <li>Performance of customer satisfaction survey quarterly or annually in accordance with the business attribute</li> <li>Holding lectures on financial management regularly every year</li> <li>Internet banking and mobile banking</li> </ul>	Irregularly	Customer care
Employee	<ul style="list-style-type: none"> <li>Employee remuneration and benefits</li> <li>Performance management</li> <li>Training and development</li> <li>Human right and gender equality</li> <li>Occupational safety and health</li> <li>Labor management relations</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of perfect reward and bonus system and following the fair employment practices</li> <li>Establishment of compliant channel and review committee of sexual harassment</li> <li>Establishment of the fair assessment and reward system</li> <li>Holding various business lectures, seminars and participating in external professional trainings</li> <li>Entrustment of professional medical health examination institution with health examination of the staff</li> <li>Setting up a dedicated unit, and formulating occupational safety and health management plan</li> <li>Holding labor-management meeting regularly</li> <li>Formulation of staff compliant system, and setting staff garden</li> </ul>	Irregularly Quarterly	Employee Care
Investor / shareholder	<ul style="list-style-type: none"> <li>Operation performance and shareholders' rights and interests</li> <li>Corporate governance</li> <li>Information disclosure transparency</li> <li>Directors' independence and professional degree</li> <li>Ethical Management</li> <li>Enterprise sustainable operation</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of permanent company website in Chinese and English</li> <li>24H customer service hotline and feedback on opinion</li> <li>We prepare its annual report regularly, the financial statements quarterly, and announce the operation performance and disclose major information on the Company's website and the Market Observation Post System for inquiry every month.</li> <li>We hold annual general meeting and legal person presentation to provide unobstructed channels of two-way communication.</li> <li>We assess the Bank's credit rating regularly, and provide objective assessment of credibility issued by independent and neutral credit rating institution.</li> <li>We set contacts of investor relationship, for proper handling of the shareholders' suggested, suspicious and disputed matters.</li> </ul>	Irregularly Annually	Corporate governance About UBOT
Community / social public	<ul style="list-style-type: none"> <li>Academic education</li> <li>Charity care</li> <li>Community development</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Increase in interaction with communities via lectures on financial management and community activities</li> <li>Holding art exhibition tours and art contests regularly to be devoted to reserve and promote local culture and encourage new artists to lay efforts in creation and dare to realize their dreams.</li> <li>By following the social responsibility concept of "obtaining from the society and using for the society", we make long-term participation in various donation and other welfare activities, not lagging behind in showing love heart</li> <li>We show care for Taiwanese farmers with practical actions by making bulk purchase of agricultural products with poor sale and falling price due to over-production, and it shared love heart with the customers.</li> <li>By making adoption of community parks and school gardens, we enhance the community residents' contentiousness of participating in improving the community environment so as to create a beautiful living environment jointly.</li> </ul>	Irregularly	Social welfare
Supplier / cooperative partner	<ul style="list-style-type: none"> <li>Supply chain management, fair procurement</li> <li>Environmental protection, safety and health management</li> <li>Contract contents and legal regulations</li> <li>Ecological conservation and environmental sustainability</li> <li>Climate change risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Understanding the product and demands by means of product launch meeting, exhibition, mutual interview, providing written, electronic emails or samples, etc.</li> <li>Communicating and understanding the price cost, supply conditions, etc. via the procurement or contract-awarding procedures.</li> <li>Understanding the entrusted institution's management and working environment by field investigation.</li> <li>Communicating and understanding the use and follow-up service problems via feedback opinions from the users.</li> </ul>	Irregularly	Environmental sustainability
Government / competent authority	<ul style="list-style-type: none"> <li>Compliance with Law</li> <li>Internal audit</li> <li>Money laundering prevention and control</li> <li>Risk management and crisis management</li> <li>Occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Paying close attention to the issuance of government policies and orders, complying with laws and decrees in deed, maintaining interaction with the competent authority, cooperating with the competent authority in making audit irregularly, participating in policy seminars or lectures, and disclosing the company information regularly on the Market Observation Post System, the company web-page and the annual report, etc.</li> <li>Performing audit in accordance with the annual audit plan, and cooperating with the competent authority in making daily supervision and business inspection.</li> <li>Formulating management criteria for various major risks, making various qualitative and quantitative risk assessment operations, and disclosing various risk management information on website regularly.</li> </ul>	Irregularly Annually	Corporate governance
Media	<ul style="list-style-type: none"> <li>Diversification of financial innovation services</li> <li>Social feedback</li> <li>Industrial dynamics</li> <li>Operation performance</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Setting spokesman mechanism, and making unified speaking to the external.</li> <li>Holding press conference and providing news release.</li> <li>Arranging interview activities of important topics.</li> </ul>	Irregularly	About UBOT Corporate Governance

### Identification and sequence of major topics

For final selection and sequence of key topics, in accordance with the above preliminary summary data, and after assessing the stakeholders' degree of importance attached to the topics and understanding various stakeholders' instruction and expectation to the Bank whether in economic, social or environmental aspects, the Bank would arrange the sequence of key topics first and then submit to various senior business supervisors and senior staff for analyzing and drawing a significance matrix diagram as below by assessing impact of the topics on enterprise operation in reference to domestic and foreign financial environment, industrial status, strategic development, governmental policy, industry reference as well as external consultants' and experts' opinions, and total 21 topics are summarized.

### Reference for matrix diagram of major topics (refer to the excel matrix diagram)





## Identification of major topics

Selecting the major topics of the current year via matrix diagram of various topics. The Bank's major topics of the current year mainly included the following five aspects: corporate governance, social welfare, customer care, employee care and environmental protection, of which the topic with the highest score was selected, and the response has been made to total seven major topics of concern which were explained in this report as well.

	Corporate governance	Customer care	Employee Care	Social welfare	Environmental sustainability
Major topics	<ul style="list-style-type: none"> <li>Ethical Management</li> <li>Compliance with Law, internal audit</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy and Rights</li> </ul>	<ul style="list-style-type: none"> <li>Employee Remuneration and Benefits</li> <li>Talent cultivation and career development</li> </ul>	<ul style="list-style-type: none"> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Environmental sustainability and green procurement</li> </ul>

## GRI major topics, management principles and impact boundary

After the Bank's ESG Committee confirmed and completed annual major topics and the corresponding category and consideration aspect of various key topics to GRI Standard were set and summarized as below table, please refer to the attachment to this report - GRI Standard Corresponding Table for disclosure of relevant indexes.

Summary table of major topics and boundary identification								
Aspect	Major topics	GRI significant topics	Impact boundary					
			Degree of involvement: Direct cause ▲ Indirect cause ● Caused by the relationship with UBOT ★					
			Union Bank and staff	Investor	Customer	Government	Media	Supplier
Corporate governance	Ethical Management	Anti-corruption 205-1~205-3	▲	●	★	●	●	★
	Compliance with Law, internal audit	Compliance with 419-1 of social economic laws and regulations, and compliance with 307 of environmental protection laws and regulations	▲	●	★		●	
Customer care	Customer privacy and rights	Customers' privacy 418	▲		★			★
Employee care	Employee remuneration and benefits	Employee-employer relationship 401-2	▲					
	Talent cultivation and career development	Training and education 404-1~404-3	▲					
Social welfare	Social welfare	Significant direct economic impact 203-2 Local community 413	▲	●	★	●	●	★
Environmental sustainability	Environmental sustainability and green procurement	Energy 302-1, emission 305-1~2	▲		★		●	★

## UBOT's Sustainable Operation Goals

Aspect/topic	Short-term goals (2022)	Mid-term and long-term goals (2023-)
Corporate governance	<ul style="list-style-type: none"> <li>Entrusting external professional independent institution or external expert and scholar team to execute the performance evaluation of the Board of Directors.</li> <li>Uploading sustainability report in English via the market observation post system and the company website.</li> <li>Launching and establishing information security risk management framework, and formulate information security policies and management plans, and obtain ISO27001 or CNS27001 certification.</li> <li>In accordance with climatic change and corporate governance related regulations, disclosing governance condition of climate related risks and opportunities, actual and potential impact related with climate, and explaining the procedures of identification and evaluation of climate management related risks and the evaluation and implementation condition of the goals (including greenhouse gas emission and related information, etc.)</li> <li>In accordance with "Guidelines for Financial Disclosure of Climatic Risks of Domestic Banks" of the Competent Authority, relevant business and management units drafted various rules and regulations, measures and set goals and limit amount, and handled the disclosure operation according to the stipulated time limit.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluating to acquire "Corporate Governance System Evaluation" certification from Taiwan Corporate Governance Association.</li> <li>Setting more seats of independent directors than that stipulated by laws voluntarily with the seats of independent directors accounted for above a half of the seats of directors.</li> <li>Continuing to track the ethical management topic, holding internal advocacy irregularly, and conveying the importance of integrity to the directors, employees and appointed personnel.</li> <li>Planning that at least one internal auditor of the Company shall be equipped with licenses of international internal auditor, international computer auditor or accountant examination certificate and others.</li> </ul>
Operation performance and shareholders' rights and interests	<ul style="list-style-type: none"> <li>Holding legal person presentation, and disclose information related to company operation so as to enable the investors to grasp relevant information timely.</li> <li>In accordance with relevant stipulations of the competent authority, disclosing the Bank's information related to finance, business and corporate governance regularly.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to make operation steady, and expanding scale of various businesses.</li> <li>Continuing to pay attention to publicity of various information to maintain shareholders' rights and interests.</li> </ul>
Compliance with Law	<ul style="list-style-type: none"> <li>Reviewing financial audit shortcomings, and make improvement regularly and real-time advocacy of recent financial industry penalty cases.</li> <li>Listing money laundering prevention and control, compliance with law, warehouse management and credit-awarding guarantee, etc. as the annual key points of supervision by laws and decrees, and confirming various units' legal compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to enhance the Bank staff's concept and professional training on compliance with law, urging supervisor of legal compliance of each unit to execute internal regulations in deed, and guiding the internal control personnel to exert the role of division of labor and containment so as to guarantee effectiveness of the legal compliance system.</li> </ul>
Customer Privacy and Rights	<ul style="list-style-type: none"> <li>Enhancing its staff's recognition of fair treatment to customers, Consumer Protection Act and Personal Data Protection Act, etc.</li> <li>Monitoring compliance condition with personal data protection, and implementing personal data inventory operation.</li> <li>Performing response drilling regarding personal data security accident regularly.</li> <li>Promoting resolution matters of the Personal Data Management Committee.</li> <li>Launching the implement plan of special program of ISMS information security management system.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to monitor management of Consumer Protection Act and Personal Data Protection Act, and listing them as key points of monitoring for legal compliance.</li> <li>Implementing ISMS to achieve institutionalization and standardization of information operations, and making appraisal via third-party institutions.</li> <li>Continuing to supervise various units to implement the principles of fair hospitality via the Fair Hospitality Management Committee.</li> </ul>
Service quality	<ul style="list-style-type: none"> <li>Increasing digital deposit business, new personal online banking, more functions of the new APP, and provide the customers with more friendly service quality and use environment.</li> <li>Evaluating the introduction of video system to increase diversified channels for confirming identity as handling online customer service.</li> <li>To provide the customers with more convenient online services, planning to make services such as online card-issuing, loaning and introducing the request for evidence into MyData services.</li> <li>Making customer satisfaction survey regularly, and enhancing the requirement to the Bank staff that they should exert the high-quality service spirit and take care of the customers' demand.</li> <li>Providing friendly financial service, taking care of the seniors and the handicapped, etc., and in the meantime, assisting in promoting and driving small merchants to accept e-payment, and making bail-out or providing assistance measures in response to the COVID-19 pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Making promotion of core host and replacement of core network equipment.</li> <li>Observing and handling total 36 execution measures for "Financial Information Security Action Plan" for financial institutions issued by the Financial Supervisory Commission.</li> <li>Continuing to optimize the Bank's various e-banking service platforms, and seeking for cooperation opportunities with different industries, expanding application field of financial services, and providing digital financial services in a more all-round way.</li> <li>Introducing the intelligent customer service in combination with Chatbot + Face recognition + Optical Character Recognition (OCR), adding problem consultation channels for customers, and improving overall service quality of the customer service center.</li> <li>Paying attention to application development and evolution of financial science and technology, and cultivating relevant talents in artificial intelligence, block chain technology, biometric sensing, big data application and other new field of financial science and technology, in response to the trend of service form change in the future.</li> </ul>



## UBOT's Sustainable Operation Goals

Aspect/topic	Short-term goals (2022)	Mid-term and long-term goals (2023-)
Employee Remuneration and Benefits	<ul style="list-style-type: none"> <li>Providing diversified staff welfare measures, for example, it is proposed to grant children living and education subsidies to the staff.</li> <li>Making open adjustment of amount of withdrawal from ESOP trust, and encouraging the staff to make deposit.</li> <li>Promoting online course of "Advocacy of Workplace Physical and Mental Abuse and Prevention of Occupational Musculo-skeletal Diseases", and "Workplace Female Health Protection Plan" to guarantee physical and mental health of female staff.</li> <li>Executing security protection drilling to enhance prevention of workplace violence.</li> </ul>	<ul style="list-style-type: none"> <li>Providing reasonable standards during the period of regular salary adjustment in reference to the remuneration indexes and the price fluctuation in consumption economy announced by the General Accounting Office of the Executive Yuan.</li> <li>Continuing to make performance reward plan for various business positions, providing incentive bonus for achieving goals, and handling annual promotion and salary-adjustment operations.</li> <li>Actively protecting harmonious labor management relations, inspecting attendance and absence condition of various units irregularly so as to guarantee relevant rights and interests of the staff.</li> <li>Holding multiple health lectures to enable the staff to increase knowledge on health and to protect themselves and their family members.</li> <li>Enhancing friendly working environment for pregnant and lactating staff.</li> </ul>
Talent cultivation and career development	<ul style="list-style-type: none"> <li>Encouraging the Bank's staff to sit for examinations for various professional certificates so as to be equipped with basic qualification conditions for various businesses.</li> <li>Providing diversified digital learning courses and placing them in special online education training section so as to enable the staff to improve their self-function via autonomous further study at any time without limitation.</li> </ul>	<ul style="list-style-type: none"> <li>Drafting functional development planning of various positions, arranging training courses, and developing the staff's potential to develop extensive career goals.</li> <li>Holding special courses for training future managers, and selecting excellent staff from various business sections to receive cross-department platform business rotation and exploration so as to inspire maximization of function, and to expand vision and improve diversified professional knowledge.</li> <li>Arranging the staff to participate in professional training held by external institutions.</li> </ul>
Social welfare	<ul style="list-style-type: none"> <li>Promoting local culture, financial management, art &amp; culture and social knowledge education.</li> <li>Participating in supporting promotion of ecological conservation concept.</li> <li>Continuing to sponsor local art &amp; cultural activities.</li> <li>Showing care for the local communities, people and industries.</li> <li>By the welfare affinity card issued, and in combination with the welfare foundation and county and municipal governments, and from the Bank's welfare budget and the cardholders' consumption amount, withdrawing a certain proportion to be donated to various foundations and county and city governments for the purpose of social welfare.</li> <li>Showing care for remote country areas with insufficient economic and education resources and disadvantaged young students to help them exert their talents and advantages by means of sponsorship or other activities.</li> <li>Donating to and participate in welfare group sponsor plan, and continuing to cooperate with Union Culture Foundation in "Let's be Happy Together" to make welfare fund-raising and to help disadvantaged populations.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to sponsor education, art &amp; culture, local communities and Taiwan industry and other activities.</li> <li>Launching credit card donation project with welfare groups, and actively contact with new welfare units.</li> </ul>
Environmental sustainability and green procurement	<ul style="list-style-type: none"> <li>Special unit for environmental management would establish appropriate environmental management system in accordance with attribute of the banking industry, including green management policy, enterprise de-carbonation management, green procurement, green power subscription, supply chain management, resource recycling, and reusing, and creating green life and other execution measures, and review the operation effect regularly.</li> <li>For credit-awarding policy orientation, it shall support alternative energy, water resource, environmental protection and pollution control, and other green industries, and its credit-awarding audit shall lay special emphasis on circumstances such as negative impact of enterprise operation on environmental protection, or violation of environmental protection laws and regulations, etc.</li> <li>Decoration project of the Bank's premises uses above 45% of green and environmental-protection building materials, and the mineral fiber ceiling, calcium silicate board partition wall, and cement paint are all built with green materials.</li> <li>Lightings of various units are all replaced with LED energy-saving lights comprehensive in different stages, and the air-conditioners are all replaced with energy-saving ones.</li> <li>Making statistics of total power consumption of the whole bank in the current year, and converting into emission amount of greenhouse gas CO<sub>2</sub>, and disclose on the Bank's website.</li> <li>Responding to and participating in various energy-saving advocacy campaigns all over the globe.</li> <li>Promoting operation standards of ISO 50001 energy management system to other units by stages.</li> </ul>	<ul style="list-style-type: none"> <li>Continuing to invest in energy saving or green energy related environmental sustainability career.</li> <li>Continuing to perform promotion and execution of education and training on sustainable development.</li> <li>Making the Head Office and the branches obtain ISO14064 Greenhouse Gas Management System Certification by stages.</li> <li>Studying feasible plan for setting solar energy field on top of the Bank's own buildings.</li> <li>Taking bank-wide reduction of greenhouse gas emission by 1% as the goal every year during 2022-2025.</li> <li>Continuing to promote paper reduction or paperless measures (electronic official documents, electronic bills, double-sided printing of papers or recycling of papers, etc.).</li> <li>Setting reduction of greenhouse gas emission by 50% as the goal by 2050 in accordance with the Greenhouse Gas Reduction and Management Act, and considering net zero CO<sub>2</sub> emission to execute carbon-neutralization methods.</li> </ul>

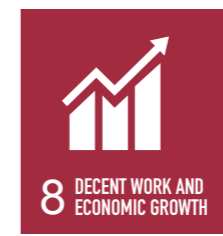
## Implementation of Sustainable Operation in 2021

Aspect	Achievement of goals in 2021
Corporate governance	<ul style="list-style-type: none"> <li>In cooperation with international development trend, the Bank renamed the 2020 Corporate Social Responsibility (CSR) Report to Environmental, Social and Governance (ESG) Report. Such report has been investigated by third-party verification institution – British Standards Institution (BSI), which has issued statement of Declaration of Independent Warranty Opinion.</li> <li>In 2021, the Bank held internal and external education training related with ethical management topic (including relevant courses regarding ethical management and compliance with laws and regulations, accounting system, and internal control, etc.) with total 118 classes, and total 3,445 trainees.</li> <li>The Bank revised and added "Criteria for Management of Climatic Change and Environmental Sustainability Risks" to its "Risk Management Policy", specifying that the Bank shall abide by relevant laws and regulations, disclose governance condition of climate risks and opportunities regularly, identify and evaluate relevant risks and the goals used for evaluating relevant topics, and report to the Board of Directors regularly.</li> <li>Policies and procedures, scope, organizational structure, and operations of risk management were added on the Bank's website.</li> <li>Revising the Bank's compliance with law policy, and planning detailed substantial contents of the compliance with law work according to aspects of before, during and after event, etc.</li> <li>Executing the Bank's compliance with law operation with risk-oriented, including items of relatively high risk into inspection scope of self-assessment or sampling inspection of compliance with law, and inspecting the business units' compliance condition.</li> <li>Re-election of directors was performed in 2021, which conformed to the stipulation that term of office of independent directors should not exceed three sessions upon re-election.</li> <li>To enhance monitoring of information security, the bank set Information Security Officer to be responsible for promoting information security policies and scheduling resources.</li> <li>The Bank has convened 2 legal person presentations in 2021.</li> </ul>
Customer Care	<ul style="list-style-type: none"> <li>Setting barrier-free automatic teller machines (ATM) along the whole line of Taichung Mass Rapid Transit (TMRT) to create a friendly financial environment.</li> <li>In 2021, there were 75 gears and 9 gears of foreign bonds and ETF, respectively, and about 200 gears of funds were newly issued.</li> <li>Improving overall account-opening efficiency, enhancing customer service experience, and providing the customers with online appointment of account-opening service.</li> <li>Newly adding "Inter-bank Transfer Service by Mobile Phone Number" to ATM, online banking and mobile banking.</li> <li>Continuing to optimize e-banking function.</li> <li>Providing "Online Trust Account-opening" services on "Personal Online Banking" and "Union Bank APP".</li> <li>Realizing online financial service for enterprise users with total 16,580 users in accumulation and with a growth of 49% compared with the previous year.</li> <li>Promoting new users to apply for New New Bank with total 614,131 users in accumulation and with a growth of 90% compared with the previous year.</li> <li>Improving the settlement efficiency, simplifying the operation, and making "Optimization Items for Accounting Settlement of Business Units" online.</li> <li>Attaching importance to customer protection of the Bank, and revising execution strategy of fair hospitality.</li> <li>Providing non-member customers with newly added online application/handling function of "Automatic Deduction of Credit Card Bills" without logging in.</li> <li>For credit card business, the Bank newly added online application service for temporary up-regulation, online application for credit card digital deposit account opening, and online application for deferred payment.</li> </ul>
Employee Care	<ul style="list-style-type: none"> <li>Proportion of personnel with annual promotion was 10.6%, proportion of personnel with comprehensive salary adjustment was 58.4%; average amplitude of salary adjustment of all staff was up to 3.97%.</li> <li>We held ESOP trust, enabling the staff to allocate some salary voluntarily, while the Company would allocate a relative amount as reward, and the applying staff counted for 74.9%.</li> <li>Applicants for various welfare subsidies were up to 198, and we have signed cooperation contracts with many safe and legal school-age child care institutions outside of the Company in order to help the staff solve their worry for taking care of their children.</li> <li>It implemented health advocacy toward the staff every year and showed care for the staff's physical health, and the bank-wide pass rate of "investigation of musculoskeletal symptoms" was 100%.</li> <li>It held 19 on-site health consulting services from professional physicians.</li> <li>It signed AI Talent Training Contract with Tamkang University.</li> <li>It executed various pandemic prevention measures, provided sufficient pandemic-prevention materials, and showed care for the staff's physical condition.</li> <li>It paid attention to the staff's efforts in pandemic prevention, and released NT\$ 10,000 consolation money; it purchased pandemic prevention policy for all staff, to enhance working guarantee; for colleagues providing support for it during the pandemic period, it provided award and issued allowances.</li> </ul>
Social Welfare	<ul style="list-style-type: none"> <li>It held the 19th "UBOT Art Impression Award" and the 24th "UBOT New Artist Award"</li> <li>It produced total 6 episodes in "Stories in Taiwan – UBOT Heritage Pilgrimage Special Series".</li> <li>It continued to show care for remote country areas with insufficient economic and education resources and disadvantaged young students (e.g. Dongshan High School, Puzangalan Children's Choir, etc.), to help them exert their talents and advantages by means of sponsorship or other activities.</li> <li>It showed care for Taiwan industries, and selected products made in Taiwan (MIT) as gifts for the Spring Festival Holidays.</li> <li>It participated in various love donations, and welfare sponsor activities (e.g. children welfare drawing competition, children financial management experience camp, adoption of conservation animals, Eden Social Welfare Foundation, CHILDREN ARE US Foundation, Braze Charity Foundation, etc.).</li> <li>For No. 408 Taroko Express accident of Taiwan Railway, the Bank donated NT\$ 5 million to assist with subsequent medical and life reconstruction of the wounded.</li> <li>It donated total NT\$ 6 million to special account of Taipei City and New Taipei City to support first-line pandemic-prevention medical staff.</li> <li>For serious casualties caused by fire disaster in Kaohsiung City, the Bank donated NT\$ 5 million to provide substantial assistance for the affected families.</li> <li>In addition to allocate a certain donation amount from welfare affinity card holders' consumption amount, the Bank also allocated certain fund to be donated to "Taiwan Environmental Information Association" since 2021 to engage in more environmental protection and promote environmental protection education and relevant welfare activities via green welfare groups and resources.</li> </ul>
Environmental Sustainability	<ul style="list-style-type: none"> <li>It has set the goal of reducing greenhouse gas emission by 50% in 2050 compared with that in 2005 as stipulated in "Greenhouse Gas Reduction and Management Act", and implemented by means of improving facilities and power consumption management.</li> <li>It obtained ISO14064 Greenhouse Gas Management System Certification for the buildings of Head Office and the branches of Zhongshan, Taoying, Minquan and Lingya.</li> <li>It participated in 51 repair methods of the "Repair Our Earth" topic on official website of Earth Day Taiwan, and invited the customers and nearby shops and stores for joint participation.</li> <li>In 2021, the Bank's emission of greenhouse gas was 4,838 mt/CO<sub>2</sub>e with a reduction of 2.2% compared with that of the previous year.</li> <li>For the "Green Procurement Promotion Plan for Private Enterprises and Groups" in 2021, the Bank's green procurement amount was NT\$ 28,416,434 in total, and it also obtained a Certificate of Gratitude from the Department of Environmental Protection.</li> <li>It issued UBOT green card, and mainly advocated 10% feedback for green consumption, to support environmental sustainability and green circulation.</li> <li>It issued loans to green industry actively, invested in corporate bonds and funds of enterprises with low-carbon goal, issued investment trust for ESG bond fund and low-carbon goal fund, and made venture investment in solar power plant, which provided green power generation of 6,230,444 KWH in 2021 with carbon reduction of 3,452 mt.</li> </ul>





