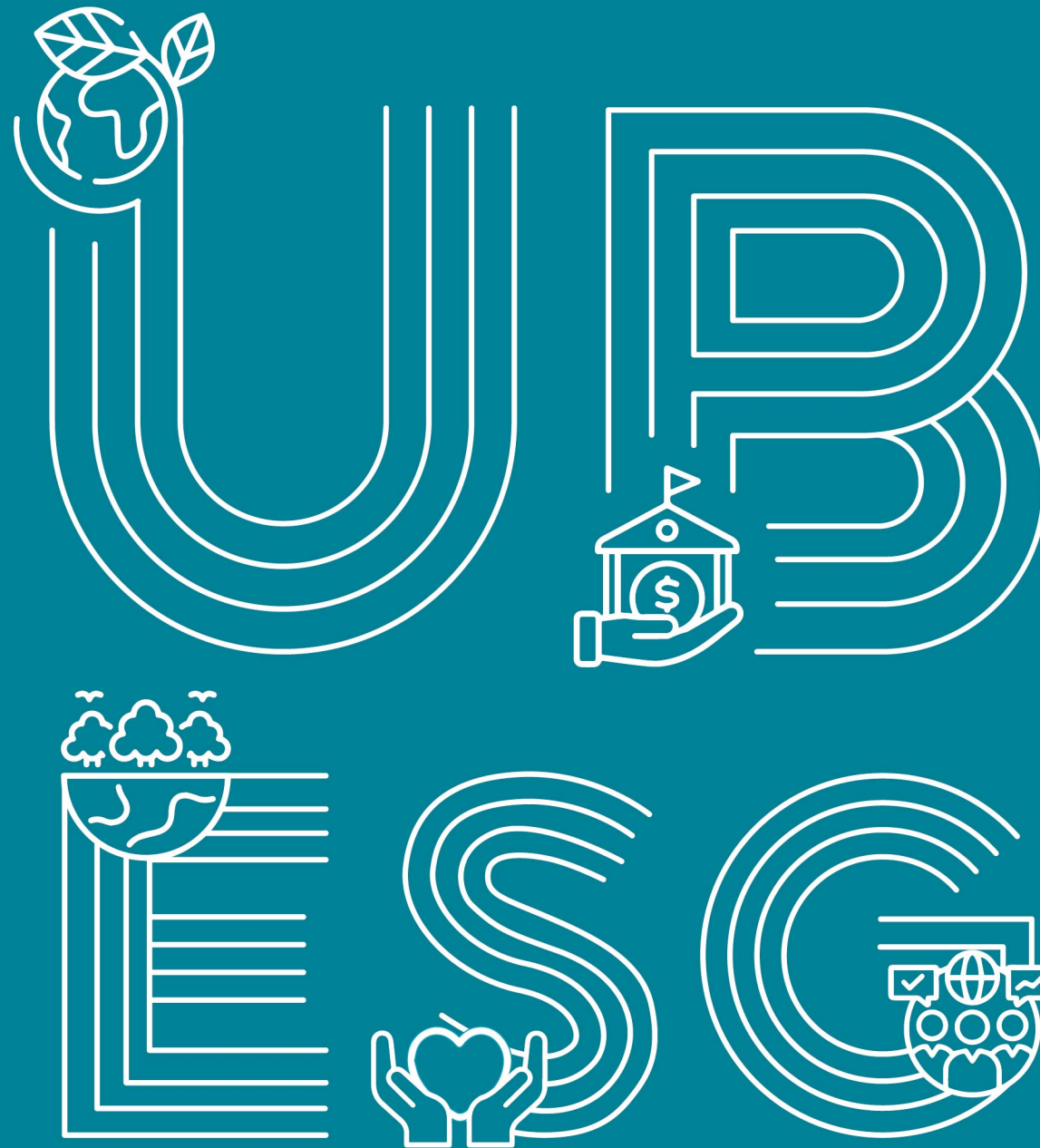


# 2023

## UNION BANK OF TAIWAN ESG Report



| Environment |  
| Social |  
| Governance |



## | About the Report

Union Bank of Taiwan Co., Ltd. (hereinafter referred to as “UBOT”) is devoted to providing substantial assistance at environmental, social and corporate governance and generating the maximum positive influence based on our own resource conditions and core competencies while taking both the internal conditions and external demands into consideration. In order to implement the promotion of sustainable development, UBOT’s ESG Committee (hereinafter referred to as the “Committee”) was established under the Board of Directors.

### Scope and Boundary of the Report

This report is issued every year. The main content of this report encompasses the performances of the Union Bank of Taiwan Group from the environmental, social and corporate governance aspects in 2023 (from January 1, 2023 to December 31, 2023), 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, including Union International Leasing Co., Ltd., Union Finance International (HK) Limited, Union Securities Investment Trust Co., Ltd., Union Information Technology Corporation and Union Venture Capital Co., Ltd., as well as Union Culture Foundation) in Taiwan.

### Basis of Data Calculation

The Union Bank of Taiwan’s Sustainability Report 2023 was prepared in accordance with the Global Reporting Initiative (GRI) Standards published by the Global Reporting Initiative (GRI) in 2021. The orientation of information disclosure in the report also follows various laws and regulations, including the Sustainable Development Best Practice Principles

for TWSE/TPEX Listed Companies, the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the Guidelines on Climate-related Financial Disclosures for Banks in Taiwan, and corresponds to the United Nations Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB) standards. The content of this report is published on the official website of bank (the Sustainable Development section), and the relevant files are provided for downloading and further reading.

### Basis of Preparation

The Union Bank of Taiwan’s Sustainability Report 2023 was prepared in accordance with the Global Reporting Initiative (GRI) Standards published by the Global Reporting Initiative (GRI) in 2021. The orientation of information disclosure in the report also follows various laws and regulations, including the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing

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 UBOT, 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 feedback.

of Sustainability Reports by TWSE Listed Companies, and the Guidelines on Climate-related Financial Disclosures for Banks in Taiwan, and corresponds to the United Nations Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board

(SASB) standards. The content of this report is published on the official website of bank (the Sustainable Development section), and the relevant files are provided for downloading and further reading.

### Contact Information

UBOT’s Sustainable Development section: <https://www.ubot.com.tw/ourresponsibility>  
If you have any opinion or information consultation concerning this report, please contact us at:  
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Address: No. 109, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City  
Website: [www.ubot.com.tw](http://www.ubot.com.tw) Tel.: 02-27180001  
(Feel free to leave your valuable opinions in the “Customer Service Center/Comment” section)  
Issue Date: June 2024 (Previous Issue Date: June 2023)

### External Assurance

Compliance standards	Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Accounting Research and Development Foundation	ISO 14064 Greenhouse Gas Inventory ISO 14001 Environmental Management Systems ISO 50001 Energy Management Systems
Issuing organization	EY Taiwan	Taiwan Inspection Technology Co., Ltd.



# UBOT ESG Report

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In the current business environment, sustainable development is no longer simply a corporate social responsibility, but rather a critical strategy for a company's survival and development. Companies must realize that it is no longer sufficient to maximize short-term profits as there is a need to consider the long-term impact of their operations on society, the environment and stakeholders. Against the backdrop of such an environment, environmental, social, and corporate governance (ESG) issues have become vital indicators and evaluation criteria for corporate sustainability.

First, we at UBOT attach great importance to two-way communication with stakeholders, which include employees, consumers, investors, government agencies, etc. We can better understand the expectations of the community and market needs through proactive communication with our stakeholders, so that we can adjust our banking strategy and improve our social recognition and competitiveness. Next, disclosure of non-financial information, especially ESG information, plays an integral role in enhancing corporate transparency and credibility. With various approaches such as carbon inventory, sustainability report, and corporate governance structure in place, we can demonstrate to the outside world our sustainability efforts and achievements, thereby bolstering investors' and consumers' trust in UBOT.

In addition, UBOT places great emphasis on the development and management of human resources. Since employees are the most important assets of a company, their professional skills, job satisfaction, and happiness directly influence the performance and image of the company. As employee training and growth are areas of great concern to UBOT, we offer employees a good workplace environment and a series of benefits to attract and retain outstanding talents. Last but not least, the board of directors plays an indispensable role in the sustainable development of a company. A good corporate governance structure not only ensures that the company's operations are legal and compliant, but also prevent abuse of power and corruption. Hence, we have established a sound board structure aimed at ensuring the independence and professionalism of its board members, so that the Board of Directors can effectively oversee UBOT's operations and decision-making.

On the whole, ESG issues have become a core component of a company's sustainable development. UBOT is actively involved in these issues with a view to achieving the goal of coprosperity and coexistence with our stakeholders. UBOT's efforts from the economic, environmental, and corporate governance aspects throughout 2023 are detailed as follows:

“Believe” is a kind of faith, a type of self-motivation, and a source of driving force arising from the belief that we can do better.



**On the economic front**, UBOT has exhibited solid business performance. In 2023, we posted a consolidated net income after tax of NT\$4.321 billion, an earnings per share of NT\$1.02, a return on assets (ROA) of 0.47%, and a return on equity (ROE) of 6.75%, all of which demonstrated an upward trend compared to the previous year.

Aside from a steady rise in UBOT’s overall business volume as well as deposit and loan volume, the number of UBOT-issued credit cards also grew substantially, leading to a 52% increase in the amount of credit card transactions at UBOT. We were also honored with the “Post-pandemic Revitalization” award in the financing business category by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (SMEG) in recognition of UBOT’s credit granting business. Furthermore, we received the “Crouching Tiger, Hidden Dragon” award in the trust industry from the Trust Association of the Republic of China for our proactive efforts in nurturing Trust 2.0 talents and encouraging our employees to obtain the Eldercare Financial Planning Consultant and Family Trust Planning Consultation certifications.

**As regards the environment**, we are devoted to strengthening our ability to address climate change risks and bolstering our ESG practices. We actively conduct a bank-wide greenhouse gas inventory, which is externally verified for disclosure to enhance transparency. On the other hand, we also increased our investment in green procurement as evidenced by a total of NT\$54.54 million in green procurement at UBOT, which has earned commendation from the Department of Environmental Protection, Taipei City Government. Moreover, we continue to promote paperless and digital trading, advocate green consumption, participate in green power generation and low-carbon funds, support the development of low-carbon technologies, and ramp up efforts in investment and financing management aimed at guiding clients in low-carbon transition, and promote climate finance

products and services in a move towards net-zero emission.

**From the social aspect**, we not only offer high-quality financial services, but have also joined the Eagle Eye Fraud Detection Alliance, with the intention of enhancing the efficiency of identifying suspicious accounts via artificial intelligence (AI) technology and improving our ability to detect and prevent fraud, thereby providing a more secure financial environment for the public.

Following our dedication to ecological conservation, we have long adopted flower gardens in university campuses, green spaces in community parks, as well as protected species in Taiwan, such as the Formosan Leopard Cat and the Ring-necked Pheasant, while issuing green cards so as to donate funds to environmental organizations. Meanwhile, UBOT’s engagement in social welfare can be reflected in our proactive participation in social emergency relief. Over the years, we have not only made numerous donations to victims of various disasters such as windstorms, earthquakes, and floods, but also launched the “Let’s Be Happy Together” donation platform in collaboration with the Union Culture Foundation (UCF) so as to collect donations for underprivileged groups in the community. In support of our emphasis on the promotion of art and social care, we have sponsored Taoyuan Metro, Taichung Metro, and Kaohsiung Metro to organize blood donation events, beach cleanup events, road running events, and art exhibitions while promoting the art of oil painting in Taiwan in collaboration with UCF.

# Message from Chairman

All in all, we have displayed remarkable sustainable development achievements from the economic, environmental, and social aspects, which not only enables us to make significant contributions to sustainable development, but also lays a solid foundation for future development.

“Believe” is a kind of faith, a type of self-motivation, and a source of driving force arising from the belief that we can do better. We at UBOT hope that all of us “believe in happiness and have the courage to take responsibility” while embracing boundless possibilities in the future at a steady pace.

林波野



# 0102

## Sustainable Governance and Performance

- Sustainable Development Governance Framework
- SDGS Sustainable Performance

- **Sustainable Development**
- **Governance Framework**

In order for UBOT to implement corporate social responsibility so as to drive economic, environmental, and social progress and thus achieve the goal of sustainable development, UBOT has gradually implemented the 17 goals in response to the United Nations Sustainable Development Goals (SDGs) with a view to bolstering our contribution to the national economy, improving the quality of life of employees, community and society, as well as facilitating sustainable development-oriented competitive advantage while conforming to international development trends. When pursuing sustainable operation and profit, UBOT not only attaches great importance to stakeholders' rights and interests, but also places great emphasis on environmental, social and corporate governance factors, and includes them in our management approaches and operating activities while establishing a sustainable development philosophy in which our goals and vision are rooted in economic development, social justice, and environmental protection.

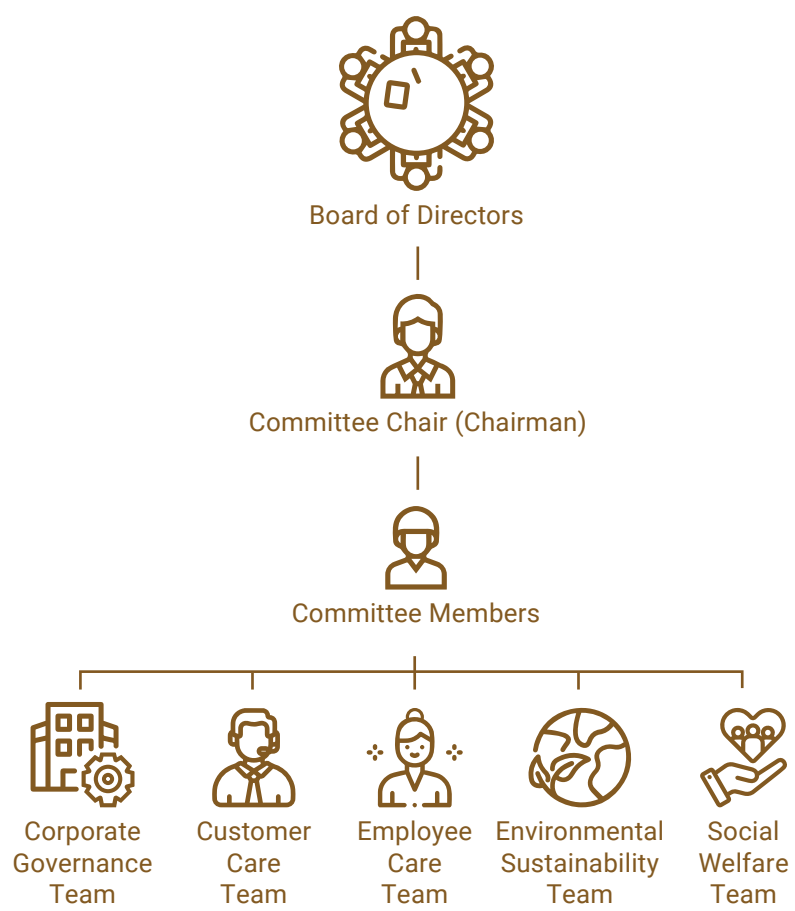
In an effort to promote corporate social responsibility and sustainable development, the Board of Directors passed a resolution to establish the Regulations Governing the Establishment of Corporate Social Responsibility Committee in 2015, and then set up the Union Bank of Taiwan Corporate Social Responsibility Committee (CSR Committee). In line with international development trends while realizing the goal of sustainable development, the Board of Directors approved amendments to the Sustainable Development Committee Charter in 2022, where the Corporate Social Responsibility Committee was renamed "Sustainable Development Committee" (also known as ESG Committee) to serve as the supreme sustainable development decision-making center within the company, while the Union Bank of Taiwan Sustainable Development Best Practice Principles were formulated to manage the risks and impacts caused by UBOT to the economy, the environment, and society.

The ESG Committee is tasked with overseeing UBOT's sustainable development policy, management approach, and specific promotion programs. In an effort to improve the supervisory function of the committee and strengthen the management function of the committee, the Board of Directors made amendments to the Sustainable Development Committee Charter, which stipulate that the committee shall consist of no fewer than three members, with the Chairman serving as the committee chair and convener, the President and the conveners of various groups under the committee serving as ex-officio members, and the remaining members to be appointed by the Chairman, provided that at least one of the members shall be an independent director of UBOT. The committee shall meet at least once a quarter to deliberate on or review matters related to sustainable development, as well as propose sustainable development policies and report the implementation of sustainable development at UBOT to the Board of Directors on an annual basis.

# Joy-sharing

## ● Sustainability Performance ● in 2023 by SDGs

The ESG Committee has a number of subordinated teams in a number of areas, including Corporate Governance, Customer Care, Employee Care, Environmental Sustainability, and Social Welfare, where these teams are responsible for drafting schemes for UBOT's sustainable development execution plan or matters instructed by the ESG Committee, and then submit them 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 Chair of the ESG Committee.