# 05 Corporate Governance





# 05

## Corporate Governance



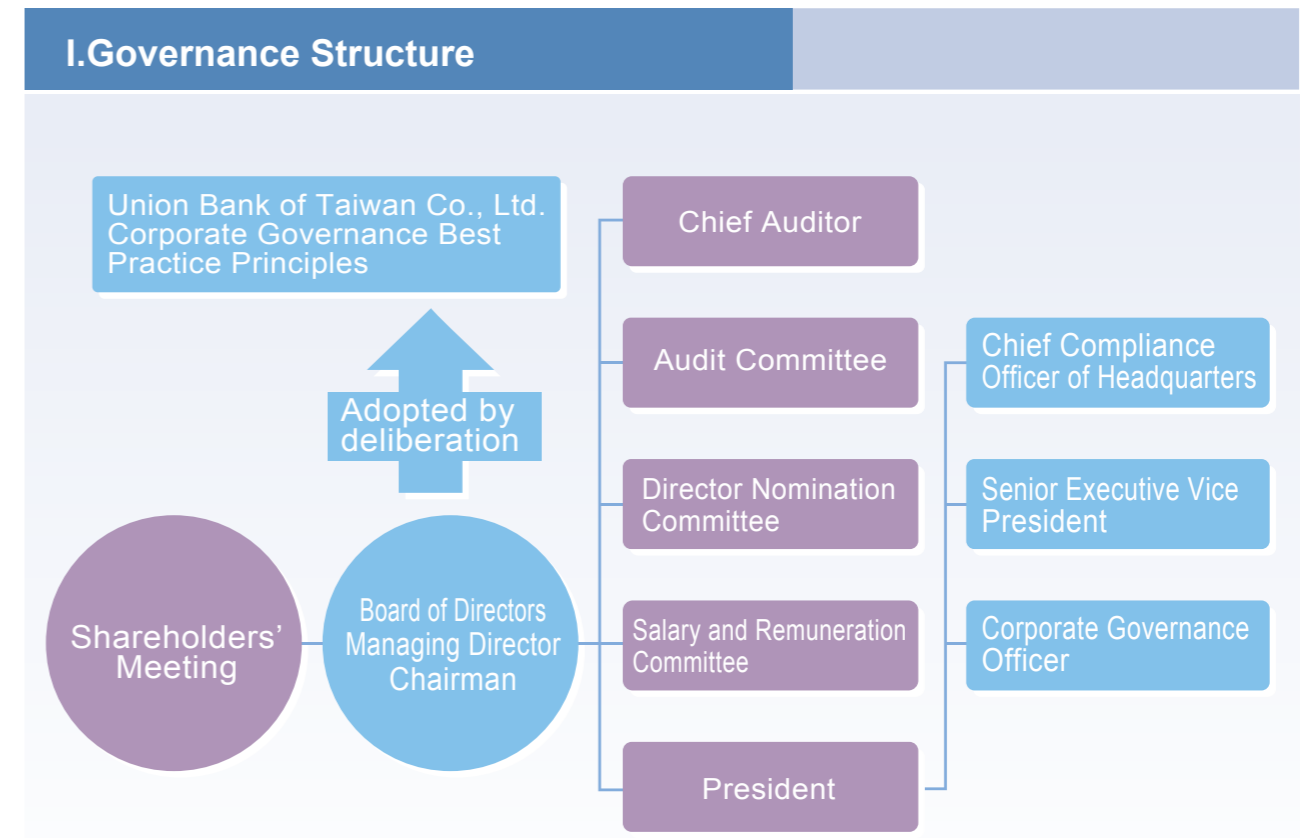
The Bank takes sustainable management as the principle of establishment, while a good corporate governance is the foundation for sustainable management of a company. The Bank is equipped with a sound corporate governance system, and all units are responsible for their own positions so as to guarantee reasonable and efficient corporate operation and conformance of various businesses to regulations.

To maintain effective and proper operation of internal control system, the Bank has established internal audit system, self-audit system, legal compliance system, and risk management mechanism. Among them, self-audit constitutes the first defense line, compliance with law and risk management constitute the second defense line, and internal audit constitutes the third defense line. In order to enable effective and proper operation of the internal control system, the first and the second defense lines perform risk monitoring, and the third defense line performs independent monitoring so the three defense lines perform their own functions.

In addition to complying with governmental orders and regulations, the Bank also formulated "Code of Practice on Corporate Governance" and observed the following principles:

- Observing laws and improving internal management
- Guaranteeing shareholders' Rights and Interests
- Enhancing functions of the Board of Directors
- Exerting functions of various functional committees under the Board of Directors
- Respecting rights and interests of stakeholders
- Improving information transparency

In addition, the Bank would review its corporate governance effect in accordance with "Corporate Governance Appraisal Result", and put forward matters of enhancement in priority and measures to enhance the Bank's implementation of corporate governance and to jointly improve the corporate governance level in capital market of our country; in 2021, the Bank's "Corporate Governance Appraisal" ranked top 6%~20% among public listed companies.





## Corporate Governance

complied with the “Procedures for Election of Directors” and “Code of Practice on Corporate Governance” to guarantee diversification and independence of the directors. In order to improve functions of the Board of Directors of the Company and enhance the management mechanism, the 19th Board of Directors’ Meeting of the 10th Session passed to establish the Director Nomination Committee on November 11, 2020.

(1) In order to strengthen efficiency of the Board of Directors and consider that members of the Board of Directors should be equipped with different backgrounds, international experience, forward looking, leadership and communication ability, the Bank’s Board of Directors included the criterion for diversification of members of the Board of Directors into the Bank’s Code of Practice on Corporate Governance in addition to gender equality.

(2) Basic information of the directors and diversification of board members:

The 11th directors of the Bank were elected on July 20, 2021 with a term of office for three years, and resume of the directors was as follows:

Title	Name	Main Experience (educational background)	Current title in the Bank and other companies
Chairman	Representative of Union Investment Co., Ltd.: Lin, Hung-Lien	Graduated with Master's degree of National Taiwan University General Manager of Union Bank	Director of Hong Kong Union States Finance Limited, Supervisor of Union Recreation Enterprise Corp., Supervisor of Yuyu Holdings Co., Ltd., Director of Lin Rong San Co., Ltd., Supervisor of Union Holdings Co., Ltd., Supervisor of Unionroy Investments Limited, and Director of Jincheng Assets Co., Ltd.
Independent Managing Director	Li, Kuo-Chang	Graduated from National Taiwan University Chairman of Union Bills Finance Corporation	None.
Managing Director	Chuan Cheng Investment Co., Ltd. Representative: Chiang, Chen-Hsiung	Graduated from National Defense Medical Center Council Chairman of Rotary International Managing Director of Union Optronics Corp. Supervisor of Union Bills Finance Corporation	None.
Independent Director	Fan, Ling-Yu	Graduated from City University of Seattle, Washington, USA Deputy General Manager of Fuhwa Securities Executive Chairman of Jin Fu-Hwa Securities Investment Trust Stationed Director of Union Insurance Co., Ltd.	None.
Independent Director	Li, Tsung-Han	Graduated from University of Michigan as a Doctor Examiners' Committee Member of Examination Yuan Visiting Scholar to University of Manchester Professor and Dean of Tamkang University	None.
Director	Herman Tu	Graduated from Chinese Culture University Senior Deputy General Manager of Union Bank Director of Union Securities Investment Trust Co., Ltd. Supervisor of Union International Leasing Co., Ltd.	Chairman of Union Securities Investment Trust Co., Ltd., Board Chairman of Union Private Equity Co., Ltd.

Title	Name	Main Experience (educational background)	Current title in the Bank and other companies
Director	Yu-Bon Limited Co. Representative: Tsao, Su-Feng	Graduated from National Taipei College of Business Director of Tiansheng Investment Co., Ltd.	None.
Director	Union Investment Co., Ltd. Representative: Li, Wen-Ming	Graduated from Chung Yuan Christian University Managing Director of Cosmos Foreign Exchange Intl. Co., Ltd.	Supervisor of Lien Ban Dyeing and Finishing Co., Ltd., Managing Director of Cosmos Foreign Exchange Intl. Co., Ltd., Chairman of 123 Life Technology Co., Ltd., Director of Yuyu International Investment Co., Ltd., Director of Union Investment Co., Ltd., Director of Rong San Lin Construction Co., Ltd., and Chairman of JPMorgan Union Asset Management Co., Ltd., Chairman of Yuyu Holdings Co., Ltd., Supervisor of Lin Rong San Co., Ltd., Chairman of Union Holdings Co., Ltd., Chairman of Unionroy Investments Limited, Supervisor of Jianyuan Investment Co., Ltd., Supervisor of Tiansheng Investment Co., Ltd., Supervisor of Kunzhe Investment Co., Ltd., Supervisor of Jincheng Asset Co., Ltd., Chairman of Haotian Investment Co., Ltd., Supervisor of Xinghao Investment Co., Ltd., Supervisor of Jihao Investment Co., Ltd., Supervisor of Jiachuang Investment Co., Ltd., Supervisor of Yuanpin Investment Co., Ltd., Supervisor of Yuangao Investment Co., Ltd., Supervisor of Bo-er Co., Ltd., Supervisor of Duxin Co., Ltd., and Director of Union Optronics Corp.
Director	Parkson Investment Co., Ltd. Representative: Lin, Ssu-Yung	Graduated from National Taiwan Normal University Director of Hon Bung Construction Enterprise Co., Ltd.	Board Chairman of Lien Ban Dyeing and Finishing Co., Ltd., Board Chairman of Yeshan Construction Co., Ltd., Chairman of Green Island Co., Ltd., Chairman of Jianyou Investment Co., Ltd., Chairman of Shangzhe Investment Co., Ltd., Supervisor of Rong San Lin Business Co., Ltd., Director of Hi-Life International Co., Ltd., Supervisor of Rong San Lin Construction Management Co., Ltd., Manager of Hon Bung Construction Enterprise Co., Ltd., Director of Hon Bung Construction Enterprise Co., Ltd., Chairman of Union Enterprise Construction Co., Ltd., Supervisor of Heng Chang Investment Co., Ltd., Chairman of Kang Hong Investment Co., Ltd., Supervisor of Xin Kang Investment Co., Ltd., Supervisor of Bai Kang Investment Co., Ltd., Supervisor of Bao You Investment Co., Ltd., Supervisor of Da Wei Investment Co., Ltd., Supervisor of Song Mai Investment Co., Ltd., Chairman of Guo Sheng Investment Co., Ltd., Chairman of Hong Bai Investment Co., Ltd., Chairman of Hon Gju Investment Co., Ltd., Chairman of Parkson Investment Co., Ltd., Chairman of Ju Bao Investment Co., Ltd., Chairman of Rong San Lin Enterprise Co., Ltd., Director of Union Construction Management Co., Ltd., Chairman of Bang Long Construction Co., Ltd., Chairman of Yuan Pin Investment Co., Ltd., and Director of Union Optronics Corp.



Diversified Core Projects								
Name of Director	Gender	Operation Judgment	Operation Management	Accounting and Finance	Industry university Knowledge	International Market View	leadership Decision	Risk Management
Lin, Hung-Lien	Male	✓	✓	✓	✓	✓	✓	✓
Chiang, Chen-Hsiung	Male	✓	✓		✓	✓	✓	
Li, Kuo-Chang	Male	✓	✓	✓	✓	✓	✓	✓
Li, Tsung-Han	Male	✓			✓	✓	✓	
Fan, Ling-Yu	Female	✓	✓		✓	✓	✓	✓
Tsao, Su-Feng	Female			✓	✓	✓	✓	
Lin, Ssu-Yung	Male	✓	✓	✓	✓	✓	✓	
Li, Wen-Ming	Male	✓	✓		✓	✓	✓	
Herman Tu	Male	✓	✓	✓	✓	✓	✓	✓

The Bank's independent directors accounted for 33.3%, female directors accounted for 22.2%, the directors aged at 50-59 years old accounted for 22%, those aged at 60-69 years old accounted for 45%, and those aged above 70 years old accounted for 33%.

(3) Enhancing the directors' independence and fully exert responsibilities of independent directors.

Since the establishment on December 31, 1991, the Bank set up the 1st Board of Directors as well as Supervisors, started to set independent directors since the 7th Board of Directors, and formulated "Criteria for Scope of Responsibilities of Independent Directors of Union Bank of Taiwan Co., Ltd." for compliance.

- Independent directors' communication with Bank staff and shareholders: the staff and shareholders can communicate by the means of written, telephone, fax, etc., or via investor relation handling window of the Bank's website; in addition, it set independent managing directors to fully exert responsibilities of independent directors.
- Independent directors' communication with internal audit supervisor and accountants: they would usually contact with each other by the means of written or telephone, and hold meetings regularly during the year to make face-to-face communication or reminding and warning regarding audit of the Bank's financial statements, major audit adjustment items and major regulations to be implemented by the competent authority, and both parties made sufficient communication in the meeting.
- Independent directors shall be equipped with professional knowledge and with limitation toward their shareholding and part-time position, and they shall maintain independence within their business scope and not have direct or indirect interest relationship with the Bank.
- The independent directors' professional qualification, shareholding and part-time limitation, identification of independence, nomination method and other matters ought to be observed shall all be handled in accordance with the Securities and Exchange Act, setting of and measures to be observed independent directors for public offering companies and other relevant regulations.
- The Bank or other members of the Board of Directors shall not restrict or hinder the independent directors from performing their duties.

(4) Improving professional degree of directors

In order to enhance professional functions of the directors, and improve operation of the company organization, the Bank would arrange the directors to participate in lectures, further study courses, etc. regularly every year to assist them in understanding the current related laws and regulations and information, etc., and disclose their further study condition in the Market Observation Post System and the Bank's annual report.

In 2021, the Bank arranged the directors to participate in "Workshops on Board of Directors' and Supervisors' Operational Practice and Corporate Governance (Anti-tax Avoidance Laws and Tax Money-Laundering Trends in Taiwan)" and "Workshops on Board of Directors' and Supervisors' Operational Practice and Corporate Governance (Planning and Promotion of Personalized Digital Service (MyData)) held by Taiwan Academy of Banking and Finance for total 6 hours.

## Operation condition of the Board of Directors

(1) In order to establish a good governance system of the Board of Directors of the Company, improve the monitoring function and enhance the management function, the Bank formulated "Rules of Procedures for the Board of Directors" to be observed by the council group. It also clearly specified in the Rules that the attending directors should make voluntary refusal if involving their own interest, and they shall neither make voting nor exercise voting right on behalf of other directors; the Bank's directors shall abide by such Rules in deed.



Important decision matters of the Board of Directors in 2021

(2) In 2021, the Board of Directors held 11 meetings in total, and the attendance conditions were as follows:

Title	Name	Number of actual attendances	Number of entrusted attendances	Number of actual attendance rate (%)	Remark
Chairman	Li, Hsien-Chang	6	0	100 %	Outgoing
Chairman	Representative of Union Investment Co., Ltd.: Lin, Hung-Lien	10	1	90.9 %	New office assumed
Managing Director	Representative of Union Enterprise Construction Co., Ltd.: Lin, Hung-Lien				Outgoing
Independent Managing Director	Wang, Kao-Chin	6	0	100 %	Outgoing
Independent Managing Director	Li, Kuo-Chang	11	0	100 %	Re-appointment
Managing Director	Chuan Cheng Investment Co., Ltd. Representative: Chiang, Chen-Hsiung	11	0	100 %	Re-appointment
Independent Director	Lu, Jen-Fa	6	0	100 %	Outgoing
Independent Director	Fan, Ling-Yu	5	0	100 %	New office assumed
Independent Director	Li, Tsung-Han	5	0	100 %	New office assumed
Director	Yu-Bon Limited Co. Representative: Tsao, Su-Feng	11	0	100 %	Re-appointment
Director	Parkson Investment Co., Ltd. Representative: Lin, Ssu-Yung	11	0	100 %	Re-appointment
Director	Representative of Union Investment Co., Ltd.: Li, Wen-Ming	5	0	100 %	New office assumed
Director	Herman Tu	5	0	100 %	New office assumed

## Performance evaluation and remuneration of directors

The Bank's Board of Directors has established the "Board of Directors' Performance Evaluation Procedures" and it shall conduct an internal performance evaluation of the Board of Directors, the overall operation of functional committees and individual Board members at least once a year; and an evaluation of the Board of Directors' performance by an external professional and independent organization or a team of external experts and academics shall be executed at least once every three years. The results of the internal performance evaluation of the Board of Directors shall be completed and reported to the Audit Committee and the Board of Directors by the end of the first quarter of the following year.

Performance evaluation of the Board of Directors and individual Board members and functional committees of the Bank for the year ended December 31, 2021: The achievement rate of all performance self-evaluation indicators of the Board as a whole and each individual Board member were all 99%. The results of the performance evaluation were "Exceed Expectation". The assessment results show that the Board of Directors of the Bank has fulfilled its responsibility of guiding and supervising the corporate strategy, major business and risk management. To comply with relevant laws and regulations, it has established proper internal control system, risk control and audit items, and actively participate in ESG matters in a competent manner and in compliance with corporate governance. Overall indicator achievement rate for functional committees such as Audit Committee, Remuneration Committee and Director Nomination Committee is 100%, 97% and 94.7%, respectively. The results of the performance evaluation were "Exceed Expectation". The assessment results show that the committees are functioning well and performing with sound legal compliance to effectively enhance the functions of the Board of Directors. The result will be used as reference of remuneration adjustment of individual Directors for Remuneration Committee and nomination and renewal of members for the Director Nomination Committee.

Remuneration paid by the Bank to the directors mainly consists of the attendance fee and remuneration with standards of remuneration payment at fixed amount. In addition, remuneration is paid within 0.1% of profits as stipulated by the Articles of Association; when evaluating remuneration of individual directors, the Bank has taken performance evaluation results of the directors into consideration. In 2021, the Bank has paid total NT\$ 54,439 thousand to the directors, General Manager, Deputy General Manager, Chief Audit Officer and Head Office's Legal Compliance Supervisor, accounting for 1.22% of net profit after tax.



## Board of Directors' Functional Committees

### (1) Audit Committee

To enhance functions of the Board of Directors, since election of the 9th directors at the Annual General Meeting in June 2015, the Bank began to set Audit Committee to replace functions and powers of the Supervisors, and in the meantime, in response to setting of the Audit Committee, the Bank also formulated "Procedures for Organization of Audit Committee". The Audit Committee consists of all independent directors with a detached standpoint, and in the meantime, at least one independent director of the three members shall be equipped with accounting or financial specialty which is good for improving the Bank's operation performance.

#### A. Operation condition in 2021

Held total 8 meetings

Convener: Independent Managing Director Li, Kuo-Chang

Average attendance rate: 100%

B. The independent directors would hold communication meeting with the internal audit supervisor regarding implementation condition of internal audit by the audit unit regularly every year; the Bank's CPA would explain to the Audit Committee the audit method and major audit adjustment matters of the Bank's financial statements regularly every half year, and make communication with the independent directors regarding relevant topics.