Structure of the Sustainable Development Committee

<p><b>01 NO POVERTY</b></p>	<ul style="list-style-type: none"> <li>Underwrote elder care and disability trusts totaling NT\$82,769,427</li> </ul>	<p><b>09 INDUSTRY INNOVATION AND INFRASTRUCTURE</b></p>	<ul style="list-style-type: none"> <li>Provided loans to 15,200 SME accounts, with a loan balance of NT\$148 billion</li> </ul>
<p><b>02 ZERO HUNGER</b></p>	<ul style="list-style-type: none"> <li>Donated NT\$8.82 million to charities</li> </ul>	<p><b>10 REDUCED INEQUALITIES</b></p>	<ul style="list-style-type: none"> <li>79% of UBOT ATMs were wheelchair-accessible</li> <li>52% of UBOT ATMs were equipped with voice assistance for the visually impaired</li> <li>Provided barrier-free Internet services</li> </ul>
<p><b>03 GOOD HEALTH AND WELL-BEING</b></p>	<ul style="list-style-type: none"> <li>Issued birth allowance and subsidy totaling NT\$204,000 thousand</li> </ul>	<p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p>	<ul style="list-style-type: none"> <li>Underwrote 2,398 electric vehicle loans totaling NT\$3,450.78 million</li> </ul>
<p><b>04 QUALITY EDUCATION</b></p>	<ul style="list-style-type: none"> <li>Invested NT\$3.13 million in promoting education on financial management, fraud prevention, and ecological conservation</li> </ul>	<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p>	<ul style="list-style-type: none"> <li>71% increase in the number of digital accounts opened; 36% increase in the number of e-banking users; and 17% increase in the number of corporate online banking users</li> </ul>
<p><b>05 GENDER EQUALITY</b></p>	<ul style="list-style-type: none"> <li>Females accounted for 63.6% of employees, 53% of managers, and 11% of directors at UBOT</li> </ul>	<p><b>13 CLIMATE ACTION</b></p>	<ul style="list-style-type: none"> <li>2.3% reduction in electricity consumption compared to last year</li> <li>67% increase in the volume of paper recycled</li> </ul>
<p><b>06 CLEAN WATER AND SANITATION</b></p>	<ul style="list-style-type: none"> <li>Implemented water-saving measures by installing atomizing water-saving devices on all faucets, and used equipment with water-saving label across UBOT</li> </ul>	<p><b>15 LIFE ON LAND</b></p>	<ul style="list-style-type: none"> <li>Continued to adopt green spaces such as community parks in Taipei City and the flower garden of Luzhou Elementary School in New Taipei City</li> <li>Adopted protected species in Taiwan, such as the Formosan Leopard Cat and the Ring-necked Pheasant</li> </ul>
<p><b>07 AFFORDABLE AND CLEAN ENERGY</b></p>	<ul style="list-style-type: none"> <li>Invested in the green energy industry, with 50 million kWh of electricity generated using solar power cumulatively</li> </ul>	<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p>	<ul style="list-style-type: none"> <li>No information leaks and major information security incidents</li> <li>One UBOT employee holding the Certified Internal Auditor (CIA) certification and the Certified Information Systems Auditor (CISA) certification</li> </ul>
<p><b>08 DECENT WORK AND ECONOMIC GROWTH</b></p>	<ul style="list-style-type: none"> <li>Posted a net income after tax of NT\$4.321 billion and an earnings per share of NT\$1.02</li> </ul>	<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p>	<ul style="list-style-type: none"> <li>Participated in communication, exchange, and mutual cooperation with industry associations to promote the development of the industry</li> <li>Advocated for World Earth Day and World Environment Day</li> </ul>

- ★ Ranked among **the top 6% to 20%** listed companies in the 10th **Corporate Governance Evaluation**
- ★ Won the Bronze Award in the Financial and Insurance Industry Category during the 16th **Taiwan Corporate Sustainability Awards**
- ★ Awarded the Certificate of Appreciation for **"Green Procurement by Private Enterprises and Organizations"** by the Department of Environmental Protection, Taipei City Government
- ★ Received the **"Crouching Tiger, Hidden Dragon"** award in the eldercare finance category from the Trust Association of the Republic of China
- ★ Won the **"Post-pandemic Revitalization"** award in the financing business category by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG)
- ★ Honored with **the eACH Business Growth award** by Taiwan Clearing House in 2023
- ★ UBOT's Business Department, Taichung Branch, and Kaohsiung Branch were granted **the Excellent Indoor Air Quality Badge**
- ★ UBOT's Head Office was awarded **the Excellent Breastfeeding Room certification**, whereas UBOT's Neihu, Nanjing East Road, Zhongshan, Songjiang, and Lingya branches were awarded the **Superior Breastfeeding Room certification**
- ★ UBOT's Head Office as well as Neihu, Songjiang, Nanjing East Road, Xinzhuang, Kaohsiung, Jiuru, and Fuqiang branches were awarded **the Healthy Workplace Activation Badge**, whereas UBOT's Lingya Branch was awarded **the Healthy Workplace Promotion Badge**
- ★ Recognized by the Financial Supervisory Commission as a first-class bank in the "Lending to Six Core Strategic Industries"



# 10203

## ABOUT UBOT

- 2-1 Enterprise Overview
- 2-2 Brand Spirit and Operation Principle
- 2-3 Company Organization
- 2-4 Operation Performance
- 2-5 Service Stations



### 2-1 Enterprise Overview

<b>Company Name</b>	Union Bank of Taiwan Co., Ltd.	
<b>Date of Establishment</b>	December 31, 1991	
<b>Chairman</b>	Lin, Hung-Lien	
<b>Address of Head Office</b>	No. 109, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City 10544	
<b>Capital</b>	NT\$ 39,789,525,000	
<b>Total assets</b>	NT\$ 939,147,045,000	
<b>Total number of staff</b>	4,316 (including staff of subsidiaries)	
<b>Bank operation bases</b>	Domestic: 90 branch offices	Overseas: 2 representative offices

Note: As of December 31, 2023

#### Deposit business

Unit: NT\$1000	User number	Total deposits
Individual	2,810,651	503,298,736
Small enterprise	103,513	170,327,163
Corporate customer	10,972	38,964,856
Others	2,241	49,133,084
<b>Total</b>	<b>2,927,377</b>	<b>761,723,839</b>

#### Credit business

Unit: NT\$1000	User number	Total deposits
Individual	137,383	401,967,490
Small enterprise	15,200	147,997,725
Corporate customer	147	22,291,134
<b>Total</b>	<b>152,730</b>	<b>572,256,349</b>

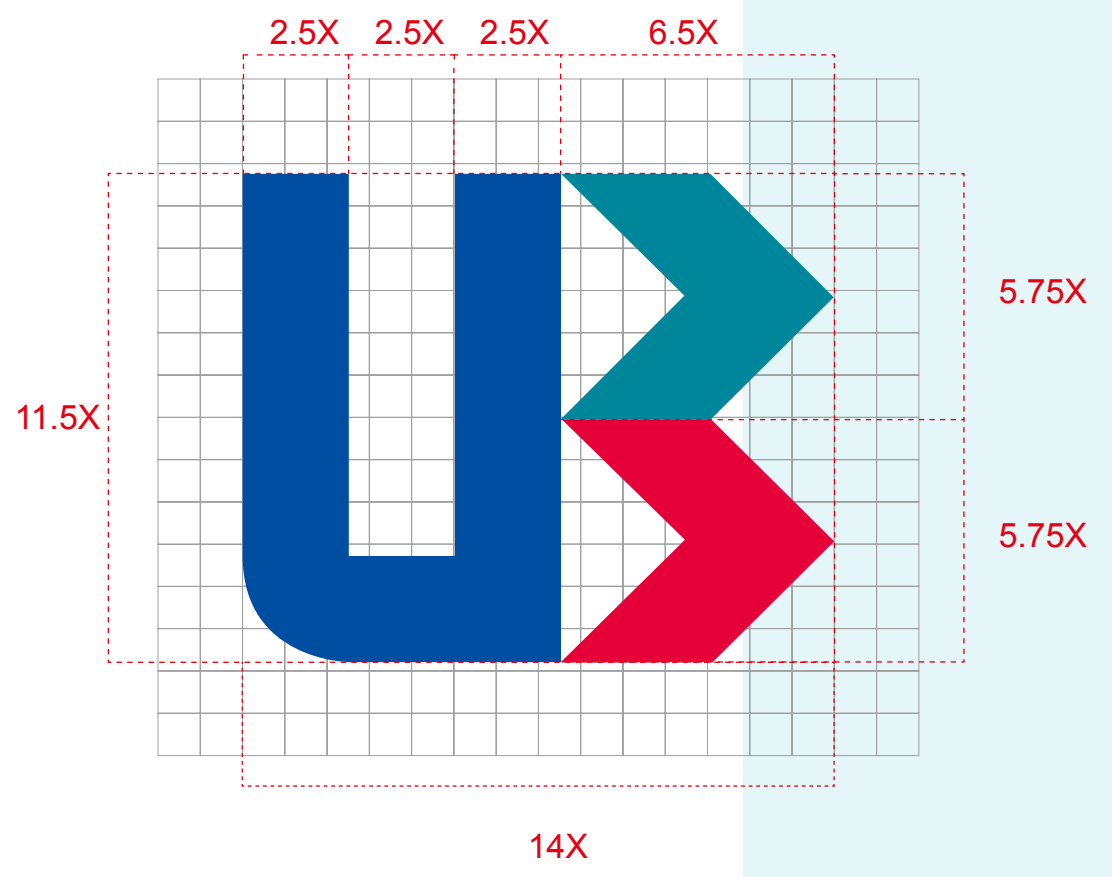
Note1: This year, the number of deposit accounts and loan accounts are calculated based on vesting accounts.

Note2: Small enterprises refer to the small and medium-sized enterprises recognized by the Ministry of Economy based on the "Identification Criteria of Small and Medium-sized Enterprises".






## 2-2 Brand Spirit and Operation Principle

### Logo Identity



### Primary palette

-  Cobalt Blue  
The spirit of being traditional and prudent
-  Bloody Red  
Represents the enthusiasm for service
-  Jade green  
Highlights both efficiency and innovation

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. Its color innovation fully demonstrates the brand spirit. 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".

For Taiwan and all the people living in this land, "Deposit & Simple Happiness" is the goal that the Bank is constantly striving for.

With three decades of steady progress, in response to the sustainable development trend of global ESG, the Bank and its subsidiaries responded the "Green Finance Action Plan" advocated by the government, and participated in green power generation, green card issuance and low carbon fund in recent years. Attaching importance to the implementation of corporate social responsibility, the Bank has long held the "Union Art Competition" in cooperation with the Union Culture Foundation and established the "Let's be Happy Together"

charity donation platform, actively engaged in education promotion, art and culture participation, social care, charity and other social public welfare actions. In the face of rapid changes in the global financial environment, the Bank also advances with the times, and launched digital accounts of New New Bank. Through multiple integration, it provides fast and convenient online loans, securities, funds, credit cards and other digital financial services and provide customers with the emerging NFT (non-fungible token) metauniverse experience.

In order to welcome the future new era of financial sustainability, the Bank would sustain the spirit of "high enthusiasm, robust and positive progress, efficiency of the next generation, destructive innovation", continue to promote the implement of ESG new value into all its business, and create the win-win-win situation of finance, environmental sustainability and social environment with steady steps.

## 2-3 Company Organization

### 2-3-1 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, the Bank established the Representative Office in Ho Chi Minh City on February 25, 1998, and another in Hanoi on April 21, 2020, both in Vietnam. With these offices, the Bank has built a denser access service network, and can now provide customers with more diversified and convenient services.

## 2-3 Company Organization

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, and become officially listed on the stock market on December 1, 2017.

The Bank is headquartered in Taipei City, Taiwan, with a total of 4,316 staff members in the Group, 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").

### 2-3-2 Union Finance & Leasing International Corporation

Following the enthusiasm of making deep development and loving homeland, UBOT 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.

### 2-3-3 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. 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 research 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.

### 2-3-4 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:



Setting and maintenance service for credit card information system



Setting, integration and maintenance service of bank and its surrounding information system



Setting and integration service of financial science and technology system



Design service of application software system



## 2-3 Company Organization

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.

### 2-3-5 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.

### 2-3-6 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.

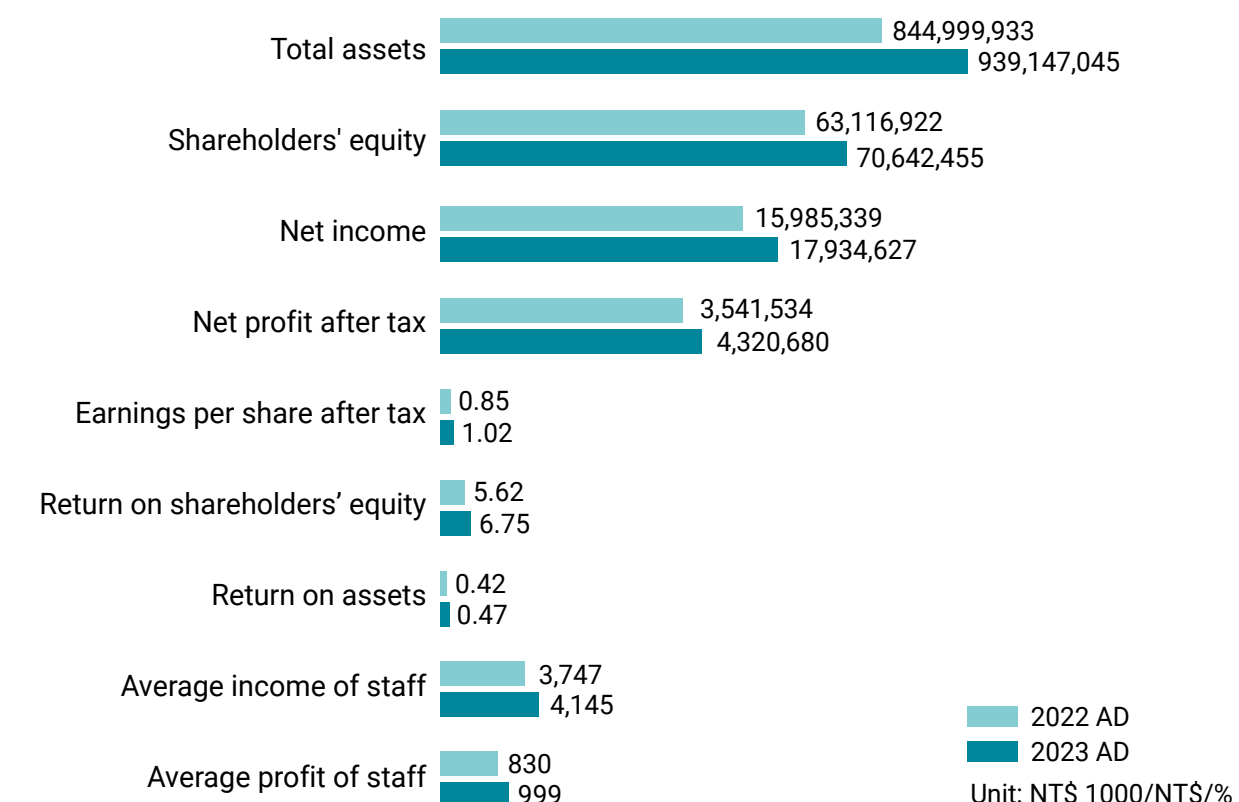
### 2-3-7 Union Venture Capital Co., Ltd.

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

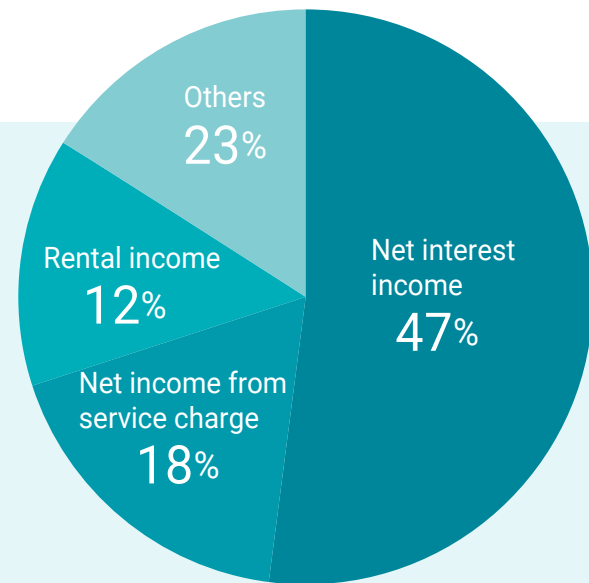
Government and the Financial Supervisory Commission and assisting and actively promoting the funds needed for development of 5+2 newly-created key industries. Investment objects of the Union Venture Capital are mainly concentrated in industries, such as "Asia Silicon Valley", "Intelligent Machinery", "Green Energy Technology", "Biotechnology & Medicine", "National Defense", "New Agriculture", "Circular Economy" and 6 core strategies, 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.