### (2) Remuneration Committee

At the 19th Session of the 7th Board of Directors' Meeting on August 24, 2011, in accordance with laws and Article of Association, the Bank set Remuneration Committee under the Board of Directors, and formulated "Procedures for Organization of Remuneration Committee" for observance; the Committee was mainly responsible for formulating and regularly reviewing the policy, system, standard and structure for performance evaluation and remuneration of the directors and managers.

Remuneration of the managers was submitted to the Board of Directors for determination upon review by the Remuneration Committee in accordance with their individual professional qualification, participation degree and contribution to the Company's operation and in reference to the industrial salary standard. The procedures were all formulated according to existing rules and regulations of the Bank. In addition to pay the fixed basic salary and allowance every month, the Bank also distributes year-end performance bonus in accordance with the overall operation results and individual performance, and allocates remuneration for the staff within 1%-5% of profit as stipulated by the Articles of Association so as to make the managers' remuneration closely related with the Company's operation performance. In case of major risk events sufficient to impact the Company's goodwill, and once there were improper internal management, personnel malpractice and other risk events, the award of bonus for such related personnel would be affected, and the Bank's Risk Management Department would submit the risk control overview and risk exposure degree to the Board of Directors regularly every quarter.

#### Operation information in 2021:

Total 3 committee members

Re-elected on July 20, 2021, with term of office for 3 years

Held 2 meetings

Convener: Independent Managing Director Li, Kuo-Chang

Average attendance rate: 100%



### (3) Other committees

In order to strengthen the management mechanism, the Bank's "Director Nomination Committee", "Asset and Liability and Risk Management Committee", "Automation Committee", "Investment and Credit Review Committee", "Overdue Credit, Collection and Bad Debt Committee", "Trust Property Review Committee", "ESG Committee", "Personnel Review Committee", "Personal Data Management Committee", and "Fair Customer Service Management Committee" are responsible for submitting resolutions to the relevant levels in accordance with the hierarchy.

## II. Participating in Various Associations and Organizations

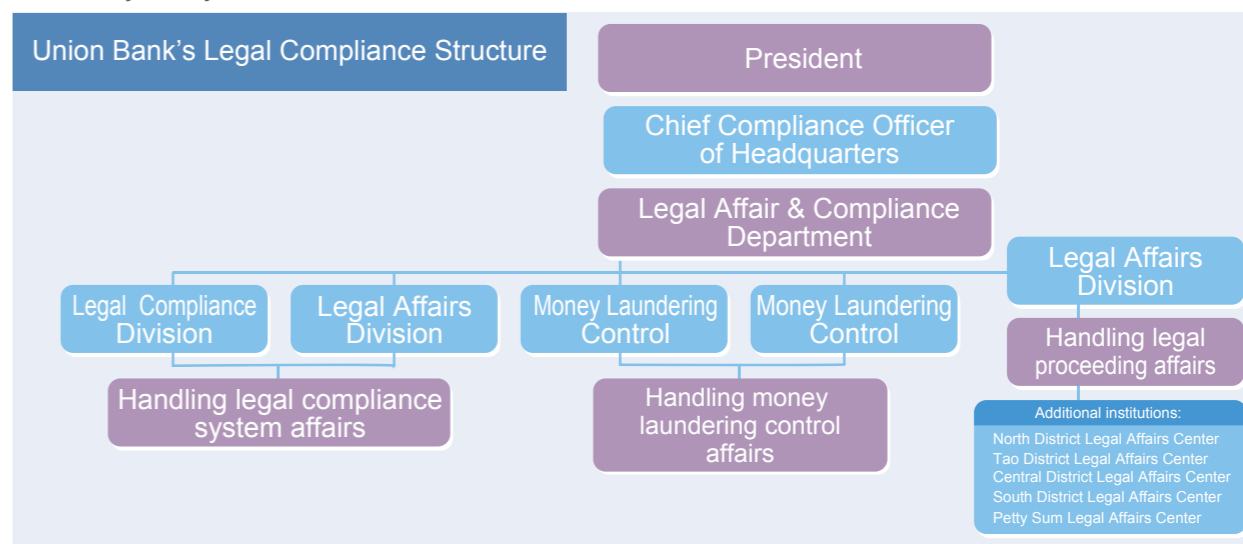
To promote domestic financial industrial development, the Bank actively participates in various industrial associations and organizations, and provides suggestions for practical operations of the financial industry appropriately, making its own contribution to improving overall financial environment in the country.

Name of Associations and Organizations	Title
The Bankers Association Of The Republic Of China	General Member, Council Member
Trust Association of the Republic of China	General Member, Council Member
The Insurance Agency Association of the Republic of China	General Member
Chinese National Futures Association	General Member
Taiwan Securities Association	General Member
R.O.C. Bills Finance Association	General Member
Taiwan Clearing House	General Member
Banking, Securities and Insurance Commission	Committee Member

## III. Legal Compliance

### (I) System and Structure of Legal Compliance

- The Bank has established a legal compliance system to form three defense lines together with self-audit, risk management and internal audit, and maintained effective and proper operation of the internal control system via pre-event planning, in-process monitoring and post-event verification.
- The Head Office assigned one senior supervisor to act as the Head Office's Legal Compliance Supervisor to be responsible for legal compliance affairs of the whole bank, and for issuing opinions conforming to laws and internal regulations and affixing signature as the responsible person before the Bank launches various new goods, services and applying to the competent authority for handling new businesses. The Legal Affairs Section and Legal Compliance Section of the Regulatory and Legal Compliance Department are the Bank's legal compliance units, of which the members are led by the Head Office's legal compliance supervisor to be responsible for planning, management and execution of the Bank's legal compliance system.
- The Head Office's legal compliance units and each domestic units all assigned personnel conforming to legal qualifications to act as their legal compliance supervisor and to be responsible for executing legal compliance matters. They also set assistant legal compliance supervisor in various units (including the Head Office's branches and various business centers stationed in the branches) to assist the legal compliance supervisors in handling legal compliance matters so as to convey and advocate laws effectively.
- The legal compliance policies verified by the Board of Directors were the bank-wide supreme guidelines of the Bank's legal compliance system, and the Board of Directors would make review annually to monitor effectiveness of legal compliance functions. They also grasp implementation condition of the Bank's legal compliance function via annual legal compliance plan and report on implementation of legal compliance affairs of the whole bank every half year.





## (II) Overview and operation condition of legal compliance

### 1. Drafting and promotion of the Bank's Legal Compliance System

The Bank's existing legal compliance policy was designed in accordance with supervising and guidance of the competent authority, including pre-event planning, in-process monitoring and post-event verification, and it introduced, established and implemented relevant internal specifications via educational training and advocacy and via establishing clear and appropriate legal conveying, consultation, coordination and communication system so as to enable the Bank's staff to be familiar with laws and regulations and enhance their concept of rule of law. In addition, the Bank continued to exert supervision of legal compliance and internal control, used risk-based approach to evaluate the legal risks, and implemented necessary verification measures regarding the one with higher risks so as to verify that the internal operation conformed to legal regulations and to guarantee effectiveness and compliance with laws of the legal compliance system.

### 2. The Bank followed up the latest legal dynamics, and revised its internal regulations appropriately.

The legal compliance units would collect the latest legal regulations on finance every week, and then convey to various units effectively upon summary and arrangement so as to enable the staff to figure out their doubts toward the laws and regulations quickly. They would also update the Bank's database of financial laws and regulations regularly to assist with various departments in confirming that all operation and management regulations are updated appropriately in cooperation with relevant laws, thus making the Bank's operation activities conform to legal regulations and promoting sound operation of the Bank.

### 3. Legal Compliance Appraisal System

The Bank would make self-appraisal of legal compliance once half year, and its legal compliance units would make spot inspection of legal compliance every year to appraise the legal compliance condition of various units, and report the appraisal results to the Board of Directors and the Audit Committee.

### 4. Complete legal compliance training and education

The Bank's Head Office's legal compliance supervisor, members of the Head Office's legal compliance units and various domestic units' legal compliance supervisors have obtained legal qualifications before taking post. Besides, they should also participate in on-the-job education and training courses on legal compliance held by the competent authority, its designated institution or the Bank itself for at least 15 hours every year to guarantee that they are equipped with the ability to perform the legal compliance mechanism, thus assisting with the senior supervisors in managing the Bank's legal compliance risks. In addition, regarding new staff, on-the-job staff, senior supervisors and the above-mentioned legal compliance supervisors and staff, the Bank opens different legal compliance courses every year, and makes conveying and advocacy at any time in accordance with updating or amendment of laws so as to enable all units to grasp the latest standards and comply with laws indeed.

### 5. Compliance with key rules and regulations

(1) Financial Consumer Protection: In accordance with regulations on evaluation and key points of operation for the Bank's handling new business and new financial goods, before the Bank launches various new goods, services and applied to the competent authority for handling new business, the legal compliance units shall assist in inspecting the legal compliance and money laundering and terrorist financing risks in accordance with the planning report, operation regulations and relevant agreements on such new business and new financial goods put forward by the goods-planning unit to issue opinions as for whether such new business and goods conform to legal system, legitimacy and relevant rights and interests, etc. or not and to make inspection again in case of changes in conditions for existing business and goods so as to confirm that such operating activities of the Bank conform to laws and internal regulations. In addition, the Bank has formulated fair customer service policy and execution strategy in accordance with principles for fair customer service in financial service industry issued by the Financial Supervisory Commission, and it would make review and revision regularly every year with its added Fair Customer Service Management Committee in 2020 to service as the Bank's main organization for planning, review and promotion of fair customer service topic. The legal compliance units included relevant regulations in on-the-job legal compliance training, and the Audit Department included fair customer service condition into the monitoring scope to guarantee the protection of the consumers' rights and interests.

(2) Personal Data Protection: the Bank formulated precautions for personal data protection, personal data file security maintenance plan and summary table of response measures for personal data security accidents, measures for management of personal data documents and the review principles and key operation points for examination of the parties' exercise of rights. It also formulated measures for setting Personal Data Management Committee, and set the Personal Data Management Committee to serve as security maintenance and management organization of personal data files to review matters related with the Bank's personal data protection regularly. In addition, the Bank would make personal data inventory, personal data risk assessment and personal data accident drilling, etc. every year in accordance with the above personal data security maintenance plan to confirm appropriateness of various personal data management measures.

(3) Money Laundering Control and Combat Terrorist Financing: In accordance with measures of financial institutions for money laundering control and practical measures of internal control and audit system of money laundering control and combating terrorist financing of bank industry and other financial institutions designated by the Financial Supervisory Commission, the Bank performed identification, evaluation, management and declaration of money laundering and terrorist financing risks, and took enhanced control measures for higher risks so as to implement and confirm the customers' identity and continue to monitor the account and transaction conditions. The Bank's supervisor/personnel responsible for money laundering control and combating terrorist financing and the directing supervisors of the business units have obtained job qualifications as stipulated, and the Bank has included relevant training courses into on-the-job education and training courses on money laundering control to enhance recognition of the bank staff.

## (III) Adjudicated and punished cases and matters and their improvement conditions

For the Bank's cases rectified by the competent authority in the recent one year, the missing matters and improvement conditions were as follows:

Matters of deficiency	Improvement condition
For those customers who have been excluded from the "Exemption from Reporting Large Currency Transactions", resulting in transactions with cash deposits exceeding NT\$500,000 and failing to report large currency transactions to the Ministry of Justice Investigation Bureau, the Bank received a letter from the competent authority for rectification.	A letter has been issued to each business unit to follow the relevant regulations to implement the internal control system.
In 2021, the Bank received no major punishment/fine for violation of laws and regulations.	

## IV. Ethical Management

### (I) Development of the enterprise culture of ethical management


Following the operation principle in "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the Bank has established goods corporate governance, internal control and risk control mechanisms, etc., and designated relevant units to perform business monitoring; by the end of 2021, it has asked the directors and senior management to issue statement on compliance with ethical management policy, and total 16 of them have all affixed signature, and, in the meantime, the Bank's Board of Directors were also highly self-disciplined, making active refusal from the discussion or voting regarding proposals listed by the Board of Directors and involving them as stakeholders, so there were no circumstances of improper interest resulting damage to rights and interests of the Bank's customers and shareholders.

### (II) Formulation of integrity policy and scheme

The Bank's policies and channels for preventing from interest conflict were specified in "Code and Behavioral Guidelines for Ethical Management", "Working Rules" (object: staff) and "Rules of Procedures for Board of Directors" (object: directors) passed by the Board of Directors, respectively, specifying that the bank staff should be loyal to their post, abide by laws, the Bank's various regulations and service rules, and perform the obligation of honesty strictly. In the meantime, operation of the Company was performed in accordance with legal regulations and relevant internal regulations of the Bank to enhance interests of the investors.

### (III) Establishment of whistleblower channels and operation of punishment for violating regulations on ethical management

The Bank has formulated implementation measures of whistleblower system, and formulated the Bank's operation procedures, behavioral guidelines, punishment and claim system for violation of regulations in its HR management measures and working rules; the stakeholders could report non-integrity behaviors by written form, telephone, fax and other means.



**The Bank's whistleblower channels**

Whistleblower phone number/written (note): (02)2712-1055  
 Acceptor: Head Office's Legal Compliance Supervisor (02)2712-1050  
 Acceptor: Chief Audit Officer

Note: When the reported objects are personnel not from the Regulations and Legal Compliance Department, it shall be accepted by the Head Office's Legal Compliance Supervisor; when the reported objects are personnel from the Regulations and Legal Compliance Department, it shall be accepted by the Chief Audit Officer.

E-mail: [ubot@reportnow.com.tw](mailto:ubot@reportnow.com.tw)  
 Reporting Platform: <https://www.reportnow.com.tw/ubot/>

### (IV) Implementation of ethical management

The Bank's accounting policies were established in accordance with Generally Accepted Accounting Principles, and the internal control system was developed based on "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." The purpose is to facilitate sound business operation and to provide assurances in effectiveness and efficiency of business performance, reliability of financial reporting, and legal compliance. The audit team also uses the internal audit system and self-audit system to evaluate the effectiveness of internal control design and execution.



## (V) Establishment of ethical management policy and communication

In view of stipulations in Article 12 of the United Nations Convention Against Corruption, all countries should take measures in accordance with basic principles of their laws to prevent enterprises from corruption, and guarantee that all enterprises implement internal control mechanism good for preventing and discovering corruption. The Bank established its Code and Behavioral Guidelines for Ethical Management in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" issued by Taiwan Stock Exchange Corporation; then it made implementation upon resolution of the Board of Directors and reported to the Board of Shareholders. In addition, the Corporate Governance Group was responsible for supervising execution condition of the Bank's ethical management policy and prevention scheme, and making report to the Board of Directors regularly to establish a good business operation structure, build the Bank's enterprise culture of integrity management, improve the operation and cooperate with development of international anti-corruption and wrongdoing-prevention topics.

1. Staff's Code of Conduct: The Bank has specified the basic norms for staff's conduct clearly in the "Working Rules for Union Bank of Taiwan", including professional ethics, laws and regulations, staff relationship, company assets and reputation protection and other matters ought to be observed by the staff. In addition, the Bank also formulated "Key Points for Handling Staff's Receiving Gifts" and "Measures for Complaint and Punishment of Sexual Harassment Prevention and Treatment", specifying the staff's gift and reception so as to avoid bribery and prevent sexual harassment to guarantee staff's rights and interests, and to establish a friendly working environment free from sexual harassment.
2. Code of Conduct of Directors and Managers: to guide the directors and managers to act in conformance to moral standards, the Bank has formulated Code of Ethics of Directors and Managers in accordance with the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" issued by the Financial Supervisory Commission, which was implemented upon resolution of the Board of Directors and was reported to the Board of Shareholders.
3. Personal Data Protection: to comply with the "Personal Data Protection Law", the Bank has formulated "Precautions for Personal Data Protection of Union Bank of Taiwan Co., Ltd." to guarantee legal collection and application of customers' and staff's personal data, and the Bank also emphasized attaching importance to customers' privacy. It would hold personal data education and training every year, and in accordance with Measures for Maintenance of Personal Data File Security of Non-public Service Agencies designated by the Financial Supervisory Commission, it would set the management organization for Personal Data Protection i.e. "Personal Data Management Committee" to make inventory of personal data files kept in various units, establish detailed list of personal data files, make risk assessment and analysis of personal data, and formulate or revise relevant internal regulations to reduce disclosure risk of personal data and resulting damages.
4. Protection of Intellectual Property: To respect use of intellectual property right, and in accordance with the Bank's "Measures for Management of Computer Assets", it is required that all units should verify use condition of various computer software and copyright every half year, and if involving use of others' or other companies' files, copyright or software, it must guarantee that relevant use objects have obtained legal authorization without infringement of others' copyright. In addition, to enhance the development basis of the Bank's various digital financial services in the future, and in response to subsequent intellectual property risks in the financial industry, in November 2020, the Bank's Board of Directors passed formulation of "Union Bank's Intellectual Property Management Plan", and reported the implementation condition and results of the intellectual property management plan to the Board of Directors regularly.
5. Prevention of Insider Trading: It is required that directors, managers, staff and other insiders familiar with significant information stock market price should stop stock exchange within statutory period to prevent various interest conflict behaviors with the Company, to avoid the colleagues from the moral risks of violating fiduciary duty and causing interest conflicts, and to promote soundness of the Company's decision-making and maintain proper utilization of information property.
6. Formulation of Policies for Money Laundering Prevention and Anti-terrorism: the Bank has currently formulated "Union Bank of Taiwan's Evaluation of Money Laundering and Terrorist Financing Risks and Formulation of Prevention Plan Policy" and "Precautions of Union Bank of Taiwan Co., Ltd. for Money Laundering Control and Combating Terrorist Financing" to supervise and control money laundering and combat terrorist financing risks and to formulate Standard Operating Procedures for Implementing the Plan for Money Laundering Prevention and Combating Terrorist Financing so as to conform to stipulations of existing laws and to include money laundering prevention and combating terrorist financing into self-audit and internal audit.
7. Communication and Educational Training on Anti-corruption [Legal Compliance Department]: To enhance enterprise integrity, condense the consensus of anti-corruption, in the education and training courses on money laundering control and combating terrorist financing in 2021, the Bank entrusted the Taiwan Academy of Banking and Finance with appointing prosecutors from the Prosecutors Office to promote corruption and bribery crimes to the Head Office's Legal Compliance Supervisor, Money Laundering Directing Supervisor and staff from dedicated units in total of 364 staff with completion rate of the training of 97% so as to improve self-discipline concept of the bank staff and strengthen the importance of abide by the anti-corruption policy.

## V. Cyber Security Management

### (I) Cyber Security Risk Management Structure

#### 1. Enterprise Information Security Governance Organization

The Bank's Board of Directors is responsible for verifying the Company's "Cyber Security Policy", and deciding major information security related topics. It contains director members with information technology background, and the Board of Directors and senior management are responsible for improving the supervision and governance.

The Bank established "Cyber Security Management Section" of Information Technology Department in 2017 to serve as dedicated unit for information security and to be responsible for governance, planning, supervision and promotion of implementation of information security, and it assigned the Deputy General Manager to act as Information Security Officer in 2021 to be responsible for promotion of information security policy and resource scheduling matters. The Bank would entrust third-party professional institution with inspecting overall execution condition of information security, inspecting the Bank's overall execution condition of various information security management operations for planning, monitoring and execution, and issuing relevant reports according to the evaluation results every year. Then after the Bank submit such report to the Audit Committee and the Board of Directors for review and approval in the next year, the Chairman, General Manager, Chief Audit Officer and Information Security Officer shall issue statement on overall execution condition of information security jointly.

The Bank set "Security Maintenance and Supervision Group" to strengthen security maintenance mechanism in response to the needs for executing security maintenance. The Group would hold "Security Maintenance Work Report Meeting" regularly to report the security affairs and information security work, etc. of bank-wide operation every quarter, and report the execution condition to the Board of Directors every quarter. It would report to the Board of Managing Directors instead during the recess period of the Board of Directors.

#### 2. Enterprise Information Security Organization Structure

The information security internal control executed the management structure of three defense lines: for the first defense line, the Information Technology Department and each units of the whole bank are responsible for performing information security work; for the second defense line, the information security unit is responsible for planning, monitoring and execution of information security system and policy, the legal compliance units are responsible for implementing legal compliance management, and the risk management unit is responsible for information security risk management; the third defense line refers to audit and inspection by the Audit Department.

To grasp the security of use in cyber equipment and system, the Bank has formulated "Cyber Security Emergency Response Plan", and set "Cyber Security Handling Group" of normal task group to be responsible for supervising various units in executing Cyber security prevention and crisis notice, emergency response handling and other related work.

#### 3. Personal Data Protection Committee

The Bank has set "Personal Data Management Committee" with the Deputy General Manager as the convener, designated by the General Manager, with supervisors of various business units, the Regulations and Legal Compliance Department, Information Technology Department and Risk Management Department as the committee members, and it invited the Chief Audit Officer to attend without voting right. The Committee's functions included: Supervising and managing the personal data protection system; tracing deficiency and improvement of personal data protection; reviewing the inspection and improvement of personal data security accidents; supervising and managing other personal data protection projects.

### (II) Cyber Security Policy

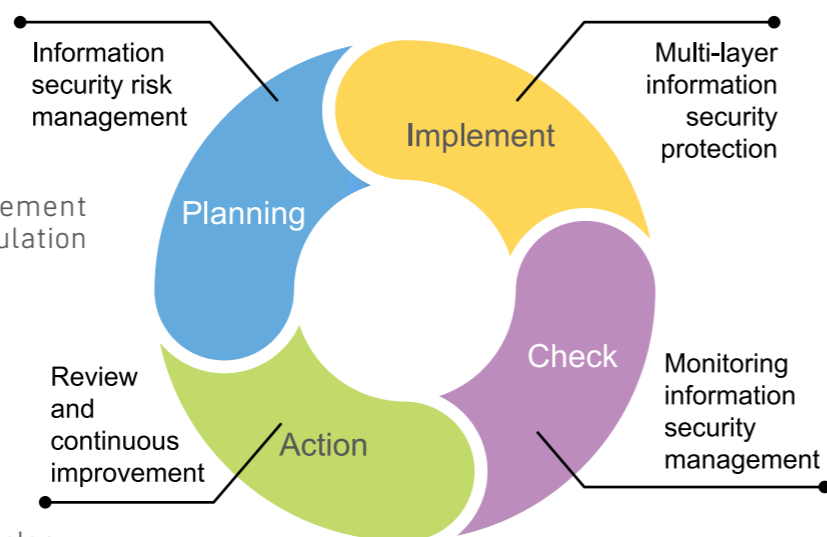
Its purpose is to enhance the Bank's information security and guarantee data, system, equipment and network security. Overall objective of policy implementation is to guarantee confidentiality, completeness and availability of the Bank's information application, and to prevent the Bank's operation from impact of information security events to reduce possible operation risks. All staff, data, application system, hardware, machine room and network facilities, etc. shall abide by this policy.