## 2-4 Operation Performance

### 2-4-1 Operating capacity/Profitability



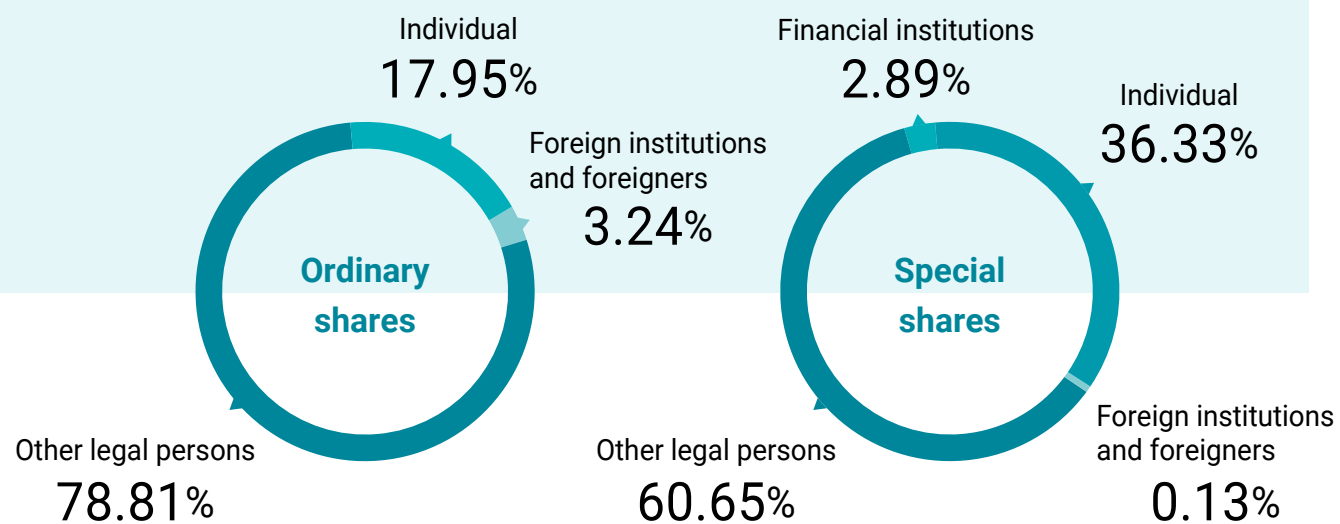
### 2-4-2 Consolidated net income revenue structure



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### 2-4-3 Shareholders' structure (as of March 31, 2023)



### 2-4-4 Credit rating of the latest period

Evaluation agency	Long-term	Short-term	Outlook
Taiwan Ratings	twA+	twA-1	Stable

### 2-4-5 Tax Policy

In response to the international trends in tax governance, to implement corporate sustainability, and to ensure compliance with tax laws, the Bank adheres to the following principles for tax governance:



#### Legal Compliance

Comply with tax regulations, pay the appropriate taxes according to the law, and fulfill the social responsibilities of a taxpayer.



#### Economic Substance

Use legal and transparent tax incentives, avoid using tax structures to evade tax obligations, and refrain from shifting profits to low-tax jurisdictions or using tax havens for the purpose of tax avoidance.



#### Risk Management

Assess relevant risks and implement appropriate strategies when formulating and implementing tax decisions.



#### Information Transparency

Regularly disclose tax information in accordance with financial reporting standards and regulatory requirements.



#### Honest Communication

Maintain open and honest communication with tax authorities to contribute to the improvement of the tax environment and system.



#### Routine Transactions

Transactions involving related parties should follow the principles of routine transactions, where the price and conditions of the transaction should be comparable to those of similar transactions with unrelated parties.



#### Talent Development

Enhance quality and professional capabilities of tax personnel through continuous education and training, elevating their level of tax expertise.



**Net Income, Pre-tax Earnings, and Income Tax Payment Status of Union Bank Group in 2023** Unit: NT\$ 10,000

Tax Jurisdiction	Number of Employees	Net Income		Pre-tax Earnings		Current Income Tax		Cash income tax paid	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Taiwan	4,310	1,783,000	99.42	522,739	99.84	90,025	98.42	136,495	99.29
Hong Kong	3	1,598	0.09	373	0.07	-	-	-	-
Japan	2	10,232	0.57	1,862	0.36	997	1.09	629	0.46
Singapore	2	(1,367)	-0.08	(1,434)	-0.27	450	0.49	346	0.25
Total	4,317	1,793,463	100%	523,540	100%	91,472	100%	137,470	100

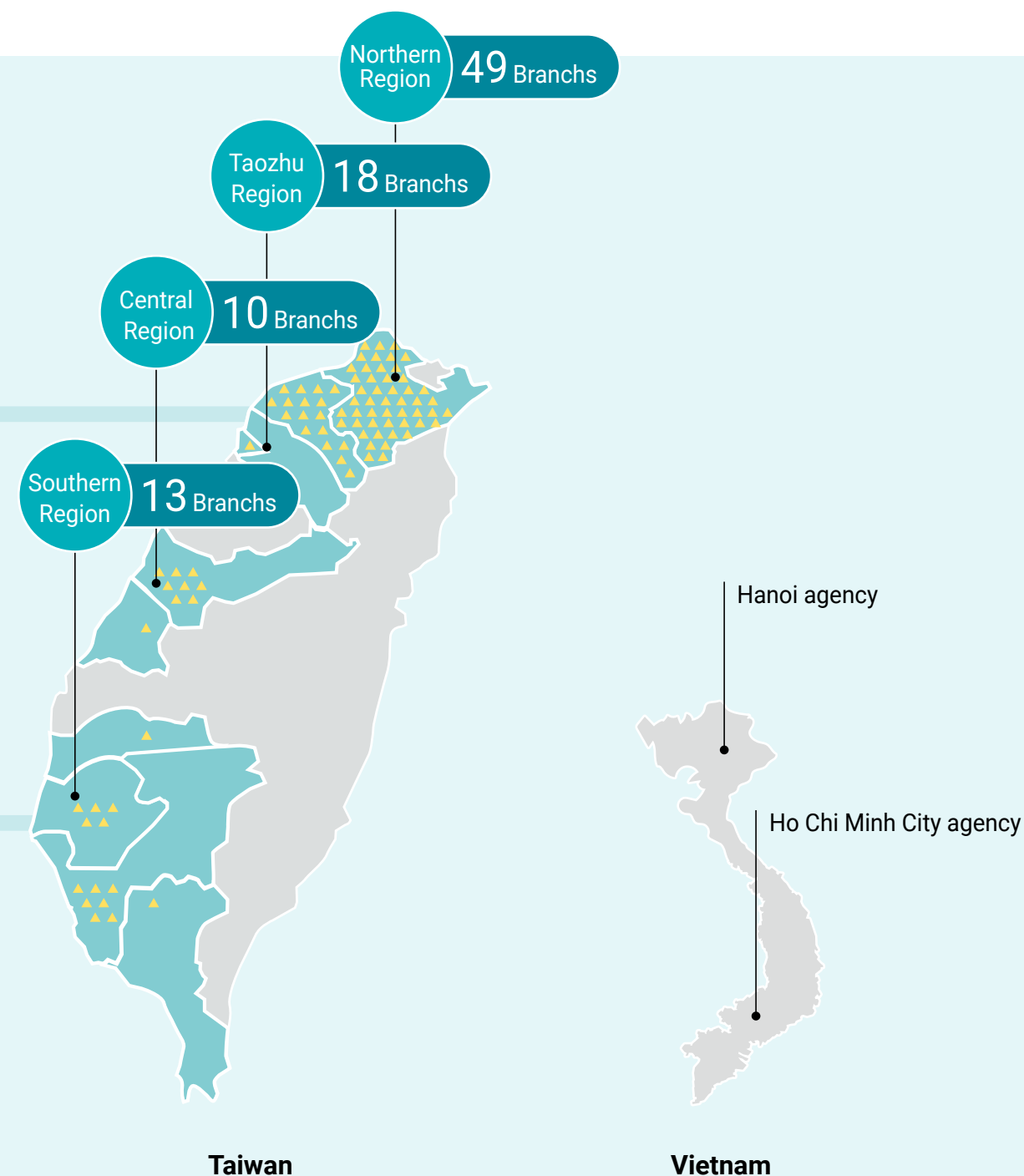
**Income Analysis** Unit: NT\$ 10,000

Item	2023		2022	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Pre-tax net profit	523,540		454,977	
Income tax expense	91,472	17.47	100,824	22.16%
Cash income tax paid	137,470	26.26	96,243	21.15%

**2-5 Service Stations**

To move toward the goal of internationalization, the Bank established the Representative Office in Ho Chi Minh City and the Representative Office in Hanoi, Vietnam, in 1998 and 2020, respectively. To expand the operation channel and scale, firstly, it made the merger and acquisition of main assets, liabilities and businesses of Chung Shing Bank in 2005, and then completed the merger with Union Bond Co., Ltd. and Union Insurance Brokerage Co., Ltd. in 2010 and 2016, respectively. By the end of 2023, it has had up to 90 domestic locations of the operations, up to 9 branches of securities, and 608 domestic automatic teller machines (ATM).

By means of the domestic and foreign locations of the services, and combining with mutual online cooperation of its 24h customer service center, electronic finance, online and mobile banking and ATM, etc., Union Bank provides the customers with a more perfect and complete financial service network.



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# 20304

## Stakeholder Engagement

- 3-1 Stakeholders Identification
- 3-2 Channels of Communication with Stakeholders
- 3-3 Process of Identifying Material Topics
- 3-4 Confirmation of Material Topics
- 3-5 GRI Material Topics, Management Approaches, and Boundaries
- 3-6 Sustainability implementation status and goals

As UBOT assumes considerable responsibility for our stakeholders, UBOT not only engages in two-way communication via various channels and means to learn about stakeholders' needs and their expectations of UBOT, but also develops a sustainable business model that is mutually beneficial to society and fosters harmony and progress as an important consideration for implementing corporate sustainability and related plans, in combination with "vision," "core competitiveness," and "strategy," with a view to creating shared value (CSV) and thus building a better home together.

After communicating with stakeholders through various channels, UBOT compiles the topics of concern, whereas each functional team under the ESG Committee determines the major stakeholders and materiality considerations according to sustainability context, materiality, integrity, and stakeholder inclusiveness.

### 3-1 Stakeholder Identification

UBOT's stakeholders primarily consist of shareholders/investors, customers, employees, partners/suppliers, community/general public, government/competent authorities, and media.



### 3-2 Channels of Communication with Stakeholders

Regarding the above stakeholders, members of the various functional groups under ESG Committee were responsible for making interaction, collecting opinions and making communication with the social public and stakeholders via various channels and platforms, including a dedicated section on UBOT's corporate website in both Chinese and English, visitor message, annual report, shareholders' meetings, 24-hour customer service hotline and service mailbox, text customer service app, customer suggestion box, community seminars, and various social welfare activities, etc. In addition, UBOT reports the status of

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communication with stakeholders to the Board of Directors on a regular basis each year. The identification of stakeholders, as well as method and channels of communication with stakeholders are detailed in the following table.

Overview of stakeholder identification along with communication methods and channels

Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication outcomes
Customers	<ul style="list-style-type: none"> <li>Customer privacy and rights</li> <li>Service quality</li> <li>Consumer protection</li> <li>Financial innovation</li> <li>Products diversity</li> </ul>	Daily	<ul style="list-style-type: none"> <li>Provide customers with convenient complaint channels:                             <ol style="list-style-type: none"> <li>24-hour round-the-clock complaint hotline</li> <li>Comment section on UBOT's official website</li> <li>Online real-person text-based customer service</li> <li>Customer suggestion mailboxes at various branches</li> </ol> </li> <li>Actively settle disputes in an effective manner to safeguard consumer rights:                             <ol style="list-style-type: none"> <li>The "Consumer Dispute Settlement System" has been established to safeguard consumer rights.</li> <li>The "Key Points for Handling Customer Complaints" has been instituted to enhance service quality.</li> <li>The "Consumer Dispute Settlement Team" has been set up to actively settle consumer disputes.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>In 2023, UBOT received a total of 382 cases of complaints and problems, an increase of 141 cases from 241 cases in 2022. UBOT actively tracks and handles customer complaints, compiles customer complaint handling and management situations on a monthly basis, and meets quarterly with each business unit in charge to review consumer complaint cases and propose improvement measures. For cases related to customer rights, the Fair Hospitality Management Committee conducts an in-depth review and tracking of such cases with a view to protecting consumer rights.</li> <li>With a commitment to implementing the principle of treating customers fairly and providing friendly financial services, UBOT made a total of 1,300 phone calls to customers aged 18 to 20 years old as well as 65 years old and above who have opened digital deposit accounts or applied for or reset their electronic banking accounts online, reminding them of precautions for account use and to keep their bank cards safely to avoid fraud. A new database of elderly customers and those with disabilities has been added to the complaint form system with the intention of tracking and regularly reviewing customers' complaint information and handling status.</li> <li>UBOT added and optimized various digital financial services.</li> <li>UBOT organized a total of 155 briefing sessions on financial management, which saw the participation of 3,043 people in total.</li> <li>UBOT added 134 overseas stocks, four overseas ETFs, 27 foreign bonds, and 51 funds.</li> <li>UBOT joined the Eagle Eye Fraud Detection Alliance program to bolster our fraud detection and deterrence capabilities so that we are able to provide customers with a more secure financial environment.</li> </ul>
		From time to time	<ul style="list-style-type: none"> <li>Organize financial management seminars or customer briefings on wealth management on an ongoing basis.</li> <li>Provide digital financial services while establishing online banking and mobile banking</li> </ul>	
Investors/ Shareholders	<ul style="list-style-type: none"> <li>Operating performance and shareholder interest</li> <li>Corporate governance</li> <li>Risk management and crisis management</li> <li>Ethical management</li> </ul>	Daily	<ul style="list-style-type: none"> <li>Set up a corporate website in both Chinese and English.</li> <li>Set up a 24-hour customer service hotline and an online message board.</li> <li>Set up contact channels for investor relations to handle shareholders' proposals, inquiries, and disputes.</li> </ul>	<ul style="list-style-type: none"> <li>UBOT's cumulative revenue grew 13.13% compared to the previous year.</li> <li>UBOT conducted two investor conferences.</li> <li>UBOT convened one shareholders' meeting.</li> <li>UBOT made 47 major announcements on MOPS.</li> <li>UBOT published our sustainability report in both Chinese and English.</li> </ul>
		Monthly	<ul style="list-style-type: none"> <li>Publish operating performance and disclose major announcements on our corporate website and MOPS for reference.</li> </ul>	
		Quarterly	<ul style="list-style-type: none"> <li>Prepare financial statements.</li> </ul>	
		Semi-annually / annually	<ul style="list-style-type: none"> <li>Hold investor conferences, prepare and publish annual reports, and convene shareholders' meetings to provide smooth two-way communication channels.</li> <li>Regularly evaluate our credit ratings and provide objective assessments issued by independent and neutral credit rating agencies.</li> </ul>	