#### 1. Information Security Management Strategy

The Cyber security management scope covers division of labor for information security, education and training on information security, computer system security, network security, information asset security, system environmental security, system access security, development and maintenance of application system, entity and environmental security, disaster recovery of information system and other information security management matters, etc. to avoid various risks and hazards from human negligence, intentionality, natural disasters or other factors. To effectively implement information security management, the Bank inspected applicability and the protection measures of the information security policy in accordance with the management circulation mechanism of planning, execution, audit and action.



2. Information security risk management and continuous improvement circulation management structure



3. Specific Cyber security management plan

A. Information security management operation

In accordance with “Rules for Information Operation Management”, “Information Hazard Response Plan”, “Key Points for Hazard Emergency Response – Emergency Response of Information Technology System” and “Cyber Security Emergency Response Plan”, the Bank planned and established overall protection environment of cyber system and network security, formulated information security management policy and system, and implemented security audit, network monitoring, personnel security management and other mechanisms regularly to enhance overall protection ability of cyber security.

B. Management and monitoring of cyber system

The Bank executes real-time detection and defense, monitoring, management and early warning, etc., and uses 24h information security monitoring tool to enhance in-depth protection of information security, thus guaranteeing network and data security. It also uses information security event management platform to enhance analysis of information security warning information as well as notice and response to information security events.

C. Application management of information on cyber security

In accordance with the “Specification for Management of Information Operation on Information Security”, the Bank noticed and handled the information provided by various professional information institutions on information security to grasp real-time early-warning information on information security, and it takes risk assessment and appropriate response measures in accordance with the information contents obtained, impact scope, risk grade and suggested measures, etc.

D. Trading security management and data protection

In terms of trading security protection, the Bank enhanced the security design of information's privacy, integrity, source identification, non-repeatability and non-repudiation, etc. By means of network segment, access control, vulnerability management and other security design and protection strategies, the Bank continued to improve trading reliability of the system.

E. Performance of information security test and drilling

The Bank has deployed relevant defense mechanisms, entrusted external professional institutions in performing test and drilling jointly with the Bank to inspect the defense efficiency and event response ability, and made vulnerability detection and repair measures to guarantee use security of the system.

The Bank would perform various information security drillings every year, including social engineering drilling, vulnerability scanning, penetration test, distributed denial of service drilling, and information security evaluation of computer system, etc.

F. Performance of education and training on information security

Every year, the dedicated information security personnel must receive professional course training or functional training on information security for above 15 hours; all staff must attend online course on information security for 3 hours and pass the test.

G. Cyber system or outsourced service management

In accordance with “Matters Needing Attention for Entrusting Operations to Others and Entrusting Operations of Financial Institutions to Others”, and in compliance with the Bank’s related operation principles, the Bank performed Cyber system or outsourced service operations.

H. Management of response to Cyber security events

Upon confirmation of occurrence of cyber security events, various units of the Bank must fill out the notice form of Cyber security events in accordance with “Cyber Security Emergency Response Plan” to complete the internal notification process. In accordance with the accident condition notified, its impact, acceptable risk value, etc., the “Cyber Security Handling Group” should decide appropriate response method and adjust the control measures of Cyber Security Maintenance Plan, and perform processing procedures of relevant subsequent treatments.

4. Effectiveness evaluation of Cyber security

Every year, the Bank would entrust audit and information security experts from professional institutions to perform network and information security appraisal regularly, and then make risk analysis in accordance with objective results and threat information from the third-party verification to enhance the information security management system.

In 2021, the Bank’s information security related audit showed no significant deficiency, nor significant information security events such as disclosure of customer information and fine, etc. due to violation of information security.



## VI. Risk Management

### (I) Risk Management Policy and Procedure

1. The Bank formulated “Risk Management Policy” in 2005, which were irregularly revised and passed by the Board of Directors to serve as the highest management principle for the Bank’s risk management.

2. In addition, regarding credit, market, operation, liquidity and interest rate risk, etc., the bank formulated “Principle for Capital Adequacy Management”, “Principle for Credit Risk Management”, “Principle for Operation Risk Management”, “Principle for Market Risk Management”, “Policy for Liquidity Risk Management” and “Policy for Interest Rate Risk in the Banking Book Management” passed by the Board of Directors to serve as the management basis.

3. In accordance with decrees of the competent authority and the Bank’s business status, the Bank formulated risk management procedures and established appropriate risk report mechanism, Various business units of the Bank shall report correct risk management statements to appropriate management level as stipulated to serve as reference for their decision-making, and the Risk Management Department shall make report to Asset and Liability Management Committee and the Board of Directors regularly.

### (II) Scope of Risk Management

1. The Bank has stipulated that there should be effective identification, measurement and monitoring of various risks for engaging in various businesses, and the responsible units should establish appropriate risk management mechanism and various management specifications per the nature of their business, set risk limit, set trading or authorization permission of risk management, and evaluate various risk parts regularly to control potential risks within acceptable range so as to make effective management of risks and achieve the goal of reasonable risks and remuneration.

2. The Bank’s risk management included “credit risk”, “operation risk”, “market risk”, “legal compliance risk”, “liquidity risk”, “interest rate risk”, “human resources risk”, “disaster emergency accident crisis” and “climatic change and environmental sustainability risk” and other major risks.

### (III) Risk Management Organization Structure

Responsibilities and structure of the Bank’s risk management organization are as follows:

1. Board of Directors: This is the supreme decision-making unit of the Bank’s risk management policy, being responsible for reviewing and verifying various risks policies, organization structure and attribution of rights and responsibilities, etc.

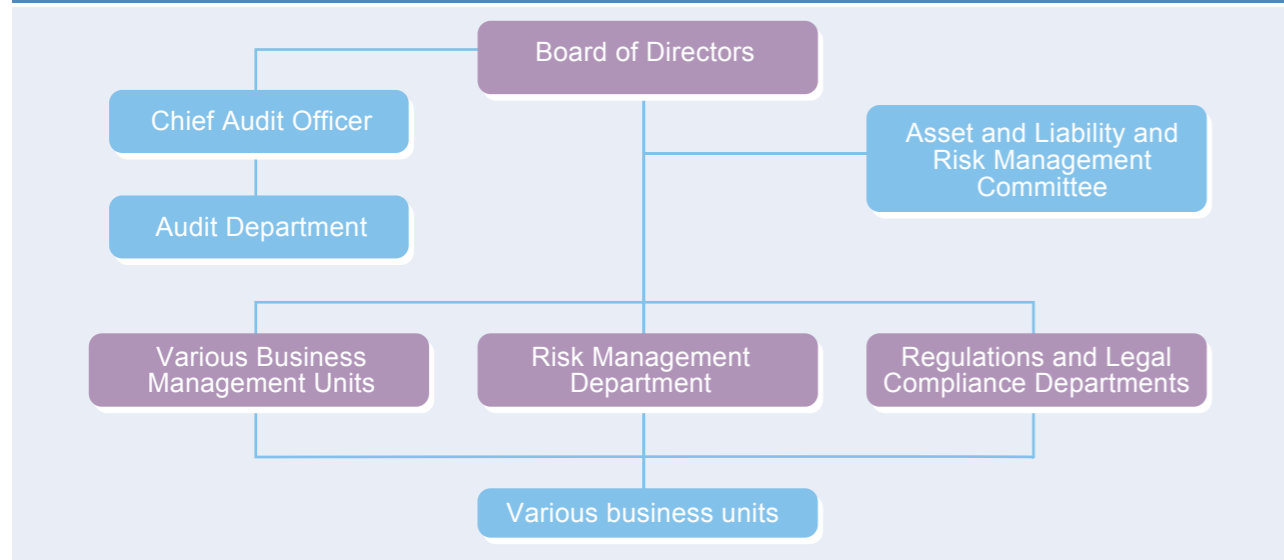
2. Asset and Liability and Risk Management Committee: It is responsible for reviewing and inspecting management reports or information proposed by various business management units and the Risk Management Department.

3. Risk Management Department: It is responsible for inspecting the risk management mechanism formulated by various business management units and their control conditions, preparing risk control reports to be submitted to the Board of Directors, and planning and establishing various risk control tools.

4. Various business management units: They are responsible for formulating and supervising the business units to implement various management regulations, processes and control mechanisms.

5. Various business units: They are responsible for making daily management in accordance with the management regulations and control mechanisms formulated by the Bank’s various management units.

## Union Bank's Risk Management Structure Chart



### (IV) Operation condition of risk management

1.The Bank actively promoted implementation of risk management mechanism, and, at present, it would report operation condition of major risk management to the Board of Directors every quarter.

2.Main operation conditions in previous years were as follows:

- (1)The Bank formulated "Risk Management Policy" in 2005 to serve as the highest management principle for the Bank's risk management.
- (2)From 2006 to 2012, the Bank has successively formulated "Principle for Credit Risk Management", "Principle for Market Risk Management", "Principle for Operation Risk Management", "Policy for Interest Rate Risk in the Banking Book Management" and "Policy for Liquidity Risk Management", and defined relevant risk scope, organization authorities and responsibilities, capital provision principle, management process and information, etc.

(3)The Bank established the following risk management tools successively from 2010 to 2014:

- In 2010, the Bank established "Operation Risk Report Platform" to collect operation risk data by means of electronization.
- In 2012, the Bank established "Guidelines for Operation Risk" to make regular monitoring and implement improvement measures as the case may be.
- In 2013, the Bank established "Internal Rating Model for Enterprise Financial Business" to make rating of applicable credit cases by the model.
- In 2014, the Bank established "Self-evaluation of Operation Risk Control" mechanism to make regular evaluation of the residual risks and to take action plans so as to enhance control as the case may be.
- In 2020, the Bank established "Operation Risk Detection" mechanism to make regular monitoring of the Bank's operation risk detection indicators and to confirm relevant internal specifications.

3.Operation conditions in 2021 were as follows:

- (1)The Bank would report its capital adequacy overview, credit, operation, market, small bank interest rate, liquidity and climatic change risk management overview to the Board of Directors regularly.
- (2)The Bank would regularly monitor changes in its operation risk detection indicators, and inspect and confirm whether relevant internal regulations conform to requirements of the competent authority for detection management level and key detection points.
- (3)In addition to regular stress test performed every year, in 2021, the Bank also performed "Supervisor Stress Test" and increased the operation risk scenario to understand the impact on the Bank's capital adequacy under the condition that "the Bank had malpractice event of embezzling the customers' deposits which was fined and required to increase provision of operation risk capital by the competent authority".
- (4)All locations of operations of the Company have performed anti-corruption risk assessment without corruption (e.g. non-integrity behavior) related risks in 2021.

### (V) Crisis Processing and Response Mechanism

1. To improve the Bank's disaster prevention and response system and comply with the Tai Cai Rong Zi No. 85553872 "Disaster Emergency Response Manual of Financial Institutions" issued by the Ministry of Finance on December 3, 1996, the Bank formulated "Key Points of Union Bank of Taiwan for Disaster Emergency Response Operation", and it established crisis handling group and emergency contact and notification mechanism to enhance relevant measures for disaster prevention and to execute disaster financing effectively so as to settle down the disaster victims and recover the social and economic order rapidly.
2. In addition to implementing disaster education and drilling in accordance with the Bank's "Code for Security Maintenance Operation" and "Implementation Plan of Security Prevention and Drilling", various business units also executed more than two times of maintenance and inspection of security facilities every year. In response to characteristics of the financial industry, the Bank passed its "Operation Crisis Response Measures" at the 21st session of the 6th Board of Directors' Meeting on October 22, 2008 to guarantee real-time and effective handling of its operation crisis, guarantee the depositors' rights and interest, and maintain the financial market order.
3. In early 2020, the COVID-19 pandemic spread all over the globe, and therefore to implement health and business management of the staff, customers and visitors, and to guarantee normal operation of various businesses even under impact of COVID-19, the Bank formulated "Union Bank's Emergency Response Measures for COVID-19 Pandemic" of which the important measures ought to be observed by various units includes: human resources management and management of preliminary operation, bank dormitory and business, quarantine measures and emergency notification system due to impact of COVID-19. In the meantime, the Bank also planned to launch disaster recovery, remote (long-distance) office and video conference and other business promotion and operation management response measures and mechanism, to maintain normal operation of the Bank and to guarantee the customers' rights and interests. The Bank paid close attention to various information issued by the Central Epidemic Command Center of Taiwan Centers for Disease Control, complied with the latest pandemic prevention measures, and made reference to "Guidelines for Continuous Operation of Enterprises Due to COVID-19 Pandemic" to implement relevant response measures.

### (VI) Internal Control System

1. The Bank established three-defense-line structure of the internal control system, and clearly specified the range of authorities and responsibilities of the three defense lines to make various units understood their own roles and functions in overall risk and control structure within the Bank, and to enhance communication and coordination of the works related to risk management and internal control with the three defense lines performing their own duties each.
2. In accordance with "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" formulated by the Financial Supervisory Commission, the Bank established internal audit units and established chief audit officer system subordinated to the Board of Directors to be responsible for the audit business on the whole. It also assisted with the Board of Directors and management level in auditing and evaluating whether the internal control system is of effective operation or not, and provided improvement suggestions appropriately to reasonably guarantee that the internal control system could be continuously and effectively implemented, making it as the basis for amending the internal control system.
3. The Bank would perform a general audit and a project audit at least once a year regarding the domestic business, finance, asset custody and information units, and perform a project audit at least once a year regarding other management units; it would perform one general audit at least once a year regarding the operation center; it would perform audit on foreign offices through statements; in addition, the Bank would perform a project business audit regarding finance, risk management and legal compliance of the subsidiaries once every half year, and include such audit in annual audit plan.





# 06 Customer Caring





# 06

## Customer Caring



The trust and support of customers are assets that are extremely important for a bank. The Bank keeps listening to the needs of customers, thinking about how to create the maximum value for customers from their points of view, so that customers can enjoy experience of pleasant and efficient on financial service transactions. At the same time, we also treat customers as our most important family and friends. We hope that every customer who comes to the Union Bank can feel the intention and care of every bank staff. We look forward to seeing the sincere smiles of customers with satisfaction.

With the development of Bank 3.0, more and more banks have introduced digital accounts. Instead of rushing to the branch before 3:30, customers can make banking business through their mobile phones or the Internet. When banks reduce the cost of access to these physical locations, they can offer more discounts to customers. Therefore, the digital account of our bank provides high-interest demand deposits (currently up to 2.5%), set the number of free inter-bank withdrawal/transfer discounts, online exchange discounts, securities order commission discounts and other schemes to give back online customers.

### (I) Promote friendly financial services

#### 1. Set up accessible ATMs

In order to provide appropriate friendly financial services for people with disabilities, we provide wheelchair-friendly ATMs at our business locations, Taoyuan Airport MRT station, Kaohsiung MRT Station, Taichung MRT Station, Weifeng Department Store and OK Supermarket. As of the end of 2021, we have set 865 ATMs, of which 275 ATMs were suitable for wheelchair users and visually-impaired customers.

#### 2. Establish an accessible financial service network

In addition to the accessible web pages that provide public information such as interest rates and exchange rates on the portal, the Bank has obtained the Conformance Level A of the National Communications Commission, completed a network of friendly financial services, and has successively provided accessible online banking and mobile banking services.

#### 3. Provide convenient financial services

In recent years, the Bank has successively introduced various financial services, including the business of accepting inter-bank ATM deposits from other banks to the account with us, inter-bank ATM deposit function, offering automatic top-up function

for an EasyCard linking to a Taiwan dollar deposit account, and introducing credit card SMS mobile billing service and APP online loan application service. In 2021, the Bank introduced the "Mobile Phone Number Transfer Service" on ATMs and E-banking, continued to optimize E-banking service functions, introduced online booking service for account opening for customers to improve service efficiency and enhance customer service experience, and offered "Online Account Opening for Union Securities" and "Online Trust Account Opening" services, etc.

#### 4. Year-round online text customer service

Since 2015, the Bank has launched a brand new online text customer service system, providing 365 days of year-round and professional instant customer service without any restriction on scenario. We provided about 115,000 times service in total in 2021. We have initiated the mutual transfer and diversion of customer service calls between banks and credit card offices, which actually reduced the volume of calls that originally need to be transferred by customer service personnel and effectively improved service quality.

#### 5. Promote inclusive finance

Focusing on the development and education of children's financial knowledge, and in response to the government's promotion of inclusive finance, the Bank offers Happiness Passbook (integrating Taiwan dollar deposits, foreign exchange deposits, securities and funds) for minors under the age of 20 (inclusive), hold recommended account opening activities, and provides exclusive discounts in cooperation with high-quality franchised children's art stores in the industry, including Sesame Street English, Cloud Gate Dance Theater, Hsin Yi Parent-Child Game Study Room, Parent-Child World, Canadian Language Center and Apple Theatre, Ru Guo Children's Theater, Nine Songs Children's Theater, etc.) As of the end of 2021, there were 21,362 accounts of Happiness Passbooks opened with our bank.

#### 6. Expand trust services

To meet the needs of customers in the aging society in Taiwan, we strengthen the promotion of our elder care trust business, and have specially launched the "Elder Care Trust - Pleasure for Youth Program", providing suitable products and services for the elderly, the physically and mentally disabled and other groups to meet the daily needs of the elderly. Through cross-industry alliances, we can provide our customers with more resources and discounts for food, clothing, housing and transportation, so that both our bank and our partners can improve their respective service level, contribute to the social welfare, and improve the life quality of our customers taking into account of relevant information and suggestions from cross-industry partners.

### (II) Diversified and innovative product design

#### 1. Diversified digital financial service platform

With customer needs as the core design concept, the Bank has established e-banking service platforms such as Personal Internet Banking, Corporate Internet Banking, Union Mobile Banking, and digital banking "NewNewBank" to provide a variety of services for online application and cash flow, and continued to optimize the user experience and interface taking into account the transaction efficiency and information security to provide customers with more instant, secure and convenient digital financial services. As of the end of 2021, approximately 650,635 people had applied for our e-banking services, approximately 16,580 people for corporate e-banking, and approximately 313,008 for the digital bank "NewNewBank" account.

#### 2. Community communication LINE service

In view of the increasing popularity of social communication media, in order to enhance the competitiveness of the Bank's digital financial services, we provide customers with more convenient and instant message notification services, including services such as credit card consumption, billing, deposit and withdrawal, and exchange rate prices, allowing customers to easily grasp consumption, financial account deposits and withdrawals, and exchange rate changes, which not only strengthens the security of credit cards and financial accounts, but also provides customers with diversified communication channels for financial information services.

#### 3. Issue "Union LINE POINTS Card"

In July 2019, the Bank issued the "Union LINE POINTS Card", which uses the most talked-about LINE POINTS as a reward for card consumption. In addition to the card activities, the Bank is also committed to leading the way in digital finance. We have optimized our online card processing system, and introduced the concept of "digital card" for the first time. To provide card users with an immediate experience of credit card feedback experience, when applying for a Union LINE POINTS Card online, the cardholder is only required to check "issue Union LINE POINTS Card". Before receiving the physical card, cardholders can bind



their digital cards to six mobile payment tools (Apple Pay, Google Pay, Samsung Pay, Hami Pay, Garmin Pay, Fitbit Pay) or directly consume online on e-commerce platforms with their cards, which enables cardholders to easily and quickly shop at any time and enjoy substantial rewards.

#### 4. Issue "Union Green Card"

In response to the government policy "Green Finance Action Plan 2.0", the Bank issued the "Union Green Card" in September 2021, which was the first credit card issued in the market with both physical cards made with environmentally friendly materials and virtual cards. The Bank gives inclusive feedback for green energy and environmental protection channels such as electric vehicle charging and replacement, shared transportation APP, vegetable and food restaurant and fresh supermarket, showing a concept of "environmentally-friendly whatever you choose".

#### 5. Actively cooperate with government policies and popularize mobile payment

- The Bank has been actively developing mobile payment related products in recent years. As one of the few banks in the market currently that can support all NFC inductive payment and QR-code-scanning mobile payment, the Bank has maintained a leading position in the promotion and use of mobile payment. Statistics show that by the end of 2021, the number of inductive mobile payments has reached 340,000 times, an increase of 12% over 2020, and the transaction amount (including inductive and scanning mobile payments) has broken through NT\$13.3 billion, an increase of 58% over 2020, making the Bank's mobile payments the best choice for cardholders in the current market.
- The outbreak of COVID-19 has accelerated changes in consumers' payment patterns and expanded usage fields, and fostered consumers' contactless consumption habits, all of which will become another focus of future market watch for mobile payment. Given the popularity of smartphones and mobile devices and the booming 5G network, how banks and operators can improve the user life cycle, increase the proportion of paying users and increase the user value per unit of time for mobile payment users will become a critical point, while access, discounts, system stability and a smooth user experience are still the keys to success. Therefore, the Bank will strive to provide more complete channels, more attractive discounts and smoother operation procedures, combined with a variety of forward-looking technologies and the integrated application of mobile payment technologies to meet the financial needs of mobile user groups of the new generation.