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Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication outcomes
<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>• Employee compensation and benefits</li> <li>• Performance management</li> <li>• Talent cultivation and career development</li> <li>• Workplace health and safety</li> <li>• Labor relations</li> </ul>		Daily	<ul style="list-style-type: none"> <li>• Set up an employee complaint system and the “Employee Corner” domain</li> <li>• Establish place sexual harassment complaint channels and set up the Sexual Harassment Review Committee</li> </ul>	<ul style="list-style-type: none"> <li>• As UBOT implements promotions and salary adjustments to boost employee morale, a total of 539 employees received a promotion and 5,037 employees received a salary adjustment in 2023, representing an average salary adjustment rate of 5.79%.</li> </ul>
		Monthly	<ul style="list-style-type: none"> <li>• Designate a dedicated unit in charge of formulating an occupational safety and health management plan.</li> </ul>	<ul style="list-style-type: none"> <li>• As UBOT conducts health awareness campaigns on a monthly basis to care for employee’s physical condition, a bank-wide “Musculoskeletal Symptom Survey” was conducted at UBOT, where a total of 3,830 questionnaires were successfully collected, representing a 100% response rate, Specifically, 3,809 respondents reported no related hazards whereas 21 respondents suspected themselves to be suffering from related hazards.</li> </ul>
		Quarterly	<ul style="list-style-type: none"> <li>• Convene labor-management meetings on a regular basis.</li> <li>• Establish a bonus and reward system and carry out performance appraisal.</li> </ul>	<ul style="list-style-type: none"> <li>• UBOT organized 26 sessions of health consultant service provided by professional doctors on site, In 2023, a total of 3,862 people completed education and training on physical and mental abuse at work, abnormal workload, human-related hazards, maternal health protection, and sexual harassment prevention</li> </ul>
		Annually	<ul style="list-style-type: none"> <li>• Engage professional medical examination institutions to conduct health examinations for employees.</li> </ul>	<ul style="list-style-type: none"> <li>• UBOT convenes labor-management meetings on a quarterly basis to ensure effective communication and achieve harmonious labor management relations.</li> </ul>
		From time to time	<ul style="list-style-type: none"> <li>• Establish a reward and punishment system.</li> <li>• Organize various business lectures and seminars, as well as send employees to undergo professional training.</li> </ul>	<ul style="list-style-type: none"> <li>• As the number of employees applying for various welfare subsidies has reached 228 people, UBOT has signed contracts with 11 safe and legal childcare institutions located around the company in an effort to help our employees address their childcare problems.</li> <li>• Aside from providing employees with labor insurance, national health insurance, and group insurance as required by law, UBOT also provides group insurance for employees’ dependents at discounted rates. A total of 7,906 people were covered by the aforesaid types of insurance in 2023.</li> <li>• UBOT implemented a total of 691 job rotations based on employees’ career planning or the company’s business and talent development needs.</li> <li>• UBOT conducted a total of 723 employee education and training courses.</li> </ul>
		Annually	<ul style="list-style-type: none"> <li>• Engage in education outreach activities, such as organizing children’s drawing competitions and summer camps on money management for children, as well as adopt protected species in Taiwan.</li> <li>• Participate in art and cultural activities, including promoting the art of traditional oil painting in Taiwan with the Union Culture Foundation, and sponsoring various art and cultural events organized by county and municipal governments in Taiwan.</li> </ul>	<ul style="list-style-type: none"> <li>• UBOT invested a total of NT\$40 million in social welfare activities.</li> <li>• Please refer to the “Social Welfare” chapter for more details.</li> </ul>
<p><b>Community / General public</b></p> <ul style="list-style-type: none"> <li>• Sustainable finance and green procurement</li> <li>• Art and culture promotion</li> <li>• Social welfare</li> </ul>		From time to time	<ul style="list-style-type: none"> <li>• Engage in social care activities, support local industries and farmers, adopt communities, and sponsoring various activities and events aimed at giving back to society across various counties and municipalities.</li> <li>• Participate in charities over the long term by making donations to social welfare organizations and disadvantaged groups, setting up a donation platform in collaboration with the Union Culture Foundation to raise funds for social welfare organizations focusing on disadvantaged groups, and participating in social emergency relief programs.</li> </ul>	

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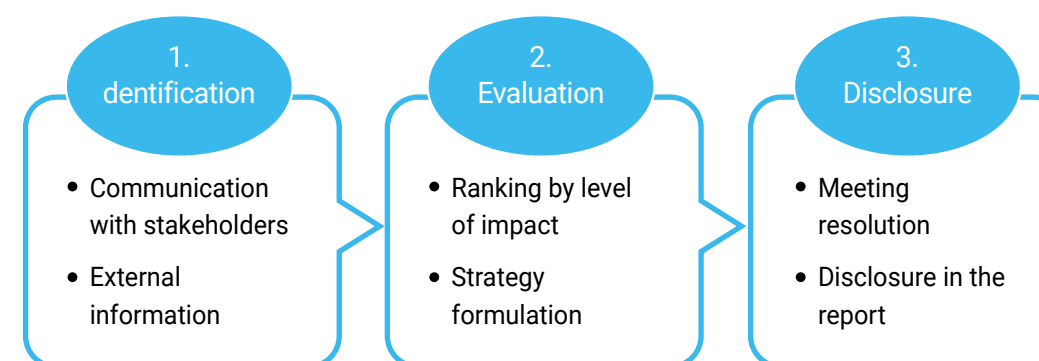
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Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication outcomes	Message from Chairman
<p><b>Suppliers / Partners</b></p>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Workplace health and safety</li> <li>Sustainable finance and green procurement</li> <li>Climate change risks</li> </ul>	<p>From time to time</p>	<ul style="list-style-type: none"> <li>Establish communication and understanding through interviews, product launches, and exhibitions in addition to providing written self-assessment forms, emails or samples.</li> <li>Determine whether manufacturing processes, production management, and working environments for suppliers' products are in compliance with environmental protection as well as occupational safety and health requirements through on-site inspections or construction process conducted on suppliers.</li> <li>Determine whether the products or services provided by suppliers are in compliance with environmental protection and energy conservation requirements through communication of user feedback and opinions.</li> <li>Require contract manufacturers to recycle and reuse waste resources.</li> <li>Require suppliers, upon negotiation with them, to sign a letter of commitment on compliance with CSR, environmental protection and ethical management policies, as well as relevant laws and regulations.</li> <li>Require major suppliers to fill out the Supplier CSR Self-assessment Form in order to learn about the status of CSR implementation among them and use it as a reference for UBOT's dealings with them.</li> </ul>	<ul style="list-style-type: none"> <li>A total of 427 suppliers have so far signed the "Letter of Commitment on Compliance with CSR, Ethical Management Policies, and Regulatory Requirements," with a 100% signing rate among major suppliers.</li> <li>Dormitory cleaning and maintenance vendors fully cooperated with UBOT on recycling of waste resources and compilation of related statistics, where 328 metric tons of waste were recycled.</li> <li>Eco-friendly, energy-saving, and water-saving building materials were used in the renovation of UBOT's dormitory, as evidenced by the fact that UBOT saved 405,535 kWh of electricity and 8,096 cubic meters of water in 2023.</li> <li>A total of 42 suppliers have so far filled out the Supplier CSR Self-assessment Form, where all of them have truly implemented CSR in various areas, including environmental protection. Occupational safety and health, labor and human rights, and ethical management, in their operations.</li> </ul>	<p>01 Sustainable Governance and Performance</p> <p>02 About UBOT</p> <p>03 Stakeholder Engagement</p> <p>04 Corporate Governance</p> <p>05 Sustainable Finance</p>
<p><b>Government / Competent authorities</b></p>	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Ethical management</li> <li>Legal compliance and internal audit</li> <li>Risk management and crisis management</li> <li>Consumer protection</li> <li>Sustainable finance and green procurement</li> <li>Money laundering prevention</li> <li>Climate change risks</li> </ul>	<p>Annually</p>	<ul style="list-style-type: none"> <li>Participate in evaluation and assessments conducted by competent authorities in various areas, such as corporate governance, treating customers fairly, sustainable finance, and the Trust 2.0 Program, as well as take part in various loan incentive programs.</li> </ul>	<ul style="list-style-type: none"> <li>UBOT attended a total of five meetings organized by the FSC.</li> <li>UBOT participated in the second public hearing session on the planning of the Sustainable Finance Evaluation, as well as briefing sessions on the adoption of IFRS in Taiwan.</li> <li>UBOT completed the greenhouse gas emission inventory for 2023, where the inventory process was found to comply with the ISO 14064-1 guidelines and requirements.</li> <li>UBOT maintained credit ratings and outlook of "twA+", "twA-1," and "Stable," respectively as announced by Taiwan Ratings.</li> <li>UBOT published our climate-related financial disclosure (TCFD) report.</li> <li>In line with the "Anti-fraud Campaign Via Financial Institutions Across 368 Townships in Taiwan" event organized by the Banking Association of the Republic of China in 2023, UBOT organized fraud awareness campaigns in collaboration with the police departments of the various municipalities and counties where our branches, which were participated by 10 of our branches and participated by 247 people.</li> </ul>	<p>06 Employee Care</p> <p>07 Environmental Sustainability</p> <p>08 Social Welfare</p>
<p><b>Media</b></p>	<ul style="list-style-type: none"> <li>Financial innovation</li> <li>Social welfare</li> <li>Operating performance and shareholder interest</li> <li>Corporate governance</li> </ul>	<p>From time to time</p>	<ul style="list-style-type: none"> <li>Establish a spokesperson system to issue statements to the public in a standardized manner.</li> <li>Conduct press conferences and issue press releases.</li> <li>Arrange media interviews.</li> <li>Disclose UBOT's corporate governance practices, operating performance, diverse range of financial products and services, and participation in social welfare activities through mass media.</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, UBOT issued a total of 23 press releases (where a total of 386 news reports related to UBOT were published by media).</li> </ul>	<p>Appendices</p>

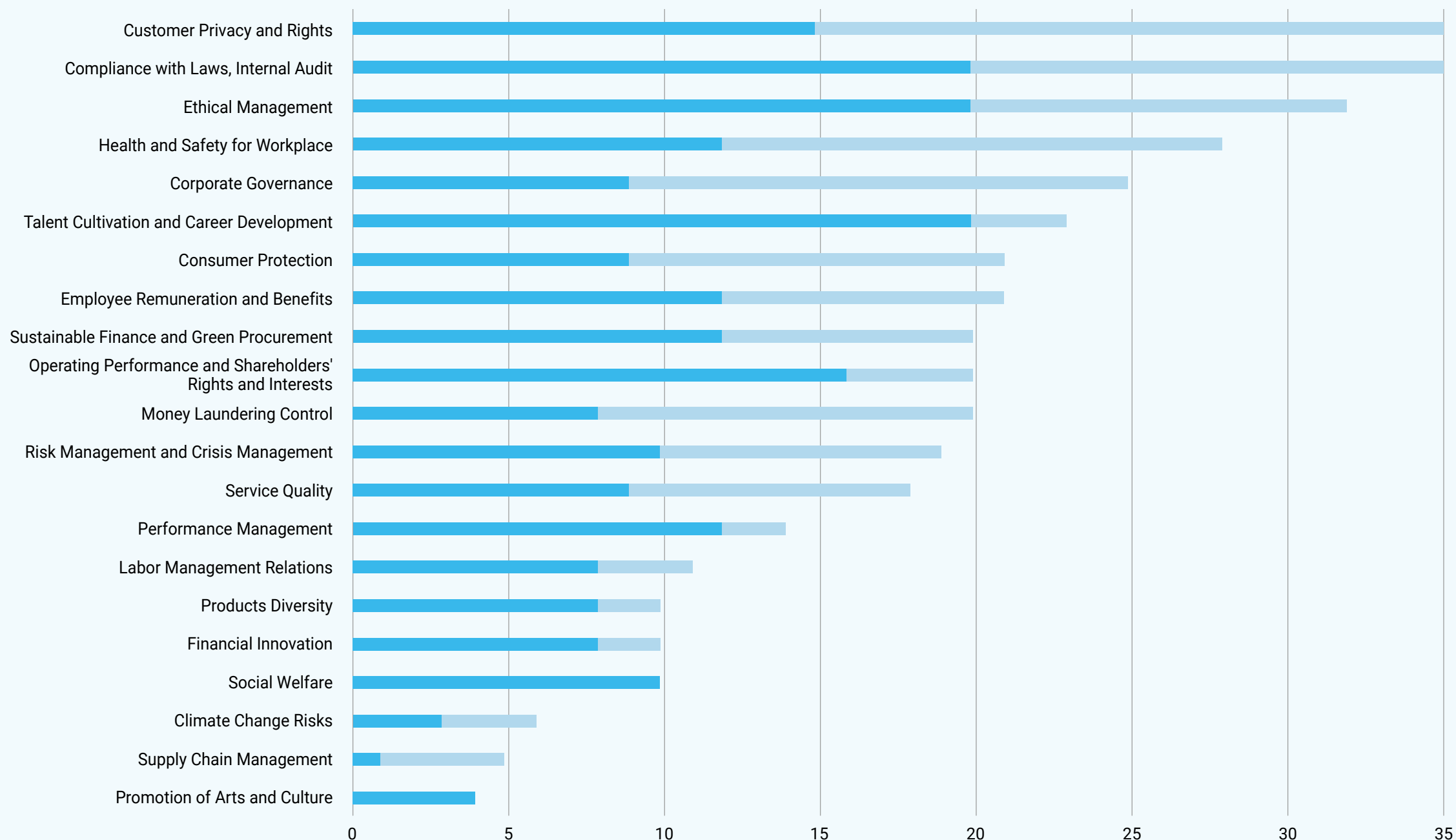
### 3-3 Process of Identifying Material Topics

First, key topics are ranked according to stakeholder concerns based on the above information compiled in the initial stage, along with assessments on the level of importance to stakeholders for each issue aimed at understanding stakeholders' advice and expectations of UBOT from the economic, social, and environmental aspects. Then, these key topics are assessed by senior managers and senior staff in each area of business based on the local and international financial environment, current status of the industry, strategic development, government policies, references from industry players, and opinions from external consultants and experts, alongside the positive and negative impacts of topics listed in GRI 3: Material Topics on the economy, the environment, and people (including human rights), in order to learn about the impacts of related real or potential financial risks. The assessments results for the 21 topics compiled throughout this process are detailed as follows:



#### Impact assessment results of major issues

- Level of frontal conflict
- Level of negative conflict



### 3-4 Confirmation of Material Topics

Material topics in each area are identified based on the results of assessment on the impact of key topics. The material topics identified by UBOT in 2023 primarily encompass the following areas: corporate governance, customer care, employee care, social welfare, and environmental sustainability. After identifying the topics with the highest scores in each of the five areas, a total of seven material topics of concern to stakeholders were responded to by UBOT, with the corresponding explanation provided in this report.

Area	Major topics
Corporate governance	<ul style="list-style-type: none"> <li>Ethical management</li> <li>Legal compliance and internal audit</li> </ul>
Customer care	<ul style="list-style-type: none"> <li>Customer privacy and rights</li> </ul>
Employee care	<ul style="list-style-type: none"> <li>Workplace health and safety</li> <li>Talent cultivation and career development</li> </ul>
Social welfare	<ul style="list-style-type: none"> <li>Social welfare</li> </ul>
Environmental sustainability	<ul style="list-style-type: none"> <li>Sustainable finance and green procurement</li> </ul>

### 3-5 GRI Material Topics, Management Approaches, and Boundaries

After confirming material topics for the current year, the ESG Committee set the GRI standards and considerations corresponding to each key topic, which are presented in the following table. Please refer to the GRI standards table in the Appendices section of this report for more details on the disclosure of the corresponding indicators.

Material topic of major concern to stakeholders	GRI Material topic	Corresponding chapter	Boundary					
			Level of involvement: Direct impact ▲ Indirect impact ● Impact caused by UBOT's business relationships ★					
			Employees	Investors	Customers	Government	Media	Supplier
<b>Ethical management</b>	GRI 205: Anti-corruption	Corporate governance	▲	●	★	▲		★
<b>Legal compliance and internal audit</b>	Disclosure 2-27 Compliance with laws and regulations		▲	●	★	▲	●	
<b>Customer privacy and rights</b>	GRI 418: Customer privacy	Customer care	▲		★			★
<b>Workplace health and safety</b>	GRI 403: Occupational health and safety GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination	Employee care	▲					
<b>Talent cultivation and career development</b>	GRI 404: Training and education		▲					
<b>Social welfare</b>	Disclosure 203-2 Significant indirect economic impacts GRI 413: Local communities	Social welfare	▲	●	★	●	●	★
<b>Sustainable finance and green procurement</b>	GRI 302: Energy (Disclosure 302-1) GRI 305: Emissions (Disclosures 305-1 and 305-2)	Environmental sustainability	▲		★	●	●	★

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## 3-6 Major Sustainability Goals

Implementation of Sustainability in 2023

### Corporate governance

- UBOT assessed certified public accountants on 13 indicators according to the Audit Quality Indicators (AQIs), where the assessment criteria and results were disclosed on UBOT's official website.
- On the planning of climate-related training programs for board members, UBOT has set a target of "three hours of climate-related education and training for board members every two years starting from 2023 to 2030," with three hours of such education training already completed in 2023.
- UBOT has incorporated the ISO/IEC 2700 Information Security Management System and the ISO/IEC 2770 Privacy Information Management System into our insurance agency business, with ongoing efforts to obtain relevant certifications.
- UBOT published the Climate-related Financial Disclosure Report (also known as TCFD Report), whose content encompasses four areas, namely governance, strategy, risk management, and metrics and targets) in accordance with the Guidelines on Climate-related Financial Disclosures for Banks in Taiwan, and disclosed the report on our official website.
- In an effort to strengthen the Audit Committee's oversight function over the company's finances, all the mid-year financial statements from 2023 onward have to be approved by the Audit Committee and submitted to the Board of Directors for discussion and approval.
- UBOT amended the "Strategies and Steps for Implementing the Principle of Treating Customers Fairly" in line with the annual key tasks of the FSC and amendments to the "Matters Requiring Attention and Improvement from Financial Institutions When Implementing the Principle of Treating Customer Fairly."
- UBOT made amendments to the Accountability System for Senior Executives aimed at bolstering the implementation of ethical management, establishing a good corporate governance and risk control mechanism, and creating a business environment for sustainable development.
- From 2023 onwards, the link to the uninterrupted audio and video recording of shareholders' meetings will be uploaded onto UBOT's official website.
- UBOT made amendments to the "Regulations Governing Securities Investments" and the "ESG Guidelines for Investment in New Taiwan Dollar-denominated Corporate Bonds and Financial Bonds, and Underwriting Non-guaranteed Commercial Promissory Notes."

### Customer care

- UBOT began accepting credit card payments by presenting the bar code shown on mobile phone screen at the counter, with the intention of offering customers convenience without having to bring paper bills or fill out forms, thereby enhancing customer service.
- UBOT's core host has been officially upgraded, where the performance the new host, Z15, is 2.6 times that of the previous host, and the night batch ends 2 hours earlier.
- As UBOT provides customers with fast and convenient digital lending services, UBOT received a total of 3,318 online credit loan applications in 2023, up 49.32% from 2022.
- UBOT introduced the MyData service for online card processing to increase the credit card approval rate, as well as smart text customer service to offer more channels for customer inquiries and improve service speed.

### Customer care

- Echoing the competent authorities' calls to prevent fraud, UBOT took the lead in the industry by adding the phone number verification service when linking mobile payment to bank-issued cards in accordance with the requirements of the competent authorities.
- With the intention of responding to changes in the investment market and enabling customers to better grasp real-time investment information and understand futures products, UBOT hosted a total of nine events for promoting futures brokers and futures trading assistants in 2023, so that customers can learn about commodity trading strategies.
- Aside from optimizing the user interface and trading process of the UBOT e-network, personal online banking, and mobile banking, enhancing the system architecture and system usage efficiency, enriching various online financial services, and adding new investment and financial management service features such as overseas stocks or ETFs and money market funds, UBOT also simplified the application process by offering customers the option of providing government-issued supporting documents obtained online in line with the MyData service provided by the Digital Development Department.
- With our proactive effort in nurturing talents to bolster the trust profession while echoing the FSC's Trust 2.0 Program, a total of 73 UBOT employees have obtained the "Eldercare Financial Planning Consultant" certification.
- UBOT conducted on-site inspections of the service attitude of our employees, who scored over 95 points, as our employees showed passion and enthusiasm when serving customers, greet customers and answered their questions proactively, and demonstrated continuous effort to improve service efficiency.

### Employee care

- In 2023, 539 employees received a promotion while 5,037 employees received a full salary adjustment, where the overall salary adjustment rate was 5.79%.
- UBOT has set up an ESOP trust, where employees can make voluntary contributions to the trust, while UBOT makes contributions in a relative amount as rewards to the trust. 83.56% of our employees have applied to join the trust in 2023, up 10.36% from last year.
- A total of 228 employees have so far applied for various welfare subsidies. In order to help employees address their child care needs, UBOT has signed contracts with a number of safe and legal child care organizations operating around UBOT premises.
- A total of 20 people have graduated from the "Advanced Training for Management Personnel" program in February 2024.
- UBOT held 26 sessions of on-site health consultation services provided by professional doctors and 30 health seminars.
- UBOT employees who have obtained relevant professional certificates can have their salaries adjusted, which in turn increases their willingness to obtain professional certificates in order to meet the qualifications required in various lines of business.
- Breastfeeding rooms have been set up at a total of 12 UBOT premises so as to provide a friendly working environment for pregnant and postpartum breastfeeding employees.

# 3-6 Major Sustainability Goals

Implementation of Sustainability in 2023

Environmental sustainability
<ul style="list-style-type: none"> <li>UBOT completed and disclosed our annual bank-wide greenhouse gas emission inventory, which was verified by external organization SGS.</li> <li>The buildings of UBOT's head office and various branches including Zhongshan, Taoying, Minquan, and Lingya branches, have been awarded the ISO 14064 Greenhouse Gas Management Systems and ISO 50001 Energy Management Systems certifications for three and two consecutive years, respectively, while UBOT's head office has been awarded the ISO 14000 Environmental Management Systems certification.</li> <li>UBOT replaced air-conditioning equipment and lighting fixtures at our branches with energy-saving ones, which amounted to approximately NT\$8.5 million in total, thus leading to a 6.5% decline in energy consumption across the entire bank in 2023 compared to 2022.</li> <li>As the amount of green procurement at UBOT rose by NT\$15.86 million to NT\$54.54 million compared to the previous year, UBOT was commended by the Department of Environmental Protection, Taipei City Government under the "Green Procurement Promotion Program for Private Enterprises and Groups."</li> <li>UBOT added to our loan agreement the provision that we shall achieve our ESG targets together with our customers, and carried out engagement with our customers regarding the need to reduce their negative impact on the environment and society.</li> <li>When customers open new accounts or apply for credit cards at the customer, UBOT actively recommends customers to apply for electronic statements in order to implement a green finance services governance policy. As of December 2023, consolidated electronic bills mailed by UBOT accounted for approximately 64% of all types of bills at UBOT; on the other hand, the proportion of electronic bills for credit cards mailed by UBOT to all types of bills at UBOT rose from 56% to approximately 65%, while the number of accounts to which such bills are mailed by UBOT grew by approximately 44% compared to December 2022.</li> <li>UBOT issued loans under the "Green Building Concessional Housing Loan" program totaling NT\$932 million to 44 account holders. UBOT also granted credit facilities, with a loan balance of approximately NT\$14.763 billion, to a total of 1,812 companies in green and sustainability-related industries.</li> <li>Following our ongoing effort to promote electronic fund trading, UBOT recorded approximately NT\$4 billion in financial management product trading volume via electronic means and NT\$62 million in trading volume via U-talk.</li> </ul>

Environmental sustainability
Social welfare
<ul style="list-style-type: none"> <li>The number of UBOT's green card in circulation grew by 66% following UBOT's collaboration with local electronic vehicle charging vendors in Taiwan on expanding green consumption channels aimed at achieving the goal of "saving energy and reducing carbon emissions in an act of love for our planet."</li> </ul>
<ul style="list-style-type: none"> <li>UBOT hosted the "United We Stand for Sustainability" Mother's Day charity fair and organized a charity sale participated by social welfare organizations and farmers; association. Proceeds collected from booths set up by UBOT and our affiliated companies totaling NT\$307,000 were donated to the Union Culture Fund for use in the promotion of the art of oil painting in Taiwan.</li> <li>UBOT rolled out the "Charity-friendly Deposit" program for non-profit corporations that are well-established and meet the image of social welfare, with a view to fulfilling CSR.</li> <li>Following the gas explosion disaster in the Pingtung Technology Industrial Park, UBOT donated NT\$2 million as a token of condolence to firefighters who died in the line of duty and their families.</li> <li>In an effort to promote eldercare trust, UBOT organized seminars on elder care trust at the New Taipei City Luzhou District Sports Association Community Care Center.</li> <li>UBOT rolled out the "Sound of Taiwan" fundraising event for Puzangalan Children's Choir in collaboration with the Union Culture Foundation, aimed at helping the choir take part in the Johannes Brahms Choir Festival and Competition in Germany. A total of NT\$5.09 million were successfully collected through this event.</li> <li>With a commitment to supporting local industries, UBOT purchased approximately 40,000 bunches of carnations totaling NT\$550,000 from flower growers in Tianwei Township, Changhua County, as well as spent NT\$9.96 million on purchasing and making Lunar New Year gifts for the Year of the Rabbit.</li> <li>UBOT participated in various donation drives and social welfare events (such as the Children's Charity Drawing Competition, the Financial Management Summer Camp for Children, the adoption of protected species, various programs hosted by Eden Social Welfare Foundation, Children Are Us Foundation, and Breeze Charity Foundation, and credit card spending-based social welfare organization contribution programs).</li> </ul>

According to UBOT's Sustainable Development Best Practice Principles, UBOT shall conduct risk assessments on environmental, social, and corporate governance topic related to our operations based on the materiality principle, and formulate relevant risk management policies or strategies.

Topic	Strategy	Assessment mechanism	Short-term goals (by 2024)	Medium- to long-term goals (2025 to 2030)
Ethical management	UBOT establishes the "Ethical Corporate Management Best Practice Principles" and the "Work Rules," which stipulate that UBOT employees shall conduct their business in a fair, honest, trustworthy, and transparent manner.	<ul style="list-style-type: none"> <li>Internal audit</li> <li>Whistleblowing system</li> <li>Corporate Governance Evaluation</li> </ul>	<ul style="list-style-type: none"> <li>No incident of unethical conduct</li> </ul>	<ul style="list-style-type: none"> <li>Optimize risk assessment of unethical conduct</li> </ul>

Topic	Strategy	Assessment mechanism	Short-term goals (by 2024)	Medium- to long-term goals (2025 to 2030)
Legal compliance and internal audit	UBOT establishes three lines of defense for internal control, including a self-checking system, a compliance system with a risk management mechanism, and an internal audit system, aimed at maintaining an effective and appropriate internal control system.	<ul style="list-style-type: none"> <li>• Treating Customers Fairly Principle Evaluation</li> <li>• Self-assessment of compliance with laws and regulations</li> <li>• Internal management evaluation at various business units</li> </ul>	<ul style="list-style-type: none"> <li>• Invite independent directors to attend meetings convened by the Fair Hospitality Management Committee on a regular basis in order to raise directors' attention to issues regarding the Principle of Treating Customers Fairly.</li> <li>• Ensure effective management of legal compliance through awareness campaigns, education and training, as well as a self-assessment mechanism for legal compliance.</li> <li>• Build an early warning system for money laundering prevention to prevent fraud organizations from taking advantage of UBOT accounts.</li> <li>• Perform audits according to our audit plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Require the Fair Hospitality Management Committee to supervise the implementation of the Principle of Treating Customers Fairly at each unit on an ongoing basis.</li> <li>• Continue to engage in awareness campaigns, education and training, as well as self-assessment mechanism for legal compliance.</li> <li>• Ramp up the use of information technology in money laundering prevention and transaction monitoring to increase the efficiency of dedicated anti-money laundering units in scrutinizing suspicious transactions.</li> <li>• Perform audits according to our audit plan.</li> </ul>
Customer privacy and rights	UBOT establishes relevant rules and regulations on personal data management, develops a consumer dispute settlement system, and makes a practice of protecting personal data security, so as to safeguard customer privacy; as well as provides customers with transparent complaint channels to protect customer rights.	<ul style="list-style-type: none"> <li>• Inspections by competent authorities</li> <li>• Financial Ombudsman Institution</li> <li>• Customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Obtain third-party ISO 27001 verification to realize institutionalization and standardization of information operations.</li> <li>• Resolve consumer disputes in a quick and comprehensive manner.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement various measures in line with the Financial Information Security Action Plan, such as building and introducing zero-trust mechanisms for identity authentication, device authentication, and trust inference.</li> <li>• Monitor the management of the Consumer Protection Act and personal data protection on an ongoing basis, and list them as our focus of ongoing monitoring.</li> </ul>
Workplace health and safety	UBOT formulates a human rights policy, plans to prevent unlawful acts in the line of duty, as well as occupational safety and health management regulations, in order to create a friendly workplace and maintain workplace safety so that our employees can stay safe and healthy at work.	<ul style="list-style-type: none"> <li>• Number of complaints against unlawful acts</li> <li>• Employee satisfaction</li> <li>• Statistics on occupational incidents and disasters</li> </ul>	<ul style="list-style-type: none"> <li>• Proactively maintain harmonious labor relations and review the attendance status of employees at each unit to safeguard employees' rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Step up effort to create a friendly working environment for pregnant and postpartum breastfeeding employees.</li> <li>• Organize more health seminars for employees to increase their health knowledge so that they can protect themselves and their families.</li> </ul>
Talent cultivation and career development	UBOT organizes various business lectures, seminars, and professional training courses, and sends our staff to attend various financial professional and business management training courses outside UBOT in accordance with from time to time every year according to the Measures for Continuing Education and Training of Employees and employees' career development plans, as well as encourages our employees to obtain relevant certificates with the intention of enhancing their professional competencies.	<ul style="list-style-type: none"> <li>• Education and training courses and tests</li> <li>• Certification and licensure examinations</li> <li>• Number of employees promoted</li> </ul>	<ul style="list-style-type: none"> <li>• The "Employment Course" teaching plan in cooperation with the Chien Hsin University of Science and Technology has a total of 168 hours, and 320 hours of on-the-job internship training are planned to cultivate financial professionals.</li> <li>• Plan to revise employee promotion and salary adjustment plans with the intention of encourage employees to proactively meet promotion requirements.</li> <li>• Build a new online education and training platform and organize training courses on sustainable finance to deepen employees' knowledge of sustainable finance.</li> <li>• Conduct pre-certification classes and on-the-job training for the Eldercare Financial Planning Consultant certification.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to conduct the "Advanced Training for Management Personnel" program to nurture top-level managers and elite executives.</li> <li>• Draw up a talent training roadmap aimed at developing a diverse range of competencies and expertise among employees.</li> <li>• Formulate performance reward programs for each job grade on an ongoing basis to provide employees who meet the designated targets with rewards and bonuses, as well as implement annual promotion and salary adjustments for deserving employees.</li> </ul>

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Topic	Strategy	Assessment mechanism	Short-term goals (by 2024)	Medium- to long-term goals (2025 to 2030)
Social welfare	In an effort to fulfil CSR and foster social well-being, UBOT is committed to not only preserving the beauty of people, events, and things in Taiwan in alignment with SDGs, but also upholding social welfare policies in compliance with the Sustainable Development Best Practice Principles.	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Sustainability Management Committee</li> </ul>	<ul style="list-style-type: none"> <li>Set four strategic goals for social welfare, including “implementing education promotion,” “providing art and culture sponsorship,” “practicing social care,” and “engaging in charities,” as well as set KPIs for 26 programs and events:</li> <li>Education promotion: Promote inclusive financial management, fraud prevention, arts and culture, and ecological conservation knowledge education, including organizing five children's financial management camps, collaborating with Liberty Times on a monthly financial management column (12 issues in total), and organizing two Mothers' Day charity fairs to promote ESG, etc., with at least six programs and events to be carried out by UBOT.</li> <li>Art and culture sponsorship: Invest resources to support local cultural and creative activities or the development of related industries, including sponsoring the Union Culture Foundation to organized the Union Art (Oil Painting) Competition, conduct at least 10 national art touring exhibitions, and the Children's Drawing Competition, as well as sponsoring the Kaohsiung Spring Arts Festival and other art and cultural events in various municipalities and counties, with at least six programs and events to be carried out by UBOT.</li> <li>Social care: Show care for local communities, people, and industries through concrete actions, including adopting parks, flower gardens in schools, supporting local flower growers by purchasing at least 30,000 carnations, sponsoring at least three social welfare activities organized by Taoyuan Metro, Taichung Metro, and Kaohsiung Metro each, and participating in social emergency relief programs, with at least eight programs and events to be carried out by UBOT.</li> <li>Charities: Take part in charitable events by making donations and sponsoring social welfare organizations for underprivileged groups, including promoting the “Let's Be Happy” donation platform together with the Union Culture Foundation to help raise funds for at least seven social welfare organizations for underprivileged groups, making donations to Children Are Us Foundation for the purpose of organizing annual public performances and purchasing meal boxes from the foundation, with at least six programs and events to be carried out by UBOT.</li> </ul>	<ul style="list-style-type: none"> <li>Promote local culture, financial management, as well as art, culture, and social education on an ongoing basis.</li> <li>Continue to sponsor social welfare organizations or underprivileged groups, and donate microinsurance in line with government policies.</li> </ul>
Sustainable finance and green procurement	With a view to achieving the goal of net-zero emission by 2050 in response to the Climate Change Response Act, UBOT not only implements energy saving and carbon reduction initiatives within our organization, but also guides funds towards investment in industries that are in line with sustainable development.	<ul style="list-style-type: none"> <li>Greenhouse gas inventory and assurance</li> <li>International standards certifications</li> </ul>	<ul style="list-style-type: none"> <li>Set carbon reduction targets, with 2023 as the base year, based on SBTi's Absolute Contraction Approach (ACA) , as well as plan and handle greenhouse gas emissions inventory and disclosure for investment and financing customers based on the PCAF methodology provided in the “Practice Manual on Financed Emissions (Scope 3) for Investment and Financing Portfolios of Banks in Taiwan.”</li> <li>Enforce the climate risk assessment form for credit grantees to facilitate analysis of the distribution of the credit positions of UBOT's credit grantees affected by climate risks.</li> <li>Increase the use of recycled stock paper year by year, and use at least 30% of paper products made from recycled stock by 2030.</li> <li>Achieve an annual target of 1% reduction in water consumption across UBOT with 2023 as the base year.</li> <li>Achieve an annual target of at least NT\$30 million in green procurement, and continue to participate in the “Green Procurement Promotion Program for Private Enterprises and Groups” hosted by the competent authorities.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to invest in businesses related to environmental sustainability, including energy conservation and green energy.</li> <li>Continue to fulfill the responsibilities of promoting and conducting education and training on sustainable development.</li> <li>Study and deliberate on feasible solutions for installing solar farms on the rooftop of UBOT's buildings.</li> <li>Develop the “Climate Risk Assessment Form” to collect information on the climate risks faced by credit grantees and draw up the development direction of credit granting based on the analysis results, with a view to helping credit grantees reduce carbon emission and speed up sustainability transition.</li> <li>Achieve an annual target of 6% reduction in carbon emissions, a 42% reduction in carbon emissions by 2030, and net-zero emission by 2050, with 2023 as the base year, in accordance with SBTi's Absolute Contraction Approach.</li> </ul>

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## Corporate Governance



- 4-1 Governance Structure
- 4-2 Participate in Various Associations and Organizations
- 4-3 Legal Compliance
- 4-4 Ethical Management
- 4-5 Cyber Security Management
- 4-6 Risk Management

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.