### (III) Green finance and products

The Bank is committed to environmental protection so as to implement sustainable environmental policies, promote green IT and implement energy saving and carbon reduction. Relevant measures and achievements are detailed as follows:

- Introduce interactive credit card electronic bills ahead of the industry, integrating functions such as accounting information, online payment, online customer service and bonus exchange
- Organize events to improve the e-statement delivery rate
- Open a number of online application business, saving time to improve efficiency and achieve environmental protection
- Inform customers of payment and related discounts for wealth management and loan business via SMS, which is convenient and environmentally friendly
- When planning customer activities with counterparties, give priority to seeking cooperation patterns that can integrate social welfare
- When selecting business partners or commodity suppliers, seek enterprises with the same concept of corporate social responsibility
- Issue the "Union Green Card" to give back through green consumption channels to realize the sustainable vision for the environment and society
- Launch the "Electric Vehicle Series" Loan Concession Program

### (IV) Give back to the society and promote industrial development

1. Issue affinity cards, including Ba Fu Charity Affinity Card, Guardian Angel Affinity Card, Peace Affinity Card, etc. The Bank allocates a certain percentage of the consumption amount by cardholders as donation to fulfill its social responsibilities as a citizen. In addition, the Bank also makes donation in the same way from the "Union Green Card" to the Taiwan Environmental Information Association, so that we can engage in more public welfare activities related to environmental protection and promotion of

environmental education with the resources of green public welfare organizations.

2. In order to promote the development of the green energy technology industry jointly with the government, actively handle finance lease loans for solar power plants and provide funds for enterprises to purchase solar energy-related equipment, the Bank reinvested in the 5+2 new key innovation industries proposed by the government (including "Asia · Silicon Valley", "Smart Machinery", "Green Energy Technology", "Biotech and Medicine", "National Defense", "New Agriculture" and "Circular Economy", etc.), injecting driving forces into the development of industrial innovation. As of the end of December 2021, the Bank has undertaken the credit for 5+2 new key industries with a balance of NT\$34.9 billion, among which, 1,962 credits were granted to green industries such as green energy technology, new agriculture, circular economy industry and renewable energy power generation industry, with a credit balance of NT\$17 billion.

#### 3. Handle bailout loan project

- In response to the impact of COVID-19 on domestic enterprises, the Bank continues to actively cooperate with policies to promote relevant bailout loans to help affected enterprises tide over the impact of the epidemic. As of the end of 2021, the Bank cooperated with various ministries and committees to handle bailout projects as well as its own corporate bailout loans with 2,069 cases approved and an amount of NT\$10.7 billion in total.

In addition, cooperating with the government to support small businesses, 90 branches of the Bank actively cooperated with the application by small-scale business operators under the SME Loan Project Financing Program C planned by the Central Bank, took the initiative to care for and serve the merchants around the branch, and provided relevant bailout loans to assist them in getting through the pandemic. It also built a simple credit application form and special contract for small-scale business operators, without request on submission of complicated application documents, so as to achieve a rapid approval for loan. By the end of 2021, a total of 5,696 merchants had successfully applied for and obtained loan funds under the SME Loan Project Financing Program C.

- For individuals whose income has been reduced as affected by the epidemic, the Bank proposes relevant assistance measures, including the extension of labor bailout loans, principal or interest for 3 to 6 months, and waiver of liquidated damages and delay interest during the extension period. By the end of 2021, the Bank had approved 17,860 bailout loans for individuals with an approved amount of NT\$9.27 billion.

To help people apply for labor bailout loans and make the loan approval process simpler and faster, the Bank introduced an online loan application channel in 2021, by which, customers can handle both their application and identity verification after the loan approval. A total of 9,268 customers have successfully applied for and obtained approval for their loans in the year.

In addition, for credit card customers who have difficulty in repayment due to the impact of the epidemic, in addition to providing financial distress assistance solutions, the Bank also cooperates with the policies of the competent authorities to accept applications for payment deferral from the public, during which liquidated damages and interest will be exempted to help them overcome their financial difficulties.

#### 4. Promote the development of MIT industry and domestic SMEs.

- To assist domestic enterprises with R&D, production, and technological competitiveness that have gone through company registration or business registration in accordance with the law and are actually engaged in production, manufacturing, and processing business in Taiwan, to successfully obtain funds such as operating turnover or capital financing, the Bank actively expanded its MIT plant loan business. By the end of 2021, it had disbursed loans to 166 enterprises with a loan balance of NT\$8.4 billion.
- To assist SMEs that have gone through company registration or business registration in accordance with the law with a paid-in capital of less than NT\$100 million, or regularly employ less than 200 employees, to successfully obtain funds such as operating turnover or capital financing, the Bank had disbursed SME loans to 17,597 enterprises with a loan balance of NT\$107.1 billion by the end of 2021.



5. To assist disadvantaged groups in purchasing houses, the Bank continues to provide loans for young people to settle down and purchase/repair houses from the Ministry of The Interior. In 2021, the Bank has undertaken 87 new assisted housing purchase loans with a loan balance of NT\$150 million. By the end of 2021, a total of 706 assisted housing purchase loans has been granted by the Bank with a loan balance of NT\$910 million.

## (V) Protection of customer rights and interests

### 1. Confidentiality of customer data

#### (1) Strictly abide by the Personal Data Protection Act and other relevant regulations

##### ① Collection and use of customer information

The Bank attaches great importance to the control of customers' personal data and the protection of privacy rights. The purpose of collecting customer information, the way of use and the exercise of relevant rights and interests of customers' data are clearly set out in the notification document and informed the customer proactively, based on the customer's wishes. To protect the rights and interests of customers, if customers do not consent to the cross-marketing between different businesses using their personal data, the Bank may indicate on the computer system for customers' refusal for the interactive use of data.

##### ② Formulate and improve standards for the protection of personal data

To fulfill its responsibility for the protection and management of customers' personal data, in accordance with the "Personal Data Protection Act", the "Self-discipline Regulations on Confidentiality of Customer Data by the Banking Industry", the "Rules Governing the Security and Maintenance of Personal Data Files of Non-government Agencies Designated by the Financial Supervisory Commission" and relevant laws and regulations, the Bank has formulated rules such as "Examination Principles and Operation Guidelines for the Exercising of Rights of the Parties Concerned", "Key Points of Business Data Control", "Rules Governing the Management of Personal Data Documents" and "Notes to Personal Data Protection", and established the Personal Data Management Committee as an inter-departmental personal data system management organization to review matters related to the Bank's personal data protection on a regular basis, and cooperates with the Bank's information security team to strengthen management to ensure the security of the personal data files retained by the Bank.

##### ③ Personal data control and risk assessment

The Bank has completed an inventory of the personal data files retained, and established a file inventory to assess their risk level. The Bank also regularly conducts self-assessment on personal data security maintenance to check the appropriateness of various personal data management measures and regulations, and incorporates the relevant assessment results into the Bank's internal control self-check report. In addition, for electronic information equipment used by bank staff, the Bank has developed the "Common Compliance Rules for Personal Computer (Workstation) Notebook Computers and Internet Resource Users", "Management Measures for Computer Personal Data Files", "Codes of Practice for E-mail Checking", "Management Measures for Computer Assets", "Rules Governing the Use of External Storage Media Devices", "Procedures for Demagnetization of Storage Media" and other rules, to prevent the leakage of customer data from the Bank's equipment.

##### ④ Data security notification and contingency measures

In view of the emerging international data leakage and various information security incidents, data security risks have gradually increased. In order to mitigate the impact of future information security incidents on customers and company operations in the future, the Bank has developed a "Personal Data Files Security Maintenance Plan" to ensure the security of the personal data files retained by the Bank. The Bank also has a "Personal Data Security Incident Contingency Measures" in place for all businesses to establish a notification and response mechanism when an incident occurs. In addition, the Bank has built a personal data accident drill mechanism, which is conducted at least once a year, and reports the implementation results to the Personal Assets Management Committee. In 2021, there were 4 customer complaints cases involving personal data protection, none of which has leaked personal data of customer after verification. The Bank has strengthened publicity and staff education and training, and requires the responsible units to supervise staff and entrusted agencies to implement relevant measures to protect personal data, so as to avoid the recurrence of similar incidents in the future.

##### ⑤ Enhance staff awareness and ability of personal data protection

The Bank incorporates the relevant regulations on personal data protection into the teaching scope of the Bank-wide legal compliance education and training, and has established a "Personal Data Protection Act and Confidentiality Education Zone" in the Bank's system to implement the propaganda of the personal data laws.

### (2) Regularly track the compliance of customer data confidentiality

Based on the requirements of the competent authorities to strengthen the security management of personal data files in the financial industry, the Bank keeps listing the management of personal data file security as one of the key compliance monitoring priorities in 2021. With reference to the financial industry cases involving breach of personal data security protection, the Legal Compliance Department conducts self-assessment and spot check of legal compliance, strengthen the inspection of the actual compliance of the Personal Data Protection Act, effectively supervising the implementation of the Act.

### 2. Protection of consumer rights and interests

#### (1) Comply with the Financial Consumer Protection Act

##### ① Implement financial consumer protection

Before launching new products and services and applying to the competent authority for a new product and service, the Bank follows its "Assessment and Operation Guidelines for the Introduction of New Products and New Financial Products". The Legal Compliance Department assists in the inspection of legal compliance and money laundering and financing terrorism risks on the planning reports, operating regulations and related contracts for new businesses and new financial products proposed by the commodity planning unit, to provide opinions on the compliance with laws and regulations, legality, relevant rights and interests, etc., and re-examine that the Bank's operating activities are in compliance with statutory and internal regulations when conditions of existing business items change.

##### ② Review and revision of adhesion contracts

The adhesion contracts for each business of the Bank are in accordance with the template of the adhesion contract of the competent authority, as well as the items that should be recorded and the items that should not be recorded. The Legal Compliance Department shall provide opinions on the compliance with laws and regulations, legality, relevant rights and interests, etc. The adhesion contracts shall be implemented upon verification by the authorized level of the Bank as signed in the hierarchical accountability schedule.

##### ③ Improve the consumer dispute settlement system

The Bank has formulated the "Consumer Dispute Settlement System", "Organization and Settlement Procedures of Consumer Dispute Settlement Team", "Customer Complaint Settlement Process" and "Key Points for Dispute Settlement of Trust Business" to handle disputes in an active and effective manner, so as to strengthen the importance of consumer dispute settlement, improve its efficiency and quality, and protect the rights and interests of financial consumers. In addition, the Bank has established an internal consumer protection self-assessment form for each business as required by the competent authority, incorporating the self-assessment check items for legal compliance of relevant business units, to conduct self-examination in revision of adhesion contracts and design and marketing of new types of business.





④ Implement the protection of customer rights and interests

The Bank has included the commodity suitability, trust deed, etc. in the scope of self-assessment and examination of legal compliance of each business unit, evaluate the legal risk by risk-based method, and set those with high risk as the items of self-assessment and spot check for the business unit responsible for legal compliance, to verify that internal operations are in compliance with laws and regulations.

(2) Follow the principle of fair hospitality

The Bank has established a corporate culture with "fair hospitality" as its core. A Fair Hospitality Management Committee has been established under the Board of Directors to serve as the main organization for the planning, review and implementation of the Bank's fair hospitality issues and report to the Board of Directors on a regular basis. The Bank has also developed a fair hospitality policy and a fair hospitality implementation strategy to provide guidance for the three lines of defense in implementing the principle of fair hospitality, and review and revise it regularly to ensure that the Bank treats customers fairly in the rendering of financial products or services. In addition, the Bank has incorporated the fair hospitality system into its on-the-job training courses for compliance with laws and regulations, and organizes online and offline physical courses to enhance staff's awareness and professional knowledge of compliance and fair and reasonable treatment of customers through educational promotion, to implement fair and reasonable treatment of customers in the execution of business, bringing customers a sense of the Bank's care and intentions for them, and enhancing customer confidence in the Bank.

The Bank was awarded the Outstanding Progress Award in the Annual Evaluation for Implementation of Fair Hospitality in the Financial Services Industry in 2021. In the future, we will continue to optimize the implementation of fair hospitality to ensure the sustainable development of the Bank.

3. Product risk

Develop a customer-oriented business model, and promote differentiated products according to customer classification to meet different customer needs. When providing various financial products and services such as wealth management and insurance, the Bank is responsible for disclosing and informing customers of relevant rights and interests 100% in advance, and sending statements afterwards.

4. Maintenance of service quality

Regularly carry out service quality inspections on business units, conduct statistical surveys through field surveys by the head office, professional accuracy and customer complaints, give immediate feedback and assist business units to improve service quality, to strengthen the requirements for the staff to demonstrate the spirit of high-quality service etiquette, take care of the needs of customers, and reduce customer dissatisfaction.

## (VI) Enhance information security

1. APP information security detection

Mobile devices have become indispensable equipment in people's life in Taiwan. In order to avoid the risk of user data leakage or financial loss, the Bank appoints a third-party professional organization to complete the comprehensive security inspection of the APP every year, and obtain the qualified inspection certificate.

2. Strengthen the information security incident response mechanism and drills

To improve the stability and security of the Bank's information services, we have introduced the CDN (Content Delivery Network) monitoring incident response mechanism of Chunghwa Telecom, cooperated with CDN service providers to clean up L2 and L3 traffic and took other countermeasures. Chunghwa Telecom assessed the risk index as: Low risk (Low)- detected and intercepted a small number of internal attacks on the Company from the Internet.

## (VII) Professional and high-quality services in place

1. Service model employee - business director system

In order to improve the service quality of branches, the Bank has introduced the "Business Director" system since 2010. Business directors are the service ambassadors of Union Bank selected by each branch with 2 to 4 staff members who bring together professionalism, cordiality and service enthusiasm, to be responsible for the service quality of the branch. By the end of 2021, the Bank had 355 business directors in Union Bank branches across the country, providing customers with professional and cordial services.

2. Improve education and training, and promote service quality further

Standing on the front line of customer service, an enterprise must be professional considerably so as to provide exquisite and high-quality services. To meet the different financial and wealth management services and needs of customers, the Bank arranges necessary professional training courses for its staff, including comprehensive education and training courses such as product expertise, service specifications and professional ethics training, and market investment trends, so as to make correct explanations to customers. Before launching new functions or new activities, we will also organize education and training of internal staff. For details on the implementation of education and training, see page XX. (To be filled in by the Business Planning & Marketing Department. It is the page number of section "III. Employee Training and Further Education" in "Employee Care".)

In addition, with the development of technology application and the rapid change of financial environment, the Bank has built an E-learning platform to make learning more flexible in terms of location or time, and enhance employees' knowledge of their own areas of expertise through pre-service education and on-the-job training course planning, to facilitate their career development and enhance the quality of our services.

3. Fulfill social responsibilities in response to the trend of aging society

The Bank encourages colleagues to obtain the certificate of "Senior Financial Planning Consultant", and sets up a special reward mechanism. We expect to train professional service personnel who can talk to and understand the needs of the elderly, and then assist them with appropriate property and care planning through the systematic training courses of the Taiwan Academy of Banking and Finance, including nine series of themed courses such as basic understanding of elderly psychology, behavior and medical care, Elder Care Trust and related trust products, etc. The Bank has 60 colleagues who have obtained the professional certificate of "Senior Financial Planning Consultant" in the first section.

The Bank has been actively handling the "Elder Care Trust - Pleasure for Youth Program", organizing the promotion briefings, fostering the seed trainees for the Elder Care Trust across the Bank, and promoting the Trust 2.0 "All-round Trust" program.

4. Research and develop diversified financial products to meet customer needs and be customer-oriented

Provide professional financial investment planning and make prudent planning of the introduction and review of financial products, prudently select financial investment products to be put on the shelves, provide customers with a variety of product choices and the most professional financial services, so as to develop more perfect financial products and high value-added financial services.

5. Stable and uninterrupted service system

Replace servers in stages and introduce a virtualization architecture to improve system performance, and achieve service continuity with the HA (High Availability) mechanism. Important control schemes are as follows:

- (1) Make backup of important data on a regular basis, and carry out backup drills for all Material systems on a yearly basis.
- (2) Regularly implement scenario simulation disconnection drills or backup drills for the credit card application system.
- (3) Run the newly developed program in the formal operating environment after it has been verified as correct in the test environment.
- (4) Set up a backup mechanism for important network connection equipment and dedicated lines to ensure the quality of connection.

6. Set up accessible web pages

In order to provide convenient web browsing for customers with physical and mental disabilities, the Bank has strengthened the accessibility of web pages on the official website, the personal financial website and the corporate financial website, including providing mouse cursor movement to display text description for pictures (banners) and videos, and a click operation mode for the listing interest rate and exchange rate information, and other drop-down menus, and providing quick key combinations and other convenient design, so as to fulfill our social responsibilities in response to the care policy of building an accessible Internet environment.









07



Employee Care



# 07 Employee Care



## Employment Structure

By the end of 2021, there were 4,272 full-time employees in the Union Bank, Union Finance & Leasing International Corporation, Union Information Technology Corp., Union Securities Investment Trust Co., Ltd., Union Finance Co., Ltd. and Union Venture Capital Co., Ltd. with an average age of 39, of whom 61.68% were female and 38.32% were male. The relevant manpower structure is shown in the following tables:

Gender		
Number of Employees		
Gender	Number of Employees	Ratio
Male	1,637	38.32%
Female	2,635	61.68%
Total	4,272	100.00%

Educational Level		
Educational Level	Number of Employees	Ratio
PhD	1	0.02%
Masters degree	313	7.33%
University	2,963	69.35%
Technical college	744	17.42%
High School and below	251	5.88%
Total	4,272	100.00%



## (I) Statistics on new employees, leavers and ages in 2021

Number of New Employees								
2021		Male			Female			Total
		30 years old and below	30-50 years old	50 years old and above	30 years old and below	30-50 years old	50 years old and above	
Union Bank	Number of Employees	93	56	4	193	96	3	445
	Ratio	20.90%	12.59%	0.90%	43.37%	21.57%	0.67%	100.00%
Union's subsidiaries	Number of Employees	38	35	7	19	35	2	136
	Ratio	27.94%	25.74%	5.15%	13.96%	25.74%	1.47%	100.00%
Total		131	91	11	212	131	5	581

Number of leavers								
2021		Male			Female			Total
		30 years old and below	30-50 years old	50 years old and above	30 years old and below	30-50 years old	50 years old and above	
Union Bank	Number of Employees	73	91	29	164	147	21	525
	Ratio	13.90%	17.33%	5.53%	31.24%	28.00%	4.00%	100.00%
Union's subsidiaries	Number of Employees	16	36	8	16	30	6	112
	Ratio	14.29%	32.14%	7.14%	14.29%	26.78%	5.36%	100.00%
Total		89	127	37	180	177	27	637

Turnover Rate							
2021	Number of Employees at the End of the Year	Number of Leavers	Turnover Rate	By Gender			
				Male	Ratio	Female	Ratio
Union Bank	3,932	525	13.35%	193	13.29%	332	13.39%
Union's subsidiaries	340	112	32.94%	60	32.43%	52	33.55%



(II) Structure of the Management and General Staff in 2021

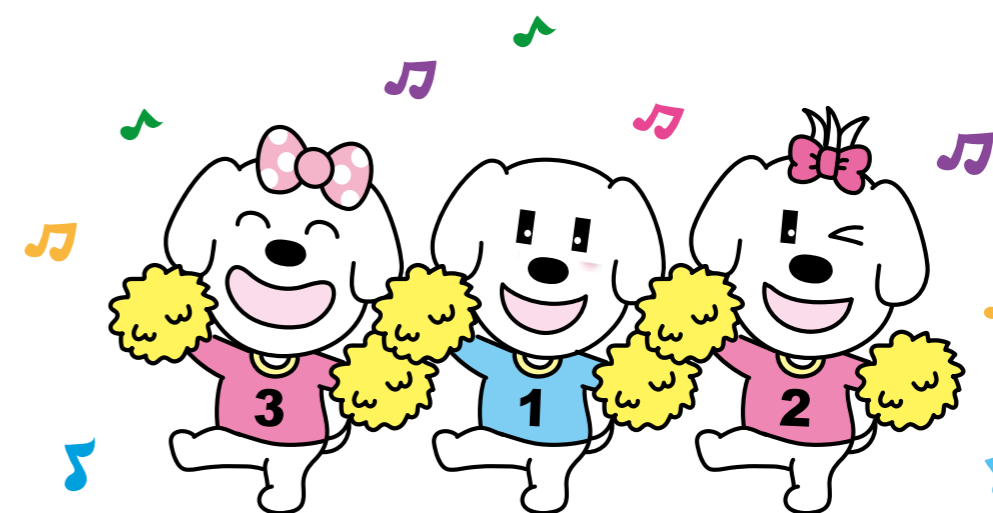
Gender Analysis of Management				
2021	Number of Employees at the End of the Year and Ratio	Management & Above		Total
		Male	Female	
Union Bank	Number of Employees	292	345	637
	Ratio	45.84%	54.16%	100.00%
Union's subsidiaries	Number of Employees	35	32	67
	Ratio	52.24%	47.76%	100.00%
Total		327	377	704

Gender Analysis of Non-management				
2021	Number of Employees at the End of the Year and Ratio	Management Below		Total
		Male	Female	
Union Bank	Number of Employees	1,160	2,135	3,295
	Ratio	35.20%	64.80%	100.00%
Union's subsidiaries	Number of Employees	150	123	273
	Ratio	54.95%	45.05%	100.00%
Total		1,310	2,258	3,568

Gender /Age Analysis of Management								
2021		Male			Female			Total
		Under 30 years old	30-50 years old	50 years old and above	Under 30 years old	30-50 years old	50 years old and above	
Union Bank	Number of Employees	0	102	190	0	140	205	637
	Ratio	0.00%	16.01%	29.83%	0%	21.98%	32.18%	100.00%
Union's subsidiaries	Number of Employees	0	13	22	0	20	12	67
	Ratio	0.00%	19.40%	32.84%	0%	29.85%	17.91%	100.00%
Total		0	115	212	0	160	217	704

Gender /Age Analysis of Non-management								
Number of Employees and Ratio at the End of the Year		Male			Female			Total
		Under 30 years old	30-50 years old	50 years old and above	Under 30 years old	30-50 years old	50 years old and above	
Union Bank	Number of Employees	377	660	123	682	1,291	162	3,295
	Ratio	11.44%	20.03%	3.73%	20.70%	39.18%	4.92%	100.00%
Union's subsidiaries	Number of Employees	47	81	22	23	92	8	273
	Ratio	17.22%	29.67%	8.06%	8.42%	33.70%	2.93%	100.00%
Total		424	741	145	705	1,383	170	3,568

Number of Employees								
Number of Employees and Ratio at the End of 2021		Male			Female			Total
		Under 30 years old	30-50 years old	50 years old and above	Under 30 years old	30-50 years old	50 years old and above	
Union Bank	Number of Employees	377	762	313	682	1,431	367	3,932
	Ratio	9.59%	19.38%	7.96%	17.34%	36.39%	9.34%	100.00%
Union's subsidiaries	Number of Employees	47	94	44	23	112	20	340
	Ratio	13.82%	27.65%	12.94%	6.76%	32.95%	5.88%	100.00%
Total		424	856	357	705	1,543	387	4,272





## Protection of Employees' Rights and Interests

### (I) Compliance with laws and regulations to protect employees

All personnel management systems of the Bank are processed in accordance with the Labor Standards Act and relevant regulations and interpretations promulgated and implemented by the competent authority. The Bank puts all rules and regulations in the Notes system of Intranet domain of the company to provide the most instant and transparent information which is convenient for all employees to inquire at any time and also protects their legal rights and interests.