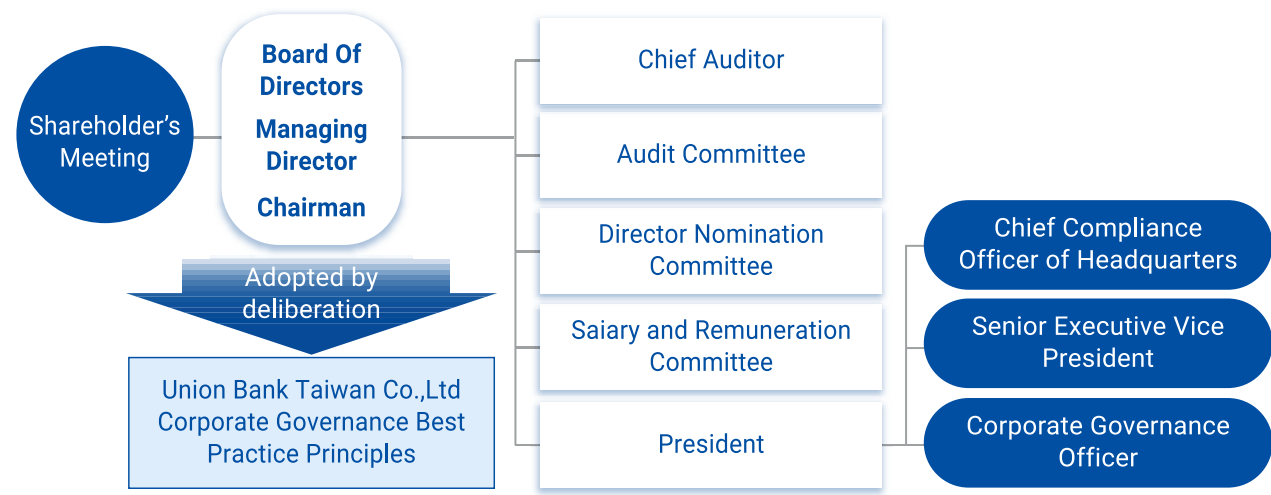
In addition to complying with governmental orders and regulations, the Bank also formulated "Code of Practice on Corporate Governance" and observed the following principles:



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.

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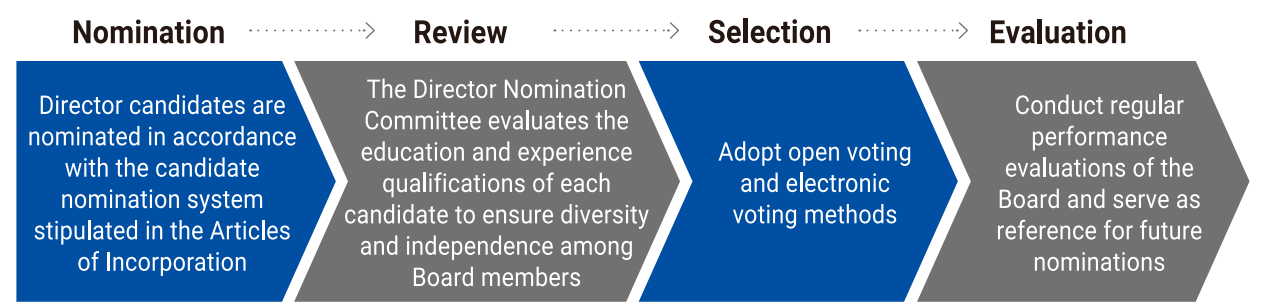
# 4-1 Governance Structure



## 4-1-1 Diversification and specialty of the Board of Directors

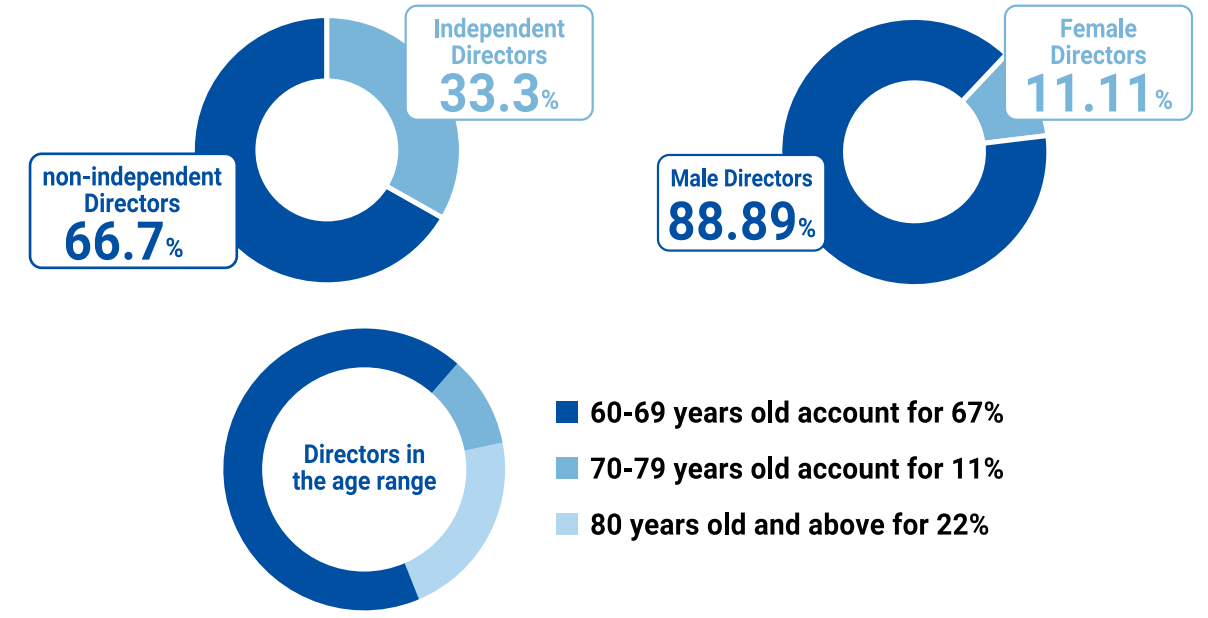
The Bank's highest governing body is the Board of Directors, comprised of 9 Directors, each of whom serves a three-year term and is eligible for re-election. The 11th Board of Directors was elected on July 20, 2021, and will serve until July 19, 2024.

The Bank's nomination and selection of the Board of Directors were performed as stipulated in the Articles of Association, using candidate nomination. In addition to assess educational background and experience qualifications of the candidates, it also made reference to the stakeholders' opinions and 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.



▲ Procedures for Election of Directors

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. The diversification of directors is as follows:



▼ Members of the Board of Directors of the Bank

Name of Director	Gender	Diversified Core Projects						
		Operation Judgment	Operation Management	Accounting and Finance	Industry 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	✓	✓		✓	✓	✓	✓
Pa-Shan Wu	Male	✓	✓		✓	✓	✓	✓
Lin, Ssu-Yung	Male	✓	✓	✓	✓	✓	✓	
Li, Wen-Ming	Male	✓	✓		✓	✓	✓	
Herman Tu	Male	✓	✓	✓	✓	✓	✓	✓

Note: For detailed biographies, professional qualifications, and independence status of each Director, please refer to pages 8-14 of UBOT's annual report.

Members of the Board of Directors of the Bank have different professional knowledge and capacities. As shown in the table above, for any of the professional abilities listed in the table, at least three members of the Board of Directors possess them. Some board members even have at least four of the seven competencies listed in the table above. Therefore, at present, for the members of the Board of Directors, it has achieved the objectives of the diversification policy.



## 4-1 Governance Structure

### 2 Enhancing the directors' independence and fully exert responsibilities of independent directors.

The Bank has developed Guidelines on Areas of Responsibility for Independent Directors of Union Bank of Taiwan Co., Ltd. for compliance. One independent director has served for three consecutive terms, and two independent directors just took office in July, 2021. In order to strengthen the independence of the Board of Directors, since the 11th Board of Directors, independent directors of the Bank shall not serve more than three consecutive terms.

### 3 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.

This year, a total of 6 hours have been arranged for participation in the training sessions organized by the Taiwan Academy of Banking and Finance, which include the "Corporate Governance Lecture (The Importance of Sustainability Reports and TCFD)" and the "Information Security Governance Lecture (Development Trends in Financial Technology and Cybersecurity Risks)." Furthermore, under the Financial Information Security Action Plan 2.0, Directors also completed a 3-hour training on information security awareness to better assess security risks in business decisions

#### 4-1-2 Operation condition of the Board of Directors

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. The Bank held a total of 6 Board meetings in 2023, with an average attendance rate of 95% by all Directors, demonstrating their commitment to fulfilling their supervisory responsibilities.

For information on Board meeting attendance and Directors' recusal of interest-related proposals, please refer to pages 31-32 of the Bank's Annual Report

#### 4-1-3 Important decision matters of the Board of Directors in 2023



#### 4-1-4 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.

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. Refer to the annual report and the corporate governance report pages 33-33 for details on the remuneration and salary ranges of the Directors, President, Vice President(s), Chief Auditor, and Chief Compliance Officer of Headquarters in the most recent fiscal year.



Internal and external performance evaluation results of the Board of Directors of 2023 conducted by the Bank

#### 4-1-5 Remuneration and performance of the 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 ward 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.



## 4-1 Governance Structure

Within the Bank, the annual total remuneration of the highest paid individual is 6.7 times the median annual total remuneration of all employees (excluding the highest paid individual). The increase rate of annual total remuneration of the highest paid individual is 5.3 times the median increase rate of all employees (excluding the highest paid individual).

### 4-1-6 Board of Directors' Functional Committees

#### 1 Audit Committee

The Audit Committee consists of all independent directors who maintain a neutral position. It is required that at least one of the three members be an independent director with expertise in accounting or finance. This ensures that the committee is able to effectively oversee the quality and integrity of the company's accounting, auditing, financial reporting processes, and financial controls. The Bank held six audit committee meetings in 2023, and the average attendance rate of all independent directors was 89%, fulfilling the responsibility of supervision.

In addition to attending the Board meetings and Audit Committee meetings, the Bank's internal audit supervisor should regularly report to the Audit Committee on the implementation status of audit operations. Before the end of each fiscal year, the internal audit units shall submit the annual audit plan for the following year in writing to the Audit Committee for review. Moreover, a meeting should be held every six months by the audit personnel and Independent Directors to discuss deficiencies in the internal control system, and for Independent Directors to review internal audit reports. The Bank's CPAs meet with Independent Directors every six months to discuss the audit approach, as well as significant adjustments made to the financial reports.

For information on the operation of the Audit Committee and important proposals adopted, please refer to pages 34-37 of the Bank's Annual Report

#### 2 Remuneration Committee

The Committee is mainly responsible for formulating and regularly reviewing the policies, systems, standards and structures of performance evaluation and remuneration for directors and managers. It has three members. At least one independent director shall participate in the Committee and shall be elected by all members to serve as the convener of the Committee. The Bank held two remuneration committee meetings in 2023 and the average attendance rate of all independent directors was 100%.

For information on the operation of the Remuneration Committee and content of proposals, please refer to pages 46-47 of the Bank's Annual Report

### 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", "Security Protection Supervisory Team" and "Fair Customer Service Management Committee" are responsible for submitting resolutions to the relevant levels in accordance with the hierarchy.

## 4-2 Participate 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, Supervisor
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

## 4-3 Legal Compliance

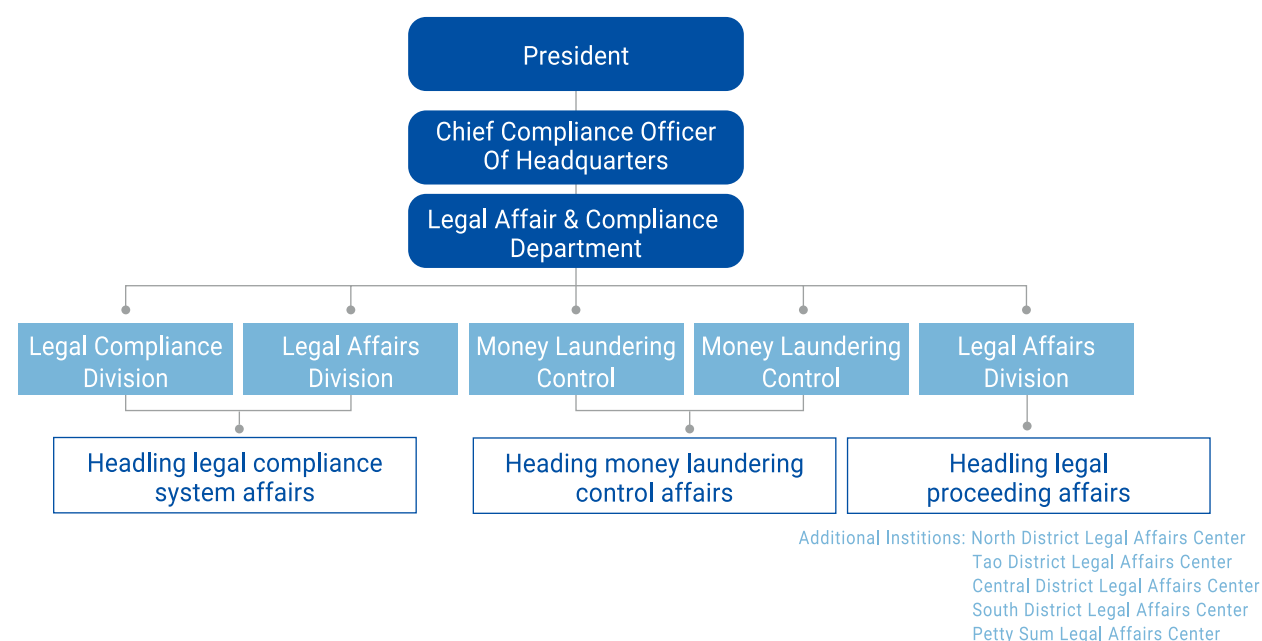
### 4-3-1 System and Structure of Legal Compliance

1 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.



## 4-3 Legal Compliance

- 2 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.
- 3 The Head Office's legal compliance units and each domestic unit 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 handing legal compliance matters so as to convey and advocate laws effectively.
- 4 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.



▲ Union Bank's Legal Compliance Structure

### 4-3-2 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. These regulations are implemented to establish the Bank's legal compliance system, which includes risk control mechanisms for customer, transaction, and personnel aspects. In particular, the Bank strengthens due diligence on customers, utilizes financial technology to analyze and provide early warning of abnormal transactions, establishes a mechanism for checking conflicts of interest among personnel, and, based on internal and external audit results, timely reviews the appropriateness and effectiveness of control measures. This is to established an effective risk management mechanism supplemented by pre-planning, monitoring, and verification to maintain system efficiency. Furthermore, a clear and effective system for conveying, consulting, coordinating, and communicating legal requirements has also been established through education, training, promotion, and advocacy. With such systems, the Bank aims to enforce relevant internal regulations and ensure familiarity among staff with legal statutes, enhancing their legal understanding and compliance. 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 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. In addition, the Bank has set up the database of financial laws and regulations. Besides external regulations and orders applicable to the business of the Bank, it also contains the internal regulations and electronic documents formulated by the head office units. What's more, they would also update the Bank's database of financial laws and regulations regularly for the use of all employees of the Bank, so as to strengthen the legal compliance function of the Bank through legal compliance technology and promote the 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.



## 4-3 Legal Compliance

### 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 years 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. For existing businesses, if changes in commodity structure, risk degree, service form, target customer and other factors may lead to changes in different legal compliance risks, guarantee of consumers' rights and interests, internal control or risk management systems, it would cooperate with legal compliance units, so as to confirm that all business activities of the Bank could comply with laws and decrees and promote the sound operation of the Bank.
- (2) Personal Data Protection: In compliance with the Personal Data Protection Act, the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries by the Financial Supervisory Commission, and the Self-discipline Regulations on Confidentiality of Customer Data by the Banking Industry, 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, strengthening the adherence and implementation of regulations related to personal data protection. The Personal Data Management Committee has been established in

accordance with the Personal Data Management Committee Establishment Measures, serving as the unit responsible for the security and maintenance of personal data files. The committee regularly reviews matters related to personal data protection and collaborates with the Bank's information security team to enhance management. In compliance with Article 28, Paragraph 2 of the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, as well as the Jin-Guan-Yin-Guo-Zi Letter No. 10620000155 dated March 22, 2017, the Bank also engages CPAs annually to perform a special audit on the protection of personal data for the preceding year. By conducting external audits, the Bank enhances its adherence to and implementation of applicable laws and regulations regarding personal data protection.