The employee retirement mechanism is also handled in accordance with the "Labor Standards Act" and the "Labor Pension Act", and the "Supervisory Committee of Labor Retirement Reserve" and the "Staff Retirement Fund Management Committee" have been established in accordance with the aforementioned regulations.

For employees who choose the new labor retirement mechanism, the Bank will contribute 6% of their salary as their labor pension each month starting from July 1, 2005, and employees may also choose to withdraw 1~6% of their salary as labor pension which will be withheld by the Bank on their behalf. The pension allocated by the Bank and the employee will be contributed to the employee's personal account with the Bureau of Labor Insurance. Upon reaching the age of 60, an employee may choose to claim the principal and accumulated earnings of his/her pension account in a lump sum or to or apply for a monthly pension. The amount of pension allocated by the Bank for 2021 was NT\$144,245,792.

For employees who choose the old retirement mechanism and are eligible for retirement, their pensions will be calculated and paid based on their seniority and the average salary for the 6 months prior to their retirement. The Bank contributes 6.51%~14.54% of the total salary of its employees under the old retirement mechanism as their retirement fund on a monthly basis. The net pension cost recognized by the Bank under the above pension plan for the year 2021 was NT\$11,960,032.

The Bank appoints an actuarial company to assess the contributions of pension every year. In case of any insufficiency, the balance will be made up and transferred to the designated account with the "Staff Retirement Fund Management Committee". In addition, in accordance with Article 56, Paragraph 2 of the Labor Standards Act, for employees who choose the old retirement mechanism, the Bank estimates the amount of pension payable to labors who are eligible for retirement conditions in the next year, and if there is any insufficiency, it will transfer the amount from the designated account to the designated account with the Bank of Taiwan.

### (II) The Bank has established working rules and holds labor-management meetings on a regular basis

To protect the rights and obligations of both labors and employers, and to improve the Bank's operation and management mechanism, the Bank has formulated a "Working Rules" since its opening and holds a "Labor-management Meeting" consisting of representatives from both sides, etc., all of which have been submitted to the competent authority for approval and record. The members of the labor-management meeting of the Bank are jointly composed of nine labor representatives and members designated by the employer to protect the rights and interests of all employees of the Bank, including the rights and interests under the Labor Standards Act, human rights, tax payment and freedom of association. Among them, the labor representatives are elected throughout the whole company including the north, central and south regions by online voting, and the top nine (4 males and 5 females) shall be selected according to the number of votes received. The labor-management meeting is held on a yearly basis, and the representatives attending the meeting are all full-time employees of the Bank.

### (III) Fair evaluation and reward and punishment mechanism

To treat employees fairly and protect the rights and interests of each employee, the Bank has formulated the "Employee Performance Evaluation Measures" and "Employee Reward and Punishment Case Handling Measures" and other relevant rules to establish a fair evaluation and reward and punishment mechanism and to safeguard the rights and interests of employees as well as overall discipline.

### (IV) In order to prevent sexual harassment in the workplace and to protect the rights and interests of employees, the "Measures of Prevention, Complaint and Punishment of Sexual Harassment at Workplace" is established in accordance with the provisions of the friendly workplace and Act of Gender Equality in Employment. In addition, we have established the "Unlawful Assault in the Performance of Duty Program" to provide employees with complaints of physical, psychological, verbal violence and sexual harassment in order to maintain a safe workplace environment.

### (V) The Bank endorses and supports the spirit and basic principles of human rights protection enshrined in various international human rights conventions such as the Universal Declaration of Human Rights, the Global Compact and the International Labor Organization Conventions, and it has formulated the "Human Rights Policy" to implement the said declaration and fully embodies its responsibilities to respect and protect human rights. The Bank fulfills its corporate social responsibilities through protection of human rights in workplace, health and safety in workplace, maintenance of labor-management relationship, and protection of personal data and information security so as to protect the basic human rights of all colleagues, customers and stakeholders.

## Continuing Education and Training of Employees

In response to the changes in the financial environment, the company's business strategy and the needs of employees, to enhance the professional knowledge of employees at any time, the Bank continues to organize various business lectures, seminars, professional training courses every year and send staff to participate in various financial professional and enterprise operation and management training courses from time to time every year according to the Measures for Continuing Education and Training of Employees and career development plans of employees. The Bank also encourages employees to obtain relevant designated certificates in accordance with the relevant regulations of the competent authority to obtain the necessary qualifications for business promotion and follow the legal basis. In addition, the Bank has built an E-learning platform for online education and training, providing a variety of digital learning courses placed in the online education and training area so that colleagues can learn independently and improve their functions at any time without limitation. In addition, for employees who resign involuntarily, the Bank will provide two days of job search leave per week in accordance with regulations, and apply for employment counseling and vocational training courses from each business service center. The above training courses can help employees who have retired or terminated their employment relationship to continue their employment and plan their future career.

To sum up, the Bank provides intensive education and training to employees of various grades to improve the smooth operation process, enhance the level of customer service and foster a full range of financial services talents, and it strengthens the competitiveness of its own capabilities in the light of the rapid development of fintech and digital economy.

### (1) Overview of the Bank's Implementation of Education and Training in 2021

Continuing Education and Training of Employee			
Item	Internal	External	Total
Number of trainees (person-times)	33,834	5,020	38,854
Training expense (Unit: NT\$ thousand)	5,739	5,903	11,642

2021					
Category	Nature	Classes	Total Number of Trainees	Total Training Hours	Average Training Hours Received per Employee
Internal Training	Specialized Courses	171	28,388	113,746.64	4.01
	Initial Training	5	1,806	2,422.32	1.34
	Labor Safety	1	3,640	2,912	0.80
Subtotal		177	33,834	119,080.96	3.52
External Training	Specialized Courses	384	4,766	37,674.55	7.90
	Corporate Governance	20	74	241.7	3.27
	Labor Safety	51	137	1,181.5	8.62
	Executive Training	10	43	532	12.37
Subtotal		465	5,020	39,629.75	7.89
Total		642	38,854	158,710.71	4.08

\* Average training hours received per employee = Total number of training hours/ Total number of employees

Average education and training hours of employees in 2021		Male	Female	Total	Total
Position	Management	42.72	52.52	30,584.06	48.01
	Non-management	39.80	38.41	128,126.65	38.90



## Employee Salaries and Benefits and Employee Care

### (1) Remuneration and Benefits Mechanism

The Bank has established a sound mechanism of remuneration, bonus and benefits, and adheres to the principle of fair employment. The salary of new staff is higher than the statutory minimum basic wage. The Bank also adopts a function-based payroll mechanism, without differential treatment or any form of discrimination regardless of gender, age, religion, race, language, party affiliation, etc. Employees are entitled to year-end bonus, Spring Festival bonus, Mid-Autumn Festival bonus, performance bonus, business promotion bonus, employee remuneration, employee shareholding trust, employee preferential deposit rate, labor insurance, national health insurance, group insurance and pension according to their job functions and seniority. The Employee Welfare Committee provides welfare allowances such as marriage and funeral allowances and maternity allowances for employees, and continues to formulate performance incentive plans for various business grades to provide incentive bonuses for those meeting standards.

In order to take care of the hard work and pressure of employees due to pandemic prevention, and to protect their health and safety, in addition to the special gratuity payment of NT\$10,000 to all employees, the Bank also provides "vaccination leave" and "pandemic prevention and care leave" in accordance with the Labor Standards Act, and it takes out an anti-pandemic policy for employees to strengthen their job security.

In order to promote family care and welfare and comply with the Labor Standards Act, we have established menstrual leave, pregnancy check-up leave, maternity leave, antenatal care leave and paternity leave, work-related injury and sick leave. Employees with children younger than three years old may apply for parental leave without pay. The Bank also provides quality breastfeeding (collecting) environment by preparing breastfeeding (collecting) rooms for employees.

Parental Leave Applied by the Bank's Employees in 2020			
Item	Male	Female	Total
Annual number of eligible applicants	75	219	294
Annual number of actual applicants	1	53	54
Annual number of expected reinstatements	4	35	39
Annual number of actual reinstatements	1	39	40
Reinstatement rate in 2020	25%	111%	103%
Number of employees still in service one year after reinstatement	0	34	34
Incumbency rate one year after reinstatement	0%	87%	85%

Parental Leave Applied by the Bank's Employees in 2021			
Item	Male	Female	Total
Annual number of eligible applicants	76	202	278
Annual number of actual applicants	7	56	63
Annual number of expected reinstatements	2	59	61
Annual number of actual reinstatements	3	33	36
Reinstatement rate in 2021	150%	56%	59%
Number of employees still in service one year after reinstatement	3	32	35
Incumbency rate one year after reinstatement	100%	97%	97%

※ The number of expected reinstatements is based on the expected date of reinstatement of employees when they apply for parental leave

### (2) Employee Health Care

In order to take care of the physical and mental health of employees, the Bank regularly entrusts a professional medical and health inspection institutions to conduct health examination for employees, to check the health of every staff through the professional competence, rich experience of health check and medical examination equipment of the institution so that employees can obtain correct information on the prevention, health care and treatment of diseases. In addition, in response to the climate change of the social environment, the Bank strengthens the promotion of workplace health knowledge and habits of life and health care. The occupational safety nurses of the Bank post real-time information to the internal mailbox from time to time so that employees can take preventive measures and self-management of health care.

In addition, the Bank grants a subsidy fee of NT\$5,000 per year for health checks to employees at the management level and above, and provides promotion services in conjunction with the aforesaid annual health examination. All the above health check measures are superior to the health check mechanism stipulated in the "Labor Health Check Protection Rules", which stipulates that employees under the age of 40 should be checked every five years, and employees over the age of 40 but under the age of 65 should be checked every three years. Employees highly affirmed this health check and recognized the importance of health check to maintain good health.

Work-related injury and sick leave applied by the Bank's employees in 2021						
	Times of work-related injury leave	Days of work-related injury leave	Work-related injury rate	Times of sick leave	Days of sick leave	Sick leave rate
Male	15	150.5	1.03%	232	1,304	15.98%
Female	26	353.5	1.05%	446	3,121.5	17.98%
Total	41	504	1.04%	678	4,425.5	17.24%

※ Work-related injury (sick leave) rate = the number of employees taken leaves/number of employees at the end of the year

### (3) Salary analysis and statistics of non-managerial staff of the Bank (disclosed for the recent 3 years)

Salary analysis of non-managerial staff in 2019, 2020, 2021			
Year	Number of non-managerial staff	Average salary	Median salary
2019	3,582	773,088	661,450
2020	3,685	768,794	669,230
2021	3,681	837,023	736,624
Difference between 2020 and 2021	-4	68,229	67,394
	-0.11%	8.87%	10.07%



(4) Handle of all kinds of insurance to protect employees and their dependents

In addition to purchasing labor insurance and national health insurance for employees in accordance with the law, the Bank also provides employees with the most secure protection and reasonable premiums. Every year, we negotiate and compare prices with various life insurance companies to take out the "group life insurance and medical insurance," in which medical insurance covers employees' dependents (spouse, children and parents), which are generally quite satisfied by the employees. The insurance company was also recognized by colleagues, and there was no major dispute in related claims cases. In order to provide employees and their dependents with further protection, the Bank has signed the "Self-paid Group Insurance for Employees and Their Dependents" with the insurance company. In case of death or disability caused by accidental injury or medical treatment, employees and their parents or dependents will be covered by relevant medical treatment or compensation respectively.

Claim amount				
Year	Number of Claims	Corporate-paid Group Insurance	Number of Claims	Self-paid Group Insurance
2020	932	17,658,856	201	2,035,705
2021	873	10,469,060	285	3,284,416
Total	1,805	28,127,916	486	5,320,121

Labor Occupational Safety and Health Training and Measures

In order to maintain the safety of employees in the workplace, the Bank has set up access control and security protection systems in each business unit and all workplaces. We also appoint a dedicated environmental cleaning company to maintain a clean, tidy and comfortable workplace, promote the Tobacco Hazard Prevention Act and implement a comprehensive non-smoking policy. In addition, the Bank formulated an occupational safety and health management plan in accordance with the Occupational Safety and Health Act, including setting the occupational safety and health personnel, first aid personnel and fire management personnel, etc., carried out occupational safety and health education and training for labors, and strengthened medical and health promotion measures. In 2021, we held 52 events with 3,777 trainees, expecting to improve every employee's concept of safety and health and achieve zero hazard in the workplace.

Occupational safety and health educational training for labors:		
Year	Times of Course	Number of Trainees
2019	60	263
2020	47	184
2021	52	3,777

In accordance with the regulations of the National Police Agency of the Ministry of Interior on "Environmental Assessment Test Form for Crime Prevention of Financial Institutions and New Certification Standards", we strengthen security maintenance measures to ensure the safety of personnel and finances, and minimize potential risks in the working environment.

Conclusions

Since its opening in 1992, the number of employees of the Bank has also expanded along with the business territory (merged and acquired Chung Shing Bank in 2005, merged with Union Bills Finance Corporation in 2010, merged with Union Insurance Brokers in 2016, and added new subsidiary Union Securities Investment Trust Co., Ltd. and Union Venture Capital Co., Ltd. in 2019), and has developed towards business diversity. By the end of 2021, Union Group had a total of 4,272 employees. Although the Bank does not have a trade union, it has set up a "Staff Garden" domain where every employee can go online to express their opinions about the company or communicate with other employees. In addition, we organize labor-management meetings on a regularly basis, where employees and management can communicate with each other and sincerely establish good harmony and mutual trust, and then work hard for the goals set by the Bank so as to achieve the goals set by the Bank. Therefore, the Bank has established a sound system and norms to protect the rights and interests of employees. Under the atmosphere of giving back to the society and fulfilling social responsibilities, we expect the harmony, co-existence and co-prosperity between the labor and management for a sustainable development of the Bank.

Employee Relationship

In order to establish a good communication and interaction relationship with employees, the Bank has established an "employee complaint system" in the human resources management measures, and set up an "staff garden" on the Bank's website for all employees to express their opinions and leave constructive comments, etc., which allow every employee to express their true thoughts and opinions freely, and express their confusions, voices, grievances or opinions on enhancing work efficiency through this platform. The Bank also assigns special personnel to handle in a confidential and prompt manner, and then transfers the case to respective business management unit to report the results and handling situation to the employee. Thus, the Bank firmly believes that an open mind to employees can build an bridge of institutionalized communication, and strengthen the care for employees and the handling of labor-management relations, which is conducive to the cohesion of the centripetal force of the employees to improve business performance.

In addition, employees who have been working for more than one year can fill in the "Employee Volunteer Service Area Questionnaire" in the "Staff Garden" for applications. In this way, we can instantly understand the inner thoughts and actual needs of employees so as to achieve a balance between rotation and life and enhance the functional development of employees. The Bank also conducts an employee satisfaction survey for current position on its internal website at the end of each year, and the satisfaction rate in 2021 was 97.4%.







08

Environmental  
Sustainability



# 08

## Environmental Sustainability



### I. Risks and Opportunities of Climate Change

global warming, mitigation of greenhouse gas (GHG) emissions is an inevitable direction, and the impact of warming is far faster and more severe than the estimated. How to respond to the risks brought by extreme climate change is indeed an important topic and challenge for enterprises.

Classification	Type	Description	Financial Impact	Response Measures and Management Methods	Costs of Action
Climate Change Risks	Operation Risk	Extreme weather events such as typhoons, floods, earthquakes, and other regional power, water, and telephone outages may lead to potential operational risks of operation interruption at the location of operations.	Extreme weather events may result in the risk of interruption of operations at the location of operations, which may have a negative impact on the operator's finances.	For the core information equipment of the Bank, in addition to the backup mechanism, the building is in a dual power supply, and there are two ISP vendors for mutual backup. To strengthen disaster prevention measures, the Bank has established the "UBOT Disaster Emergency Response Operation Points" and set up a crisis management team. According to the nature of the crisis, we coordinate timely contingency measures based on the principle of "unifying forces and assigning responsibilities at different levels", and each business unit regularly holds more than two disaster prevention training and drills each year, and review and improve the defects. We also take out insurance for bank insurance, safe deposit box liability insurance, commercial fire insurance and electronic equipment insurance. If an incident occurs that is covered by the Bank's contract with an insurance company, the necessary preservation procedures should be taken to mitigate the impact of business interruption risks.	In 2021, the premium for electronic equipment insurance was \$606,000 and for commercial fire insurance was \$1,792,860
	Regulatory Risks	In response to relevant laws and regulations, we may cap on corporate carbon emissions, which will result in the risk of increasing investment costs on carbon reduction (such as carbon tax, carbon price, etc.).	The Greenhouse Gas Reduction and Management Act of Taiwan sets a GHG emission reduction goal to reduce GHG emissions to no more than 50% of 2005 GHG emission by 2050. In addition, given the development trend of net zero emission and carbon neutrality in the international community, it will also increase the burden on operators and have a negative impact on the financial sector.	We set the bank-wide targets of energy saving and carbon reduction, saving 1% of electricity per year for 5 consecutive years from 2021, and we give priority to purchase lighting and air-conditioning equipment with energy-saving labels, bathroom equipment with water-saving labels, building materials and office supplies with environmental protection labels and other environmental protection and energy-saving equipment.	In 2021, the whole bank replaced energy-saving equipment such as lighting and air conditioners with a total amount of NT\$10.72 million.

Classification	Type	Description	Financial Impact	Response Measures and Management Methods	Costs of Action
Opportunities of Climate Change	Enhancement of Corporate Image	We enhance the corporate image and increase opportunities for external communication by responding to various global energy-saving initiatives and energy-saving promotion programs promoted by the government.	Corporate image is an intangible asset of the company. If we can jointly respond to energy-saving initiatives with our customers and neighboring businesses to save energy expenditure, it will have a positive impact on the corporate finance	We enhance the corporate image by responding to the global "Earth Hour," "World Earth Day," "World Environment Day" and other energy-saving initiatives as well as by participating in the "Green Procurement of Private Enterprises and Organizations" program organized and promoted by the Executive Yuan.	In 2021, we participated in the "Green Procurement of Private Enterprises and Organizations" program promoted by the Executive Yuan, purchasing green products with a total amount of NT\$28,885,154.
	Creation of a Win-win Situation with Customers	We are facing the negative impact of extreme weather which may cause operating losses to customers or difficulties in capital allocation to our customers.	We provide timely assistance to customers and jointly face environmental and climate challenges to win the trust and loyalty of customers and to have a positive impact on the company's finances in the long run.	In line with the government's policies, the Bank fulfills its social welfare responsibilities, assists SMEs and individuals who have suffered natural disasters to recover and rebuild their homes, and has developed the "Union Bank's Key Points for Natural Disaster Recovery Project Loans" to provide the funds needed for recovery after disasters to achieve the goal of win-win.	

### II. Green Management Policy:

(I) The Bank's "Energy and Environmental Management Policy" for fulfilling its responsibilities for sustainable and green environmental management is as follows:

- 1.To abide by laws and regulations related to energy and environmental protection
- 2.To support energy-saving and carbon reduction, and continue to implement green procurement
- 3.To pay attention to education and promotion to strengthen employees' awareness of energy saving
- 4.To improve management performance and build a sustainable business environment
- 5.To implement GHG reduction and disclose related data
- 6.To use water-saving label products to reduce water waste
- 7.To comply with waste classification and resource recycling and reusing



(II) The Bank has appointed dedicated environmental management staff in the General Administration Department to guide staff from other units to participate in education and training on energy management system and indoor air quality maintenance and management, and to be responsible for promoting measures related to environmental sustainability.



### III. Corporate Carbon Reduction

#### (Management of Climate Indicators and Targets):

For climate-related assessments, the Bank will convert the energy consumption (electricity) generated by the enterprise into GHG emission targets, set its reduction targets, and conduct disclosure.

#### (I) GHG Emissions Reduction Targets:

The Bank has long been committed to saving energy and reducing carbon emissions. By promoting various power-saving measures, it has achieved a 28.8% reduction in GHG emissions from electricity consumption by 2020 based on the base year of 2014. In line with the relevant reduction targets as set out by Taiwan's Greenhouse Gas Reduction and Management Act, the Bank's top management has approved its short-term target of 1% reduction in carbon emissions from electricity savings per year for the first five years from 2021, the medium and long-term target of 17.5% in total for carbon emissions reduction from electricity savings by 2050, and the ultimate target of achieving "net zero carbon emission" by 2050.

#### (II) Disclosure of GHG Emissions:

In accordance with the standards announced by the Bureau of Energy, Ministry of Economic Affairs, the Bank conducts a bank-wide inventory of its electricity consumption and equivalent GHG (carbon dioxide equivalent metric tons) emissions. The GHG emissions from bank-wide electricity consumption were 5,263 metric tons/ CO<sub>2</sub>e in 2018, 5,023 metric tons/ CO<sub>2</sub>e in 2019, 5,016 metric tons/ CO<sub>2</sub>e in 2020 and 4,838 metric tons/ CO<sub>2</sub>e in 2021 as disclosed on the company's website.