- (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.

### 4-3-3 Adjudicated and punished cases and matters and their improvement conditions

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

Matters of deficiency	Improvement condition
The Bank's procedures for natural person housing purchase loans were incomplete and was not sufficient for implementation in the anti-money laundering industry.	The Bank has implemented risk management mechanisms for its real estate loans in order to comply with regulations regarding anti-money laundering operations.
The monitoring of suspected money laundering transactions conducted by the Bank's Jisian Branch is insufficient, posing a risk to the integrity of UBOT business operations.	The Bank has updated the "Foreign Currency Remittance Transaction Monitoring Checklist" to comply with regulations and enforce anti-money laundering transaction monitoring.
The Bank has dealt with a case concerning the absence of procedures for account opening and large over-the-counter cash withdrawals, which is a violation of Article 45-1, Paragraph 1 of The Banking Act of the Republic of China, as well as provisions of Articles 3 and 8 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" authorized by it.	The Bank has revised the process for requesting the removal of high-risk accounts, in order to establish a system for supervising and reporting transaction monitoring.

## 4-4 Ethical Management

### 4-4-1 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 robust corporate governance, internal control and risk control mechanisms, and designated relevant units to oversee business operations. All directors and senior management have signed off on the compliance with ethical management policies. Furthermore, the Board of Directors has exercised high self-discipline, abstaining from discussions or votes on proposals where they are stakeholders, ensuring no improper interests harm the rights of the Bank's customers and shareholders.

### 4-4-2 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.

## 4-4 Ethical Management

### 4-4-3 Establishment of whistleblowing channel

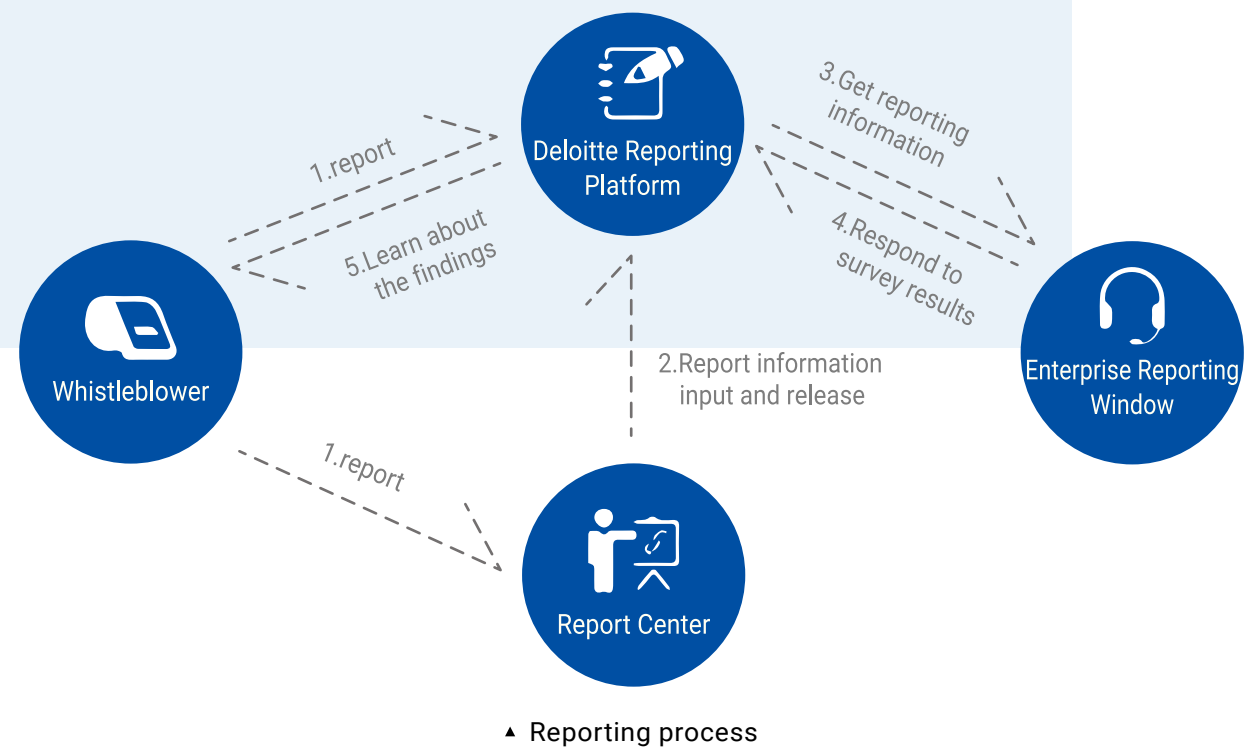
The Bank has formulated implementation measures of whistleblower system, and formulated the Bank's operation procedures, behavioral guidelines, punishment and claim system for violation of regulations in its HR management measures and working rules; the stakeholders could report non-integrity behaviors by mail, telephone, website and other means. In 2023, there were 5 reported cases; most were customer complaints without concrete evidence of illegality, or were outside the scope of the whistleblowing policy, thus no cases were established.

**The Bank has entrusted the whistleblowing pipeline to the impartial unit of an independent third party**

E-mail | [ubot@conductwatch.com.tw](mailto:ubot@conductwatch.com.tw)  
 Reporting platforms | [secure.conductwatch.com/ubot](https://secure.conductwatch.com/ubot)  
 Special telephone line | (02)2712-1055 \ (02)2712-1050

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.

Those dealing with the whistle-blowing cases have provided written statement that they would keep the identity of the whistle-blowers and the contents of their reports confidential. In addition, the Bank is committed to protecting whistleblowers from improper treatment as a result of their whistleblowing, and some types of whistleblowing could also adopt the anonymous form.



### 4-4-4 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.

The Bank conducts regular internal promotions to emphasize the significance of ethical conduct and anti-corruption to directors, employees, and trustees. In 2023, 121 education and training sessions on integrity management were conducted, totaling 4,158 attendances.

## 4-5 Cyber Security Management

### 4-5-1 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 has established the "Information Security Management Section" to serve as dedicated unit for information security and to be responsible for governance, planning, supervision and promotion of implementation of information security; a Vice President has also been appointed as Chief Information Security Officer and is responsible for the promotion of information security policy, as well as 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. In addition, the Bank would incorporate the overall execution condition of information security into the Internal Control System Statement. Then after the Bank submits 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, Head Office's Legal Compliance Supervisor and Information Security Officer shall issue, disclose and announce the declaration jointly.



# 4-5 Cyber Security Management

The Bank has established an Information Security Management Committee in accordance with the "Regulations for Organizational Information Security Implementation and Management"; it is responsible for making decisions and convening management review meetings regarding the information security management system, with the Chief Information Security Officer serving as the convener. The committee has established three teams to manage different aspects of information security. In particular, the Information Security Team is responsible for planning and implementing various information security operations; the Emergency Response Team handles emergency response to major information security incidents, and the Audit Team conducts internal audits of the information security management system.

## 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 the "Cyber Security Emergency Response Plan", as well as "Cyber Security Handling Group" to be responsible for supervising various units in executing information security prevention, crisis alerting, and emergency response handling.

## 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.

## 4-5-2 Cyber Security Policy

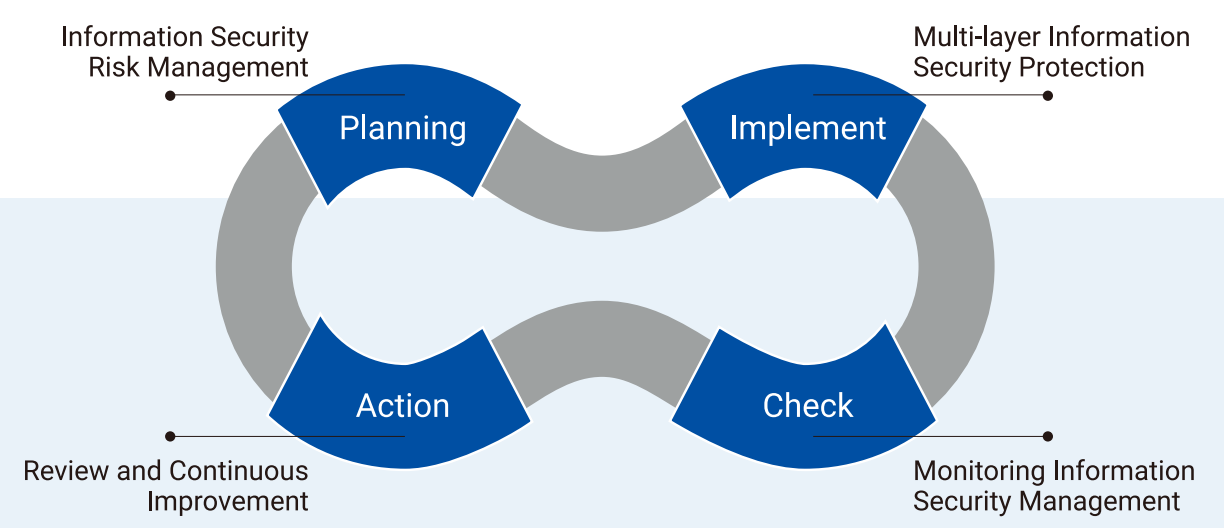
Its purpose is to enhance the Bank's information security and guarantee data, system, equipment and network security. Overall objective of policy implementation is to guarantee confidentiality, completeness and availability of the Bank's information application, and to prevent the Bank's operation from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

### 1 Information Security Management Strategy

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 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



## 4-5 Cyber Security Management

### 3 Specific Cyber security management plan

#### A. Information security management operation

In accordance with "Rules for Information Operation Management", "Information Hazard Response Plan", 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 mechanism 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 conducts various information security drills every year, including social

engineering drills, vulnerability scanning, penetration testing, personal data breach incident response exercises, emergency response education training, information operation failure response management exercises, incident communication and response exercises, distributed denial of service attack drills, and computer system information security assessments.

#### F. Performance of education and training on information security

In 2023, all information security personnel have completed over 15 hours of professional information security courses or training sessions, totaling 168 hours for 6 individuals. Moreover, all employees are required to participate in a 3-hour online information security awareness course and pass the test, totaling 3,827 participants. However, due to various reasons, 22 individuals were unable to attend or complete the training or left the Company, resulting in a total of 3,805 individuals completing the training. Furthermore, to enhance the management security of IoT devices, an educational training course for IoT device management personnel was conducted, with 157 people from various units completing the course.

#### 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

When a cybersecurity incident occurs, relevant departments report to supervisors according to the "Cyber Security Emergency Response Plan", fill out a cybersecurity incident report form, report the facts or request support from the information security management division of the IT Department, and complete the internal notification process. In accordance with the accident condition notified, its impact, acceptable risk value, etc., the "Information Security Team" and the "Emergency Response Team" 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 2023, 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.

## 4-6 Risk Management

### 4-6-1 Risk Management Policy and Procedure

- 1 The Bank formulated "Risk Management Policy" in August, 2005, which were irregularly revised. The most recent revision was passed by the 10th Board of Directors in the 20th board meeting on January 27, 2021 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 & Risk Management Committee and the Board of Directors regularly.

### 4-6-2 Scope and Process of Risk Management

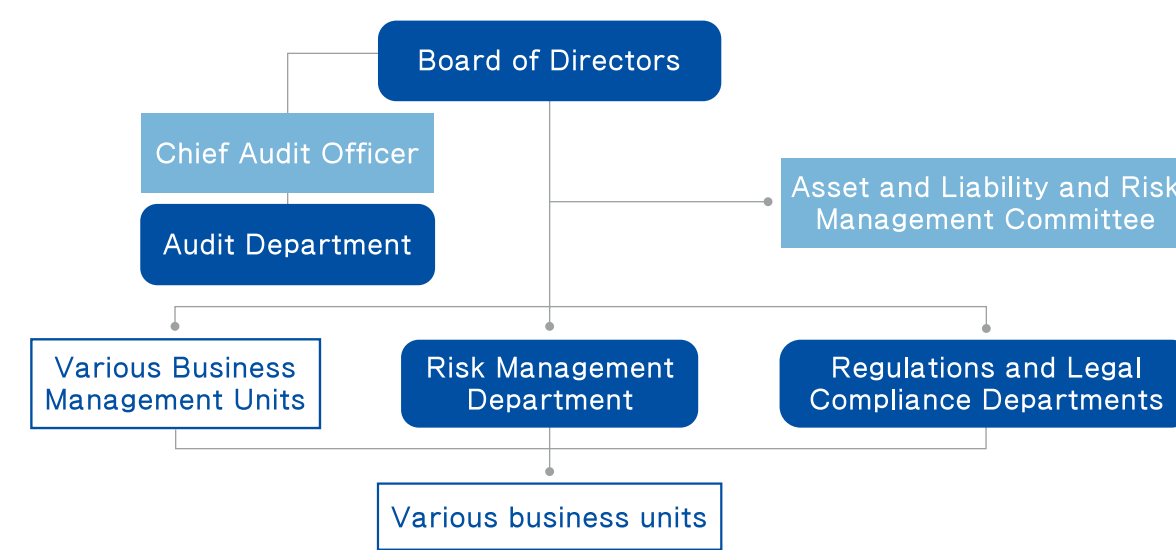
- 1 Risk management covers "credit risk", "operation risk", "market risk", "legal compliance risk", "liquidity risk", "interest rate risk", "human resources risk", "disaster emergency accident crisis" and "climatic change and environmental sustainability risk" and other major risks.
- 2 The Bank has 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.
- 3 The Bank's risk management process includes the following steps:
  - (1) Risk identification: Analyze to identify the types of risks associated with each business.
  - (2) Risk measurement: Assess the characteristics or types of risks that may lead to potential losses or adverse impacts, in order to evaluate the degree of risk in an appropriate manner.
  - (3) Risk monitoring: Each responsible unit establishes risk limits for different business operations and manages risks according to the specified frequency, measurement methods, and procedures.

(4) Risk reporting: Each responsible unit is required to submit risk management-related information to the appropriate supervisor.

- 4 The Bank has set relevant risk limits based on risk tolerance, with different limits established for the same individual, related parties/companies, by industry, group, country, and specific collateral categories. Furthermore, regular assessments are conducted on investments in financial products to evaluate potential losses. In addition, depending on the nature of each product, there are limits on positions, stop-losses, and interest rate sensitivity.
- 5 To address operational risk management, the Bank has developed the "Operation Risk Data Collection Guidelines" and implemented an internal reporting system to consolidate relevant risks. In addition, the Bank has also established the "Operation Risk Control Self-Assessment Guidelines" and regulated regular self-assessment across the organization. Furthermore, "Operation Risk Indicator Monitoring Guidelines" have also been established, to raise awareness on warning criteria and effectively manage various aspects on a consistent basis.

### 4-6-3 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: With the Chairman as its Convener, the Committee 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



## 4-6 Risk Management

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.

### 4-6-4 2023 Operation condition of risk management

- 1 The Bank would submit quarterly risk control reports to the Board of Directors, including the Bank's capital adequacy overview, credit, operation, market, small bank interest rate and liquidity risk management. Among them, the first quarter report would cover monitoring results for operation risks, and the second quarter report would cover related financial disclosures.
- 2 Operation risks monitored by the Bank included: indicator changes, and inspected and confirmed whether relevant internal regulations conform to requirements of the competent authority for detection management level and key detection points.
- 3 In compliance with the "Guidelines for Climate Financial Disclosure for Domestic Banks" issued by the Financial Supervisory Commission, climate-related financial disclosures (TCFD) have been prepared and incorporated into UBOT's ESG sustainability report. The report encompasses governance, strategy, risk management, indicators, and targets. Additionally, the Bank has evaluated the financial implications of three climate scenarios outlined in the "Operational Plan for Climate Change Scenario Analysis for Domestic Banks" published by competent authorities.
- 4 In addition to regular stress tests, the Bank also conducted a "Supervisory Stress Test" in 2023 to understand the impact on its capital adequacy under the conditions of credit, net trading profits and losses, market risk sensitivity analysis and operational risk as prescribed by the competent authorities.

### 4-6-5 Crisis Processing and Response Mechanism

- 1 To improve the Bank's disaster prevention and response system and comply with the "Disaster Emergency Response Manual of Financial Institutions" issued by the Ministry of Finance, 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 To meet the needs of security maintenance work, the bank has strengthened its security

maintenance mechanisms by establishing a "Security Maintenance and Supervision Group" headed by the Vice President. The group oversees and examines the implementation of security maintenance, educational training, and regular operational drills. In addition, the team holds quarterly "Safety Maintenance Meetings" to communicate important work instructions, review task implementation, promptly address any deficiencies, and report subsequent results to the Board of Directors. 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. Furthermore, in response to characteristics of the financial industry, the "Operation Crisis Response Measures" have been established to guarantee real-time and effective handling of its operation crisis, guarantee the depositors' rights and interest, and maintain the financial market order.