#### (III) Measures and achievements to promote energy savings and carbon reduction and GHG reduction:

1. In 2021, we completed the replacement of 2,849 sets of outdated energy-consuming lighting fixtures in Tianxin Branch and 18 sets of outdated energy-consuming air-conditioning equipment in Banqiao Branch.
2. The Bank participates in the "Service Industry Energy Management System Demonstration and Promotion Program" of the Bureau of Energy, Ministry of Economic Affairs. The buildings of the head office and branch of Zhongshan, Taoying, Minguan and Lingya of the Bank were incorporated into the scope of energy management system, and have obtained the ISO50001 Energy Management System Certification. Compared with 2020, the whole bank saved 3.5% of electricity consumption in 2021.
3. With reference to international standards, such as ISO14001 Environmental Management System and ISO14064 Greenhouse Gas Inventory System, the Bank has established its environmental management operating guidelines. The buildings of the head office and branch of Zhongshan, Taoying, Minguan and Lingya of the Bank, have obtained the ISO14064 Greenhouse Gas Inventory System Certification.
4. The Bank conducts the quality management, detection and reporting for indoor air in the business department of the head office building in accordance with the "Indoor Air Quality Act".
5. We continue to promote digital finance, e-statement or paperless initiatives to reduce the use of physical paper.
6. We post "Electricity-Saving Operation" signs at the conspicuous places in all business halls bank wide to remind staff and customers to save energy.
7. We set the air-conditioning for indoor temperature in summer as not lower than 26 degrees Celsius as the control standard.
8. We ask the staff to pay attention to the opening and closing of the doors and windows the premises to prevent energy waste caused by the leakage of cool air.
9. We fully prohibit any incandescent bulbs with high power consumption.
10. We gradually replace the lighting fixtures in business halls and offices with energy-saving LED lamps.
11. We turn off lights and air conditioners in unoccupied spaces when leaving.
12. We keep all facilities power off after work except for equipment that is subject to 24-hour operation and safety maintenance of the premises.
13. We respond to and encourage employees and neighboring businesses to participate in global energy savings, carbon reduction, and earth-loving activities.
14. We turn off the air conditioning host of the premises half an hour before the end of work time; we maintain the minimum of basic lighting for public walkways, stairwells and parking lots of the building except during rush hours of starting and ending work, or we use inductive lighting equipment; The building management staff regularly inspects the public spaces of the building, turns off the lights in the unoccupied areas when leaving, and checks the sanitary equipment to avoid water leakage and waste of water resources.

#### (IV) Energy consumption within the organization:

Based on power consumption, the Bank's annual bank-wide power consumption in 2021 totaled 9,637,327KW/H, which was 34,694,376MJ (10 to the 6th Joule) converted into energy consumption.

### IV. Green Procurement:

- (I) Construction and decoration: all wall paint, mineral fiber ceiling, partition calcium silicate board, carpet, etc. are given priority to the use of fire-resistant and fireproof materials and green building materials, and the proportion of green building materials in premises decoration is more than 45%. The products with water-saving label are adopted for the bathroom equipment in toilets.
- (II) Equipment procurement: For lighting, air-conditioning, company scooters, computer equipment, home appliances and cleaning supplies, etc., products with energy-saving or environmental protection labels are prior to be selected.
- (III) Equipment leasing: We adopt products with energy-saving labels for all leasing equipment such as company vehicles, photocopying and fax machines, etc.

- (IV) The Bank's green procurement in 2021 amounted to more than NT\$28.41 million. It has participated in the "Green Procurement Program of Private Enterprises and Organizations" sponsored by Taipei City since 2012 and participated in the "Green Procurement Program of Private Enterprises and Organizations" sponsored and promoted by the Executive Yuan since 2013. The Bank has been honored with the award of Outstanding Performance of Green Procurement Unit by the Department of Environmental Protection, Taipei City Government for 10 consecutive years and by the Environmental Protection Administration, Executive Yuan for 6 consecutive years.

### V. Supply Chain Management

- (I) The Bank has formulated the "Supplier Management Policy" to urge suppliers to comply with relevant standards on topics such as labor, environmental protection, safety and health, and ethical management, and to work with the Bank to enhance corporate social responsibility.
- (II) The Bank has formulated the terms of suppliers' compliance with corporate social responsibility and incorporated them into supplier contracts to avoid transactions with those who violate the Bank's corporate social responsibility policy.  
The Bank may terminate or cancel the contract at any time if a supplier is involved in a violation of the said policy or if it has a significant impact on the environment and society.
- (III) The Bank has formulated a "Commitment Letter on Compliance with CSR, Ethical Management Policies and Legal Provisions" for suppliers, and it requires its suppliers of various equipment, supplies, and labor services as well as decoration and construction vendors to sign the letter of commitment when signing contracts so as to jointly abide by the environmental sustainability policy or relevant environmental protection measures promoted by the Bank, and comply with occupational safety and health management and other requirements. In 2021, there were 62 copies of the "Commitment Letter on Compliance with CSR, Ethical Management Policies and Legal Provisions", of which 100% has been signed.
- (IV) The Bank has formulated the "Supplier CSR Self-Evaluation Form" with the contents about environmental protection, occupational safety and health, labor human rights and ethical management, which is provided for suppliers to be contracted and key suppliers to fill out, so as to understand the supplier's own implementation status of CSR as a reference basis for the evaluation of suppliers by the Bank. The rate of return from the contracted suppliers is 100%.

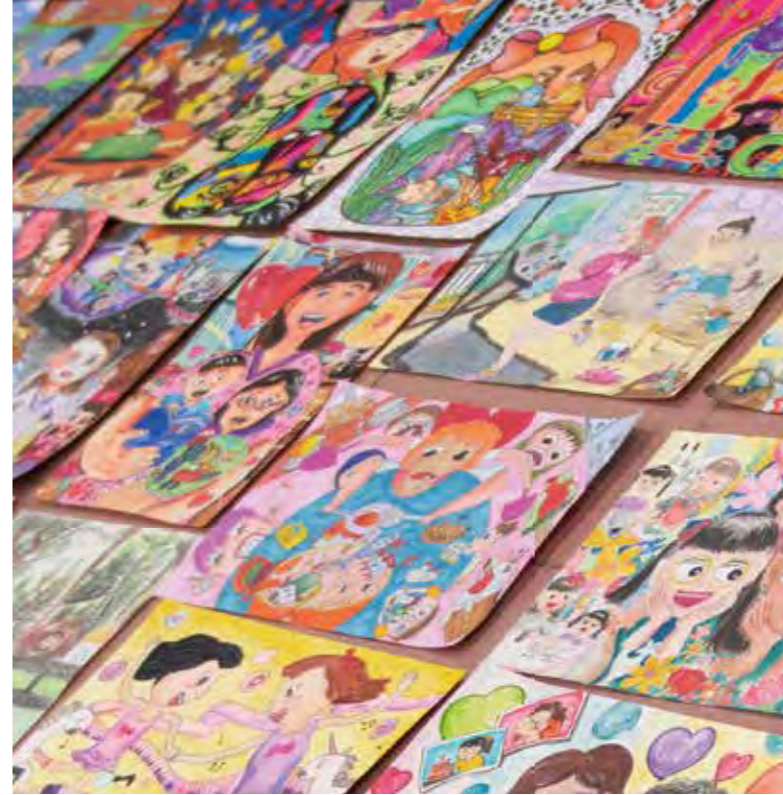
### VI. Resource Recycling and Reusing:

- (I) Paper use: When printing documents, it is preferred to set the photocopier to double-sided printing function, and set up a general paper recycling box in the office to use the blank side for photocopying; If the confidential documents and paper are invalid after the retention period, a professional and qualified recycling manufacturer shall be consulted to shred them with paper shredder before recycling.
- (II) Garbage: Garbage is collected by the cleaning staff every day and sorted in the resource recycling area of the building. Recyclable metals, plastics, paper and other resources are handed over to the building for unified recycling.
- (III) Water use: We complete the installation of atomizing water saver to all faucets throughout the Bank for water-saving. Priority is given to the use of water-saving equipment such as faucets and toilets with water-saving labels; outdated water-cooled air-conditioning systems are gradually replaced with energy-saving air-cooled inverter air conditioners to reduce water and electricity consumption.
- (IV) The Bank establishes a bank-wide management system for waste paper, metal, plastic, garbage and water consumption, makes statistics of the usage of the whole bank, and conducts reduction management.

### VII. Create a Green Life:

- (I) In support of digital and cloud reading policies, the Bank sponsored the Kaohsiung City Government to launch the "Kaohsiung Public Library - Online Reading Resource Platform Project" to encourage the public to shift their borrowing habits from paper books to e-books. From January to April 2021, the number of e-books borrowed by readers averaged 9,980 per month. From September to December, e-book borrowing increased by 36%, with an average of 13,598 books borrowed per month. In this way, the Bank practices the concept of green living environment sustainability.
- (II) The Bank issued the "Union Green Card" in September 2021, which was the first credit card issued in the market with both physical cards made with environmentally friendly materials and virtual cards, expecting to reduce the burden on the environment in the process of card production using the channel feedback of green consumption, environmental protection material and virtual card technology. In addition, the Bank also makes donation from a certain percentage of the consumption amount of the cardholders to the Taiwan Environmental Information Association so that we can engage in more public welfare activities related to environmental protection and promotion of environmental education with the resources of green public welfare organizations. By the end of 2021, there were 27,000 cards in circulation with a total donation of about NT\$100,000.
- (III) In response to the global "Earth Hour" energy saving initiative, all branches of the Bank turned off the lights of their signboards for one hour from 8:30 pm to 9:30 pm on March 27, 2021. In addition, the Bank also participated in the "World Earth Day" on April 22 and the "World Environment Day" on June 5, responding to the global energy saving initiatives with concrete actions.
- (IV) The Bank gives priority to purchasing agricultural products, environment-friendly gifts or equipment produced or manufactured in Taiwan. For example, on Mother's Day, we purchased 37,600 bunches of carnation flowers produced by local farmers from Changhua Tianwei Township Farmers' Association and 510 boxes of Tainan Golden Diamond Pineapples and other local agricultural products.
- (V) The Bank adopts green land such as Minyou Park in Taipei City and the garden of Luzhou Elementary School in New Taipei City to support local landscaping and maintenance activities.





09

Social Welfare







In order to fulfill its corporate social responsibilities and promote social well-being, the Bank has long been committed and devoted to preserving the beauty of local people, things and objects in Taiwan from education promotion, arts and culture participation, social care to charity. The specific actions of the Bank in social welfare are described as follows:

## I. Education promotion (investment in 2021: approximately NT\$3.8 million)

### (I) Promotion of knowledge of financial products

To promote the popularization of financial knowledge and provide the public with the concept of financial products and services that keep pace with the times, the Bank has cooperated with Liberty Times on the "Money Hot Topic" wealth management column since 2009, introducing the knowledge and concept of related financial products and services such as deposit, loan, credit card, wealth management and digital finance on a monthly basis through the Bank's official website and Liberty Times (including paper, online e-newsletters and FB community) with the online exposure of 6.09 million per issue on an average.



Money Hot Topic

### (II) Promotion of the concept of animal conservation

The Taiwan leopard cat and the ring-necked pheasant are both endangered conservation species in Taiwan. The leopard cat, which was once widely distributed in Taiwan, is threatened by habitat destruction and vicious hunting, and the number may be less than 700 today; while the pure-bred ring-necked pheasant in Taiwan is listed as one of the 15 critically endangered species, and its population is also severely decreasing. To call the public attention to wildlife ecology and animal conservation issues, the Bank continued to adopt "Leopard Cat in Taipei Zoo" and "Ring-necked Pheasant in Kaohsiung Shoushan Zoo" in 2021, donated funds to Taipei Zoo to carry out the adoption and conservation plan for leopard cat, related academic research and activities, and to improve the captive environment in the park, and donated to Kaohsiung Shoushan Zoo for animal welfare, environmental education, and animal conservation research.



Taiwan leopard cat (from Taipei Zoo)



ring-necked pheasant (from Taipei Zoo)

### (III) Promotion of the heritage culture of Taiwan

There are many scenic spots and historical sites in Taiwan, all of which are marked with traces of Taiwan's history and cultural evolution. Due to the lack of inheritance explanations, many young generations do not know about the local Taiwanese historical sites, culture and historical deeds. To this end, the Bank and SET Taiwan Channel have been sponsoring the TV program of "Stories in Taiwan - Heritage Tour Special" since 2016. The TV program visits local monuments and historic buildings in Taiwan, and explores historical and humanistic feelings by integrating the past with the present, enabling Taiwan people to get a further identity and understanding of Taiwan's monuments and sites. 6 episodes were co-produced and broadcast in 2021. The special program visited local historical sites and buildings in Pingtung, Nantou, New Taipei City, Yilan, Miaoli and Wuqi Qingshui in Taichung, and added cultural experiences and historical stories from the perspective of the new generation. The TV broadcast averages about 350,000 viewers per episode.



Stories in Taiwan Heritage Tour Special

### (IV) Promotion of reading culture

To promote the national reading campaign and meet the reading needs of all ages and ethnic groups, the Bank sponsored the Kaohsiung City Government to launch the "Kaohsiung Public Library - Online Reading Resource Platform Project" to encourage the public to shift their borrowing habits from paper books to e-books by advocating digital and cloud reading policies. From January to April 2021, the number of e-books borrowed by readers averaged 9,980 per month. From September to December, the number of e-book borrowing times increased by 36%, with an average of 13,598 books borrowed per month.

## II. Participation in arts and culture (investment in 2021: approximately NT\$6.45 million)

### (I) Promotion of Taiwanese oil painting art

Adhering to the concept of inheriting Taiwan art, fostering art creators and advocating Taiwan people to value art and culture, the Bank cooperates with the Union Culture Foundation to hold various activities, and cooperates with art and cultural institutions in various counties and cities to exhibit and promote Taiwan oil painting art. Specific actions in 2021 include:

#### 1. Union Art Competition

The Bank and the Union Culture Foundation set up the Union Art Award Competition in 1998 to foster local artists with practical actions, and provided a creative stage for them, striving to promote cultural and artistic activities. In 2021, we jointly held the 24th "Union New Artist Award" and the 19th "Union Art Impression Award", and selected 5 winners for each award (1 first prize, 2 preferred, 2 selected) with a total bonus of NT\$1.9 million, expecting to encourage emerging artists to work hard and realize their dreams. The winning works are scheduled to be exhibited in 11 locations of the 2022 Union Art Touring Exhibition, including Taipei, Taoyuan, Miaoli, Taichung, Changhua, Kaohsiung, Pingtung, Yilan and Taitung, providing more opportunities for Taiwanese artists to make their mark.

#### 2. Union Art Touring Exhibition

To allow art to stay and go deep into various counties and cities in Taiwan, the Bank and the Union Culture Foundation have jointly held the "Union Art Touring Exhibition" for more than 23 years, and actively discussed the cooperative exhibition opportunities with the cultural bureau, cultural center, library, national defense art museum, art institutions, and exhibition centers in various counties and cities. In 2021, we held 10 exhibitions of the winning works of the Union Art Competition in Taipei, Taoyuan, Hsinchu, Miaoli, Changhua, Chiayi, Tainan, Kaohsiung, Yilan, Taitung and other places, to encourage domestic excellent art creators to show their works, and exert influence to advocate Taiwan people to attach importance to art and culture.

#### 3. Union Art and Culture Gallery

Since 2009, the Union Culture Foundation has been setting up a "Cultural Gallery" at the Kaohsiung MRT Formosa Boulevard Station to display the outstanding works of the winners of the Union Art Competition every six months, hoping to provide a space for the public to appreciate art and promote the culture of art and literature.





## (II) Children Welfare Drawing Competition

In order to promote children's artistic creation, the Bank has held a children welfare drawing competition for 21 consecutive years. In 2021, with the theme of "Art Child & Painting Mummy", the competition received a total of 6,556 works, winning 184 prizes including first prize, selected works and excellent works, and a total prize funds of NT\$164,000. In addition to promoting the culture of filial piety, each painting records the happy time with Mommy. We also hope to turn this love and happiness into public welfare through children's purest brushstrokes. According to the number of entries received in the competition, the Bank will donate NT\$10 for each work to "Taitung County Government's Dedicated Account for Social Assistance" to subsidize children from poor families.

## (III) Participate in setting up public art

Public art is an important part of urban art and literature marketing. The Bank has been involved in promoting the development of local arts and culture for many years. Our mascot MYKONOS (Xiaobai) art dolls has been exhibited in Songjin No. 1 Park in Taipei City, Taoyuan MRT Station A3 (New Taipei Industrial Park Station), and Station A8 (Chang Gung Memorial Hospital Station), A12 Station (Airport Terminal 1 Station), Kaohsiung MRT R8 Station (Sanduo Shopping District Station) and domestic branches.

## (IV) Sponsorship of concert activities in Kaohsiung

In order to promote and support local music, art and cultural activities, the Bank has sponsored the "Kaohsiung Philharmonic Culture & Art Foundation" for ten consecutive years since 2012. In 2021, it sponsored "Spring Arts Festival Grass Concert", "Eternal Love" Kaohsiung Symphony Orchestra master concert and "Youth Traveler's Song - Mahler Symphony No.1 Violin Concert" respectively, with a total of about 14,500 people attending the entertainment feast.

## (V) Sponsorship of "2021 Taiwan Lantern Festival in Hsinchu"

To promote and support the development of Taiwan art, the Bank sponsored the 2021 Taiwan Lantern Festival, and subscribed for the lanterns on the Festival organized by Hsinchu City Government to promote city tourism with the high attendance and topic of the event.



Taoyuan MRT A3 Station A3 (New Taipei Industrial Park Station)



Taoyuan MRT A8 Station(Chang Gung Memorial Hospital Station)



Taoyuan MRT A12 Station- Airport Terminal 1 Station



Grass Concert - Live Events

## III. Caring for the Society (investment in 2021: approximately NT\$12.57 million)

### (I) Care for local communities

#### 1. Adopt community parks

The Bank has adopted Minyou No. 2 Park in Songshan District, Taipei City for 24 consecutive years since 1997. The park is a joint adoption foundation initiated by the residents of Minyouli in Songshan District, which is responsible for the beautification of the park and has won the model award of "Sustainable Management Team of Taipei City Excellent Neighborhood Park" for many times. The beautiful flowers and exquisite landscaping in the park are the outstanding achievements of the community volunteer team participating in the environmental maintenance and improvement plan of the park. The park facilities are well maintained and have become a venue for the neighboring community to hold events and enjoy with residents.

#### 2. Adopt school gardens

The Bank has adopted the garden in front of Luzhou Elementary School in New Taipei City for 9 consecutive years. With regular maintenance and protection of the garden, we have promoted the concept of greening and conservation of the environment among the community and students, which has won the recognition of the school and parents.

### (II) Support of local farmers, care for remote areas and disadvantaged young students

#### 1. Local farmers

To support local agriculture, the Bank purchased nearly 40,000 carnations from flower farmers in Tianwei Township, Changhua and distributed them to customers on the eve of Mother's Day in May, assisting farmers to sell carnations from hard-cutting and high-quality origins. In addition, in order to support the unsalable local pineapples, the Bank also subscribed 510 boxes of pineapples from the Tainan City Government and send them to its customers, expecting to encourage farmers in Taiwan by practical actions. In addition, the Bank also sponsored the screening tour plan of the "Hand of the Eagle", a documentary themed on the lotus root farmers in Niutou Mountain, Chiayi, which was awarded the Best Documentary at the Cannes World Film Festival. We also held a special screening to invite 600 VIP customers to appreciate it together, hoping to arouse more people's love for this growing land of Taiwan.

#### 2. Dongshan High School

About one-third of the basketball team players in Taichung Dongshan High School come from economically disadvantaged families, and the players' accommodation, equipment, transportation and living expenses are mostly subsidized by the school or enterprises. The Bank cares for the economically disadvantaged students and players. Since 2017, it has made donation to the "Dongshan High School Boys' Basketball Team" for five consecutive years, providing the team with competition expenses, training equipment and sports health care to improve the training environment. In recent years, the team has also broken through to the top four in the HBL High School Basketball League, setting the school's best record over the years. As a result, the players have obtained better grades and opportunities for further education, and moved forward to a higher palace of basketball.



Flower farmers in Tianwei Township



Dongshan High School Boys' Basketball Team





### 3. Puzangalan Children's Choir

The Puzangalan Children's Choir from Pingtung is composed of a group of children from the resource-poor Paiwan tribe. To help them turn their lives around and find the strength to realize their dreams through singing, the Bank has been involved in helping these aboriginal school children develop their talents since 2017. The children have also lived up to expectations and won awards in many international competitions, and let the world hear Taiwan! In 2021, the operation of the choir was hit by the epidemic, and the Bank donated to the choir for its operational training and financial aid for poor students.

Year	The Bank's fundraising donations over the years to the Puzangalan Children's Choir and achievements
2018	Donated to participate in the "Tokyo International Choir Competition", won the "Silver Award of Children's Group and The Best Singing Award of Theme Song"
2019	Donated to participate in the "International Johannes Brahms Choir Festival & Competition", won the "Gold Award in the Children's Group, Folk Song Group and Sacred Music Group"
2020	The plan to go abroad to participate in the competition was canceled due to the epidemic. The Bank continued to donate to the chorus training and education programs
2021	The plan to go abroad to participate in the competition was canceled due to the epidemic for the second year in a row. The Bank continued to donate to the chorus training and education programs



### (III) Support of the industrial development of Taiwan

Following the traditional New Year culture, over the past 20 years, the Bank has produced a large number of Chinese Zodiac ceramics, calendars, red envelopes, Spring Festival couplets and other New Year gifts for customers every year. In the face of the relocation and industrial changes of domestic ceramic manufacturers, the Bank is still taking practical actions to support local manufacturers of art and culture, with Taiwan Manufacturing industry (M.I.T) as the priority.

### (IV) Support of the development of sports activities

To promote domestic sports activities and foster more outstanding youth sports players, the Bank has sponsored the "2021 National Secondary School Games", which attracted more than 17,000 participants from Taiwan, making it the largest Secondary School Games in Taiwan history.

## IV. Charitable Donations (investment in 2021: approximately NT\$19.92 million)

### (I) Participation in emergency donations

Based on the empathy of "seeing others starving as if you were starving yourself, seeing others drowning as if you were drowning yourself", the Bank expects to call on all walks of life to respond to social emergencies and disasters with practical actions. In April, the Bank donated the "Dedicated Disaster Relief Account with the Ministry of Health and Welfare" for the "Taiwan Taroko Express Hualien Train Derailment Accident" to assist the injured with follow-up medical treatment and life reconstruction; In May, in response to the rapid spread of COVID-19 in Taiwan, the Bank donated to the "Epidemic Prevention Donation Account with the Taipei City Government and New Taipei City Government" to assist the needs of medical care and epidemic prevention resources in both cities; In October, the Bank donated to the "Social Assistance Fund Account with the Social Affairs of Kaohsiung City Government" for the "Kaohsiung City Building Structure Fire Accident" to provide post-disaster reconstruction and economic assistance to the suffering residents.

### (II) Participation in the public welfare activities of Children Are Us Foundation

The Bank has participated in the "Children Are Us Foundation's Art Therapy Program" for 8 consecutive years since 2014. In 2021, the Bank sponsored the "Children Are Us Shangli Community Care Center - Care Project" to assist the care center, which has been established for over 20 years, to carry out environmental improvement projects to enhance the quality of the environment, as well as the learning and health of the children.



### (III) Cooperation with the Union Culture Foundation on the Public Donation Platform "Let's Be Happy Together"

To benefit the people of Taiwan, the Bank and the Union Culture Foundation jointly launched the public donation platform "Let's Be Happy Together", expecting to promote donation activities by the influence of the platform and call on more people to care for and help the vulnerable groups in society. Each donation will be properly distributed and utilized by the Union Culture Foundation. The main projects launched on the platform in 2021 include:

1. "Evergreen Canteen Community Care" Project: The Bank donated to the "Old Community Development Association" in Dounan Township, Yunlin County to promote diversified care services such as evergreen canteen, community care and funeral allowance to meet the living needs of the elderly.
2. "Meal Delivery Service for the Elderly and the Weak in Remote Areas" Project : The Bank donated to the "Nantou Zhongliao Township Long-Yan-Lin Welfare Association" to serve the elderly in 18 villages in Zhongliao Township with healthy and nutritious meal (lunch and dinner) delivery service and volunteer care visits.
3. "Syuhai Primary School Service Station for the Elderly and Children" Project: The Bank donated to the "Pingtung Mudan Township Mudan Villa Tribe All-Human Education Association" to provide "Syuhai Primary School Tutoring Classes" for after-school care and schoolwork instruction for tribal children, and elderly care services.
4. Taroko Express Hualien Train Derailment Accident: The Bank donated financial assistance such as follow-up medical care and life reconstruction for the injured.

### (IV) Sponsorship of Taoyuan MRT

In the face of the severe pandemic, the Bank sponsored Taoyuan Metro Corporation to shoot an image film titled "Carrying Dreams to Beauty". The film features Yang Chun-Han and other athletes' silent efforts, keeping forging ahead and surpassing themselves, expecting to convey the positive energy of "adhering to our dreams, and forging ahead bravely" of Taiwan people in the face of the pandemic.

### (V) Sponsorship of a series of activities such as the KRTC Public Welfare Symphony Concert

In 2021, the Bank sponsored the KRTC public welfare concert series of arts and cultural activities, ranging from arts and culture, sports to public welfare, including "KRTC x Twelve Schools Joint Dance Exhibition", "Summer Love Kaohsiung Metro Animation Festival", "National High School Elite Cup Invitational Tournament of Real Escape Game" and "Public Welfare Symphony Concert" and other activities, to promote Taiwan's animation culture and port urban tourism, fulfill corporate social responsibilities, and encourage people to take part in various outdoor activities to relax themselves in addition to implementing pandemic prevention in post-pandemic life.

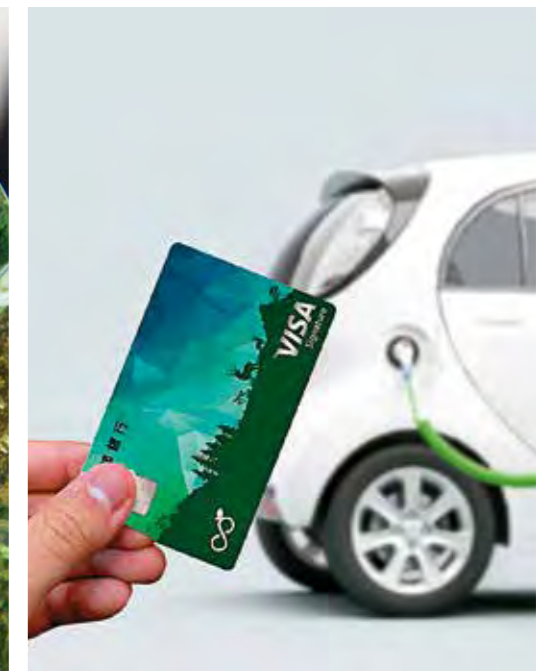
### (VI) Program of Credit card Consumption Amount Provided for Public Welfare Group

In 2021, the Bank issued affinity cards, including Eight Charities Public Welfare Affinity Card, Guardian Angel Affinity Card, Peace Affinity Card, etc. In addition to providing a certain percentage of the cardholders' consumption amount as donation, the Bank also prepares a public welfare budget to give back to charities, public welfare organizations and local counties and cities from time to time for public welfare purposes. In addition, in September 2021, the Bank introduced the "Union Green Card" with the theme of energy sustainability and green recycling, which was the first credit card issued in the market with both physical cards made with environmentally friendly materials and virtual cards. The Bank also provides a certain percentage of the the Green Card holders' consumption amount as donation to the "Taiwan Environmental Information Association" to engage in more public welfare activities related to environmental protection and promotion of environmental education with the resources of green public welfare organizations.

### (VII) Cooperative Donation Project of Union Card Holders Public Welfare Group

In 2021, the Bank cooperated with public welfare groups to launch donation activities including:

1. Eden Social Welfare Foundation: The Bank participated in "Support Slow Flying Angels with Love - Accompanying them to study without obstruction", inviting Union cardholders to make donation to enable the Slow-Flying Angels to move forward in the future, caring for children with love and financially supporting children to break through the adventure of growth.
2. Taiwan Waker Welfare Action Association: The Bank participated in the "Bear Love Doing Public Welfare - Childhood Rescue - Fly with me" program, inviting Union cardholders to donate to children in remote and impoverished areas, passing love and hope, and bringing children with more smiles in their childhood
3. Taipei Parents' Association for the Visually Impaired: The Bank participated in the cooperative donation activity of "Eye is Full of Love, Eye (Love) will Never Stop", inviting Union cardholders to help the visually impaired and their families. In this way, the public can have a better understanding of the visually impaired, see their efforts and abilities, and give equal opportunities, enabling the visually impaired to contribute to the society and integrate into the society.





Disclosures in the Content Index of GRI Sustainability Reporting Guidelines

GRI 102: General Disclosures 2016				
Disclosure	Description	Corresponding Section	Page	Additional Remarks
102-1	Name of Organization	About the Report	01	
102-2	Activities, brands, products and services	About Union	14	
102-3	Headquarters location	About Union	14	
102-4	Location of operations	About Union	20	
102-5	Ownership and legal form	About Union	14	
102-6	Markets served	About Union	14	
102-7	Organization's size	About Union	14	
102-8	Information on employees and other workers	Employee Care	66	
102-9	Supply chain	Environmental Sustainability	78	
102-10	Significant Changes to the Organization and its Supply Chain	No Significant Changes		
102-11	Early Warning Concept or Policy	Corporate Governance	36	
102-12	External initiative	Employee Care, Environmental Sustainability	70, 78	
102-13	Membership of the Public Association	Corporate Governance	43	
102-14	Statement from decision-maker	Message from the Chairperson	06	
102-15	Key impacts, risks and opportunities	About Union	14	
102-16	Values, principles, standards and norms of behavior	Corporate Governance	45	
102-18	Governance structure	Corporate Governance	36	
102-19	Delegating authority	Corporate Governance	36	
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance	36	
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	26-29	
102-22	Composition of the highest governance body and its committees	Corporate Governance	36	
102-23	Chair of the highest governance body	Message from the Chairperson	06	
102-24	Nomination and selection of the highest governance body	Corporate Governance	36	
102-25	Conflicts of interest	Corporate Governance	36	
102-26	Role of highest governance body in setting purpose, values and strategy	Corporate Governance	36	
102-27	Collective knowledge of highest governance body	Corporate Governance	36	
102-28	Evaluation of the highest governance body's performance	Corporate Governance	36	
102-29	Identifying and managing economic, environmental, and social topics and their impacts	Stakeholder Engagement	29	
102-30	Effectiveness of risk management processes	Corporate Governance	49	
102-31	Review of economic, environmental, and social topics	Stakeholder Engagement	26	
102-32	Highest governance body's role in sustainability reporting	Corporate Governance	36	

102-33	Communicating critical concerns	Stakeholder Engagement	29	
102-34	Nature and total number of critical concerns	Stakeholder Engagement	29	
102-36	Process for determining remuneration	Corporate Governance	42	
102-37	Stakeholders' involvement	Stakeholder Engagement	27	
102-40	Stakeholder groups	Stakeholder Engagement	27	
102-41	Collective bargaining agreements	Employee Care	75	
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102-43	Approach to stakeholder engagement	Stakeholder Engagement	27	
102-44	Key topics and concerns raised	Stakeholder Engagement	29	
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102-46	Defining report content and topic Boundaries	About the Report	01	
102-47	List of material topics	Stakeholder Engagement	29	
102-48	Restatements of information	No restatement		
102-49	Changes in reporting	No Significant Changes		
102-50	Reporting period	About the Report	01	
102-51	Date of most recent report	About the Report	01	
102-52	Reporting cycle	About the Report	01	
102-53	Contact point for questions regarding the report	About the Report	01	
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	01	
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GRI 103: Management Approach 2016

Disclosure	Description	Corresponding Section	Page	Additional Remarks
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement	29	
103-2	The management approach and its components	Appendix	94	
103-3	Evaluation of the management approach	Appendix	95	

GRI G4 Guidance on Financial Services Sector Supplement

Consideration	Description	Corresponding Section	Page	Additional Remarks
Product Portfolio	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line	Customer Care	54	
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line	Environmental Sustainability, Social Welfare	78,84	



Management approach and its components for 2021

Material Topics	How To Manage	Purpose	Related Policies	Measurements (pages)	Complaint Mechanism
Ethical management	The Bank has developed the "Ethical Corporate Management Best Practice Principles" and "Rules of Practice", which specify that the Bank's staff should conduct their business in a fair, honest, trustworthy and transparent manner.	Prevention of unethical conduct and anti-corruption	Ethical Corporate Management Best Practice Principles, Rules of Practice	45	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Corporate Governance	To establish and implement an effective corporate governance structure, the Bank has formulated the "Corporate Governance Best Practice Principles" and adheres to the following principles: 1. Abide by laws and regulations and improve internal management. 2. Protect the rights and interests of shareholders. 3. Strengthen the functions of the Board of Directors. 4. Give full play to the functions of the functional committees established by the Board of Directors. 5. Respect the rights and interests of stakeholders. 6. Enhance the transparency of information. To promote the sound development and sustainable operation of the Bank.	To establish and implement an effective corporate governance structure to promote the sound development and sustainable operation of the Bank	Corporate Governance Best Practice Principles	36	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Operating Performance and Shareholders' Rights and Interests	The Bank has formulated the "Measures for Performance Evaluation of Business Units", which sets specific and expressly stipulated annual performance targets so as to supervise all units to implement their business responsibilities and achieve their goals.	Achievement of business objectives, enhancement of operating health and profitability	Measures for Performance Evaluation of Business Units	19	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Compliance with Law	The Bank has established a good legal compliance framework and ensures effective management of compliance through publicity, education and training, and self-assessment of compliance with law.	To ensure effective management of compliance with law.	Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, Implementation Rules of Legal Compliance	43	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Settlement of Disputes	To improve the handling of consumer disputes, the Bank has set up a consumer dispute case handling team and a consumer dispute case handling system to assist consumers in handling and reporting complaints in accordance with the handling procedures.	To improve the settlement of consumer disputes and reporting procedures.	Consumer Dispute Case Handling System, Customer Complaint Handling Process, Procedures for Handling Consumer Dispute Cases	62	Please submit a complaint at any branch, or leave a message on our website, or call our 24-hour service hotline for consultation, complaint and suspension (0800-089888 or 02-25451788)
Customer Privacy and Rights	The Bank has developed relevant regulations on personal data management and a consumer dispute settlement system, implementing the protection of personal data security to protect customer privacy, and it provides customers with a transparent appeal channel to protect their rights and interests.	Protect customers' rights and personal data security to maintain customer privacy	Personal data management related regulations, Consumer Dispute Case Handling System, Customer Complaint Handling Process, Procedures for	58	Please submit a complaint at any branch, or leave a message on our website, or call our 24-hour service hotline for consultation, complaint and
Service Quality	The Bank implements the system of business director, who is responsible for matters related to the service quality of the branch; it has established a Service Quality Assessment Method for Business Units to improve service quality.	To provide customers with professional and friendly services	Qualifications for Selection of Business Directors and Description of Job Duties and Responsibilities, Service	61	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Employee Remuneration and Benefits	To clearly regulate the rights and obligations of employees, the Bank has developed the Rules of Practice, providing the rules for employment, working hours, rewards and punishments on performance, and welfare and salary.	To protect the employees	Rules of Practice	72	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>
Talent Cultivation and Career Development	In response to the changes in the financial environment, the company's business strategy and the needs of employees, the Bank organizes various business lectures, seminars, professional training courses and sends staff to participate in various financial professional and enterprise operation and management training courses from time to time every year according to the Measures for Continuing Education and Training of Employees and career development plans of employees, and it encourages employees to obtain relevant designated certificates to enhance their professional knowledge.	To enhance the functions of employees	Measures for Continuing Education and Training of Employees	71	(02)2718-0001
Environmental Sustainability and Green Procurement	The Bank has conducted a bank-wide inventory of electricity consumption and corresponding greenhouse gas (carbon dioxide equivalent metric tons) emissions according to the standards announced by the Bureau of Energy (BOE), Ministry of Economic Affairs (MOEA), and it also established Environmental Management Practice Guidelines. The Bank participates in the "Service Industry Energy Management System Demonstration and Promotion Program" of BOE, MOEA. The buildings of the head office of the Bank and the branches of Zhongshan, Taoying, Minquan and Lingya were incorporated into the scope of energy management system. Since 2016, the Bank has obtained the ISO50001 Energy	To reduce greenhouse gas emissions and mitigate the impact of climate change through energy use management so as to promote environmental sustainability	ISO14064 ISO50001	80	(02)2712-1055 (02)2712-1050 Reporting platform <a href="https://www.reportnow.com.tw/ubot/">https://www.reportnow.com.tw/ubot/</a>

Management Approach for 2021

Material Topics	Evaluation Mechanism	Evaluation Results (pages)
Ethical Management	Internal audit, whistleblower system, corporate governance evaluation, performance evaluation of legal compliance units	45
Corporate Governance	Corporate governance evaluation, performance evaluation of directors	36, 41
Operating Performance and Shareholders' Rights and Interests	Measures for Performance Evaluation	19
Compliance with Law	Corporate governance evaluation, supervision of responsible units and self-assessment of legal compliance	36, 43
Settlement of Disputes	Financial Ombudsman Institution, Service Quality Assessment Method for Business Units	62
Customer Privacy and Rights	Whistleblower system, internal audit, inspection by competent authorities, Financial Ombudsman Institution	58
Service Quality	Whistleblower system, Service Quality Assessment Method for Business Units	61
Employee Remuneration and Benefits	Whistleblowing system, Remuneration Committee, Personnel Evaluation Committee	72
Talent Cultivation and Career Development	Training test, certificate verification test	71
Social Welfare	Board of Directors, Corporate Social Responsibility Committee	10, 37
Environmental Sustainability	ISO 14064, ISO 50001	80

SASB Indicator Comparison Table

Topics	Indicator Code	Indicator Disclosure	Corresponding Section/Description	Page
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of account holders affected by data breaches	Corporate governance Customer Care	47,58
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Corporate governance Customer Care	47,60
Financial Inclusion and Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	Customer Care	57
	FN-CB-240a.2	Number and amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	The Bank has not announced the number of past due loans so it is not disclosed for the time being.	
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Relevant data is not yet available.	
Incorporation of environmental, social, and governance factors in credit analysis	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Customer Care Social Welfare	54,84
	FN-CB-410a.1	Industrial credit exposure	Relevant information will be disclosed in future planning.	
Business Ethics	FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	Relevant information will be disclosed in future planning.	
	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Corporate Governance	43
	FN-CB-510a.2	Description of whistleblower policies and procedures	Corporate Governance	45
System Risk Management	FN-CB-550a.1	Global Systemically Important Banks (G-SIBs) score	Union Bank is not a G-SIB. Therefore, this indicator does not apply	
	FN-CB-550a.2	Capital adequacy management and policies	Information on capital adequacy management is disclosed in P.112 of 2021 Financial Statements.	



English Translation of a Report Originally Issued in Chinese

**Assurance Report of Independent Auditors**

To UNION BANK OF TAIWAN

**1. Scope**

We have been engaged by UNION BANK OF TAIWAN (the “Company”) to perform a limited assurance engagement in relation to and report on the four selected sustainability information included in the Company’s 2021 Sustainability Report (“the Report”).

Regarding the subject matter information selected by the Company and their applicable criteria, please refer to Appendix A: “Summary of Subject Matters Assured”.

**Management responsibility**

The Company is responsible for the preparation of the Company’s 2021 Sustainability Report in accordance with appropriate criteria, including referring to Global Reporting Initiatives (“GRI”) GRI Standards, and for the design, execution and maintenance of internal controls in regard with report preparation to support the collection and presentation of the Report.

**Independent Auditor’s Responsibility**

Our responsibility is to plan and perform limited assurance engagement in accordance with the SAES NO. 1 Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the Taiwan Accounting Research and Development Foundation.

**2. Assurance**

The procedures performed in limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement so that the level of assurance is substantially lower than reasonable assurance engagement. While we considered the effectiveness of the Company’s internal controls when determining the nature and extent of procedures, our procedures were not designed to provide assurance and opinion on internal controls.

To conclude for limited assurance, our procedures performed included:

- Interviewing with the Company’s management and personnel to understand the Company’s management policy, disclosure items and reporting requirement of the selected sustainability information;

**GRI Standards with Specific Topics**

GRI 200: Economic series					
Series	Disclosure	Description	Corresponding Section	Page	Additional Remarks
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed by the organization	About Union	14	
	201-2	Financial implications and other risks and opportunities due to climate change	Environmental Sustainability	78	
	201-3	Define benefit plan obligations and other retirement plans	Employee Care	70	
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments, development and impacts of services supported	Social Welfare	84	
	203-2	Significant indirect economic impacts	Social Welfare	84	
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Corporate Governance	51	
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	45	
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance	45	
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	No such matter this year	-	
GRI 300: Environment series					
Series	Disclosure	Description	Corresponding Section	Page	Additional Remarks
GRI 302 Energy 2016	302-1	Energy consumption within the organization	Environmental Sustainability	80	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability	80	
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Sustainability	80	
GRI307 Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Corporate Governance	43	
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental Sustainability	81	
GRI 400: Social series					
Series	Disclosure	Description	Corresponding Section	Page	Additional Remarks
GRI 401 Employment Relations 2016	401-1	New employee hires and employee turnover	Employee Care	67	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Employee Care	72	
	401-3	Parental leave	Employee Care	72	
GRI 403 Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Employee Care	75	
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	Employee Care	71	
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Care	71	
GRI 405 Employee Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance Employee Care	36,66	
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Employee Care	70	
GRI 412 Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Corporate Governance	45	
	412-2	Employee training on human rights policies or procedures	Corporate Governance	45	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Corporate Governance	45	
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social Welfare	84	
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Environmental Sustainability	81	
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories products and services has impact on health		-	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No material non-compliance	-	
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and loss of data	Customer Care	62	
GRI419 Socioeconomic	419-1	Non-compliance with laws and regulations in social and economic area	Corporate Governance	43	



- 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 sustainability 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.

### 3. Limitations

Non-financial information contained within the Company’s 2021 Sustainability Report 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.

### 4. Quality and Independence

We are in conformity with Taiwan SAS No. 46 “Quality Control for Public Accounting Firms” to establish and maintain a sound system of quality control, including code of professional ethics, professional standards and those written policies and procedures in applicable regulations. We are also in conformity with related independence and other ethics requirements in Taiwan’s Norm of Professional Ethics, whose basic principles are integrity, objectivity, professional competence, due care and professional behavior.

### 5. Conclusion

Based on our procedures and evidence obtained, nothing has come to our attention that causes us to believe that any material modifications or adjustments should be made to the selected sustainability information in accordance with applicable criteria.

Lu, Chian Uen  
Ernst & Young, Taiwan  
June 10, 2022

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 :

No.	Chapter	Article Title	Subject matter information	Applicable Criteria
1	Chapter 6	Customer Caring	In 2021, there were 4 customer complaints cases involving personal data protection, none of which has leaked personal data of customer after verification.	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.
2	Chapter 6	Customer Caring	To assist SMEs that have gone through company registration or business registration in accordance with the law with a paid-in capital of less than NT\$100 million, or regularly employ less than 200 employees, to successfully obtain funds such as operating turnover or capital financing, the Bank had disbursed SME loans to 17,597 enterprises with a loan balance of NT\$107.1 billion by the end of 2021.	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.
3	Chapter 6	Customer Caring	Focusing on the development and education of children's financial knowledge, and in response to the government's promotion of inclusive finance, the Bank offers Happiness Passbook (integrating Taiwan dollar deposits, foreign exchange deposits, securities and funds) for minors under the age of 20 (inclusive), hold recommended account opening activities, and provides exclusive discounts in cooperation with high-quality franchised children's art stores in the industry, including Sesame Street English, Cloud Gate Dance Theater, Hsinyi Parent-Child Game Study Room, Parent-Child World, Canadian Language Center and Apple Theatre, Ru Guo Children's Theater, Nine Songs Children's Theater, etc.) As of the end of 2021, there were 21,362 accounts of Happiness Passbooks opened with our bank.	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.