- 3 A secondary data center in a different location acts as a remote backup for the Bank's information system, with regular drills ensuring uninterrupted operations, even if the main computer room is compromised.

### 4-6-6 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.
- 4 Audit operations and plans are reviewed and discussed by the Audit Committee before being submitted to the Board of Directors. Audit personnel holds a seminar every six months, during which Independent Directors review deficiencies, if any, in the internal control system. Minutes of the meetings are then submitted to the Board of Directors for approval, with the internal audit report subsequently provided to the Independent Directors for review.

# 40506

## Sustainable Finance



- 5-1 Friendly Financial Service
- 5-2 Diverse innovation
- 5-3 Eco-friendly and Inclusive
- 5-4 Due diligence governance of institutional investors
- 5-5 Protection of Customer Rights and Interests
- 5-6 Enhance Information Security
- 5-7 Customer Relationship Management

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.

### • 5-1 Friendly Financial Service

#### 5-1-1 Create a friendly financial environment for people with disabilities

In accordance with the "Banking Industry Financial Friendly Service Guidelines", appropriate financial friendly services are provided to individuals with disabilities. Service bells are installed at the entrances of branches to assist individuals with disabilities in obtaining proper financial services. Branch premises are equipped with accessible ramps and service counters, creating a convenient environment for disabled individuals. When opening accounts for customers with intellectual disabilities, staff can use easy-to-read visual cards to explain the account opening process and important points to assist in understanding. In collaboration with the Taiwanese Association of Sign Language Interpreters, online sign language video translation services is offered for effective communication. The Bank also provides wheelchair-accessible ATMs with audio guidance for the visually impaired. As of the end of 2023, there are a total of 608 ATMs both inside and outside the bank branches, with 483 ATMs (79%) accessible for wheelchair users and 317 ATMs (52%) equipped with audio guides for the visually impaired. The Bank's website has an accessible webpage that provides information on interest rates, exchange rates, and other public information. Furthermore, UBOT's website has obtained the A-level or above certification following the Web Content Accessibility Guidelines, from the National Communications Commission. The website also includes a user-friendly service section to guide and assist visually impaired individuals in completing necessary services. Additionally, text-based customer service and message boards are available to assist hearing-impaired individuals with various business inquiries online.

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## 5-1 Friendly Financial Service

### 5-1-2 Caring for the elderly

To enhance friendly financial services and prevent fraud and unauthorized withdrawals among elderly clients, the Bank has implemented warning prompts on teller screens during transactions, such as cash withdrawals and transfers, to encourage attentive service. For services like deposits, credit, trust, wealth management, and securities, staff assess elderly clients' needs using a care evaluation form to protect their assets. A dementia-friendly questionnaire has been added to identify and address clients' needs properly. UBOT ensures clarity in service provision by using magnifying glasses and computer screens to display important information, fulfilling its duty to inform and disclose. Elderly clients must also pass a cognitive test to conduct wealth management transactions. In addition, a new priority response service for the elderly has been introduced in credit card services, where staff speak slowly and use simple language for better understanding. To bridge the digital divide, UBOT also offers Digital Finance Assistant tutorial videos on its official channel to help elderly clients use mobile banking and digital tools.

To meet the needs of customers in the aging society in Taiwan, we strengthen the promotion of our elder care trust business. The Bank has launched the "Elder Care Trust - Pleasure for Youth Program" and the "Pre-signed Elder Care Trust" (that is, pre-opened elder care trust), allowing elderly clients to plan their retirement earlier, and providing suitable products and services for the elderly, as well as the physically and mentally disabled, in order to meet their daily needs. 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.

### 5-1-3 Caring for the Financially Disadvantaged

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 for minors aged 18 and under, holds recommended account opening activities, and provides exclusive discounts in cooperation with high-quality franchised children's art stores in the industry (refer to Happiness Passbook section on the official website for more details). As of the end of 2023, there are 22,783 accounts of Happiness Passbooks opened with UBOT, 1,010 of which are new accounts.

To cater to foreign visitors, UBOT has established an English version of the official website. In addition, the Bank's business units offer English versions of commonly used financial service application forms and bilingual queuing system services. The Bank has also opened bilingual branches (UBOT Business Dept. and Chungshan Branch), and is actively enhancing the English proficiency and conversational skills of clerks. UBOT plans to continue establishing bilingual branches in accordance with the "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" policy. Furthermore, in partnership with remittance companies, UBOT provides financial services for migrant workers, including deposit accounts, foreign exchange

contracts, and customer service with real-time translation in Thai, Vietnamese, Filipino, and Indonesian languages through three-way calls, ensuring that foreign migrant workers receive equal and friendly financial services.

## 5-2 Diverse innovation

### 5-2-1 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 2023, approximately 1,085,743 people had applied for our e-banking services, approximately 24,120 people for corporate e-banking, and approximately 715,096 for the digital bank "NewNewBank" account.

### 5-2-2 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, loan payment 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. In recent years, the number of active friends on the official LINE accounts is as follows:

2021	2022	2023
1,180,581people	1,220,652people	1,457,421people

### 5-2-3 Promotion of Mobile Payment

The Bank's mobile payment load and the amount of debit continued to develop positively. In addition, it is still one of the few banks in the market that can load all NFC sensing payment and scan code mobile payment, which makes the Bank in the mobile payment promotion and use of a leading position. Statistics by the end of 2023 show that the number of loaded inductive mobile payments has reached 750,000, an increase of 179% compared to 2022. In 2023, the amount of sign-up payments (including inductive and scanning-code mobile payments) reached 35.5 billion yuan, up 180% from 2022. The Bank has a leading position and excellent experience in both the introduction and use of mobile payments.



## 5-2 Diverse innovation

### 5-2-4 Diverse Financial Products

The Bank offers professional financial planning and carefully selects investment products, enhancing diversity with new ETFs and international stocks for online orders; transaction process has also been updated with long-term orders and 24hr online trading. In 2023, UBOT introduced U TALK for phone orders with personalized service and recording, enriching online trading services for wealth management and making transactions more convenient, allowing the Bank to continually optimize the process to provide flexible and efficient wealth management services to customers.

To reward clients who have made long-term investments in UBOT, the Bank has launched "Save Ten and Prosper", a promotion offers a refund of small fixed deduction fees without limiting the investment target. In addition, UBOT has also introduced "Elite Insurance" and "Baby Insurance" to meet the insurance needs of the younger generation.

of the Union Green Card is to "encourage cardholders to consume through designated eco-friendly channels, promoting a sustainable vision for the environment and society, and to fulfill corporate social responsibility by practicing ESG principles." The card integrates cardholders' green lifestyles into a virtuous cycle of sustainable development between the Bank, customers, and other industries. As 2023, the circulation of cards has increased by 65%, and the signing amount has grown by 104%.

### Green Building Program

Green architecture can be defined as architecture that is designed for human health and comfort, seeking co-prosperity with the Earth's environment and aiming for the sustainable development of human living environment. Through promoting green building projects and encouraging customers to purchase eco-friendly buildings, as of 2023, the Bank's balance of green building loans has amounted to NT\$932 million, increasing NT\$893 million from the previous year, with the number of customers growing by 18 to a total of 44.

### Electric Vehicle Loan Program

In efforts to promote energy conservation and carbon reduction, the Bank has been offering a preferential interest rate (reduced by 0.05%) for low-carbon new energy vehicles. In 2023, we undertook 2,398 new cases with a total value of NT\$3,450.78 million, representing a twofold growth compared to the previous year.

### Sustainable Investment

Investment decisions now incorporate the ESG scores of investees as an assessment factor; the ESG scores are continuously monitored after the investment, and the investment limit is adjusted based on different score ranges. Position limits are set for high carbon-emitting industries, and annual growth targets are established for ESG investments. Equity investments have also defined industries that are excluded from investment: fur trading, pornography, illegal arms manufacturing, tropical rainforest logging, asbestos cement tiles or other asbestos products, drift net fishing, drugs, or radioactive substances (excluding medical use).

In fund investment, the investment limit for a single ESG fund is 10% of the statutory limit, which is double that of regular funds.

As of the end of 2023, the bank has invested a total of NT\$500 million in green bonds, investments in ESG-certified funds have amounted to US\$1.3 million, accounting for 16% of the total fund balance.

### Sustainable Fund

In order to promote sustainable development, Union Securities Investment Trust Co., Ltd. (USITC) has introduced the Union Low Carbon Target Multiple Asset Fund, which has grown to a size of NT\$881 million as of the end of 2023. In addition, USITC is fundraising for two funds focused on solar energy investments, including a recent merger with a 37.8MW plant producing 51.4 million kWh annually. With more plants in development projected to add 210MW and 265 million kWh yearly, carbon emissions from grid connection could be cut by 157,000 tons annually.

### Sustainable Financing

In line with the six core strategic industries promoted by the government (including "Information and digital industry", "Investment and Security Excellence Industry", "Taiwan Precision Health Industry", "National defense and strategic industry", "green energy and renewable energy industry", "livelihood and war preparedness industry" and other industries), the Bank provides necessary funds for enterprises. By the end of December 2023, the Bank's six core strategic industries had a credit balance of NT\$59.6 billion. Among them, 1,462 households committed to green energy and renewable energy industries, with a credit balance of NT\$18.4 billion.

In recent years, as part of the "2025 Nuclear-Free Homeland Plan," the government has been actively promoting green energy; Union Finance & Leasing has also made significant investments in solar power plant financing, with a principal balance of NT\$4.17 billion as of December 2023.

Green

## 5-3 Eco-friendly and Inclusive

### 5-3-1 Green

#### Union Green Card

The PETG material used, which meets the EU RoHS standards, is a non-toxic and odorless polyester material that does not emit harmful gases when burned, reducing environmental impact. The core philosophy

## 5-3 Eco-friendly and Inclusive

### 5-3-2 Inclusive

#### 1 Perform bailout loan project

- In response to the impact of COVID-19, the Bank continues to actively cooperate with government policies to promote relevant bailout loans to help affected enterprises tide over the impact of the epidemic. For individuals whose income has been reduced as affected by the epidemic, the Bank proposes relevant assistance measures, including the extension of principal or interest for 3 to 6 months, deal with application from people to delay payment of credit cards, and waiver of liquidated damages and delay interest during the extension period, so as to help them tide over financial difficulties.
- In response to the lifting of the epidemic restrictions, the government has proposed measures to promote the upgrading and transformation of industries and small and medium-sized enterprises. These measures aim to strengthen the necessary infrastructure and provide resources, such as loan assistance, helping small and medium-sized businesses enhance their competitiveness and recover from the economic downturn. Since May to year-end of 2023, the Bank processed a total of 1,082 loans, with a balance of NT\$7.97 billion.

#### 2 Promote the development of industries and domestic SMEs

- In order to implement inclusive finance and support small and medium-sized enterprises, the Bank has formulated operational indicator (KPI) targets, “the average annual balance target of loans to commercial enterprises” and “the average annual balance target of new households of MIT plant Loans”, which are included in the performance evaluation of the branch together with the number of new households of industrial and commercial enterprises and the amount committed.

KPI for the average annual balance target of loans to commercial enterprises:  
The average balance in 2023 was 104.6 billion yuan, an increase of 4.8 billion yuan from 2022.

KPI for the average annual balance target of loans to new households of MIT plant:  
Added of NT\$4.4 billion in 2023.

New business accounts and contracted volume: In 2023, 485 new households will be added, and the credit balance will be 15.527 billion yuan.

- 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, by the end of 2023, the Bank had disbursed SME loans to 15,200 enterprises with a loan balance of NT\$148 billion, making up 92.44% of the total loan amount distributed of NT\$160.1 billion.
  - 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 2023, it had disbursed loans to 291 enterprises with a loan balance of NT\$16.8 billion.
  - The Bank provides credit to the creative industry in support of the development of domestic cultural and creative activities and industries, the balance of which amounted to NT\$5.114 billion as of the end of 2023.
  - In response to the government’s efforts to foster a conducive environment for youth entrepreneurship, promote entrepreneurial spirit, stimulate economic development, and support the Ministry of Education’s intention to reduce operational costs for sports talent running sports services, the Bank has facilitated loans for youth entrepreneurship and startups, youth entrepreneurship and startups in cultural and creative industries, as well as for small and medium-sized sports industries. By the end of 2023, UBOT has provided 262 loans, allocating a total of NT\$290 million, to assist clients in obtaining the necessary funds for entrepreneurial operations.
- 3 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 2023, the Bank has undertaken 112 new assisted housing purchase loans with a loan balance of NT\$0.203 billion. By the end of 2023, a total of 818 assisted housing purchase loans has been granted by the Bank with a loan balance of NT\$1.09 billion.
  - 4 Individuals with disabilities, indigenous people, or low-income households who operate computerized lottery shops face more difficulties in obtaining loan funds than regular customers. Therefore, since 2017, UBOT has been providing short-term revolving financing loans to lottery business customers during the Lunar New Year period to cover the advance purchase of scratch cards and the reserve funds for selling computerized lottery tickets. As of the end of 2023, the Bank has provided a total of 792 loans, with a combined contract value of NT\$3.99 billion.



● **5-4 Due diligence governance of institutional investors**



On January 28, 2020, UBOT finalized the signing of the "Stewardship Principles for Institutional Investors" stipulated by Taiwan Stock Exchange. In line with these principles, ESG risks and performance of the investees are incorporated into the Bank's investment process, allowing for the active support of sustainable development in these companies. Through ongoing monitoring, participating in shareholder meetings, exercising voting rights, and engaging in constructive dialogue, the Bank aims to enhance long-term value for both parties.

The Bank annually discloses its due diligence governance on the official website, including compliance statements and explanations for any principles not followed, voting records, and due diligence reports. Contents related to compliance statements has been reviewed by the Bank's Audit Department and Legal Affairs & Compliance Department, and approved by the Board of Directors; the reports are verified by management. In 2023, the Bank fulfilled its governance duties and adhered to all principles of good governance as stipulated by relevant laws and regulations.

The Bank communicates and negotiates with the invested companies through various methods, including telephone, email, video conferences, physical meetings, conference calls, and sending representatives to attend shareholder meetings or significant shareholder ad hoc meetings. In addition to these communication channels with invested companies, with the purpose of protecting shareholder rights and demonstrating principles of good governance, the Bank also publishes its voting records and meeting minutes on the official website every year.

In addition, the Bank has implemented several measures to prevent conflicts of interest and regulate employee behavior, preventing employees from using their positions to seek improper benefits for themselves or third parties, or to harm the interests of the Bank. These measures include the establishment of guidelines such as the "Corporate Governance Best Practice Principles," "Principle for Financial Service Industries to Treat Clients Fairly," "Sustainable Development Best Practice Principles," "Regulations Governing Transactions Other Than Credit with Stakeholders," "Ethical Corporate Management Best Practice Principles and Behavioral Guidelines," "Work Rules," and "Code of Conduct and Ethics for the Board of Directors and Managers". As of 2023, the Bank has not encountered any conflicts of interest related to investments.



Please refer to the website for the Bank's due diligence management status

● **5-5 Protection of Customer Rights and Interests**

**5-5-1 Confidentiality of Customers' Data**

| 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 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.

**3 Data security notification and contingency measures**

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 conducts personal data accident drills at least once a year, and reports the implementation results to the Personal Data Management Committee. In 2023, the Bank did not experience any incident of personal data breaches or customer complaints related to personal data protection. The Bank has actively deal with customers' complaints. In addition, 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.



- **5-5 Protection of Customer Rights and Interests**

**4 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.

**5-5-2 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 annual key compliance monitoring priorities. 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.

**5-5-3 Guarantee of Consumers’ Rights and Interests**

| 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. For existing businesses, if changes in commodity structure, risk degree, service form, target customer and other factors may lead to changes in different legal compliance risks, guarantee of consumers’ rights and interests, internal control or risk management systems, it would cooperate with legal compliance units, so as to confirm that all business activities of the Bank could comply with laws and decrees and promote the sound operation of the Bank.

**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. In addition, based on the characteristics and needs of customers, the design, marketing, channel and dispute handling of goods or services are adjusted. 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, so as to ensure that goods or services are provided fairly and reasonably to customers and to reduce customer complaints.

**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”, “Key Points for Customer Complaint Settlement” 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**

Before entering into a contract with a customer for a financial good or service, important elements of the contract are explained in such a way as to ensure that the customer is fully aware of the contract, the risks are disclosed, and a statement is sent afterwards. 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.

**5-5-4 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, with the Deputy General Manager as the convener, designated by the General Manager, and hold meeting and report to the Board of Directors on a regular basis. The Bank has also developed a fair hospitality policy and a fair hospitality principle, strategy and execution procedures 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, in order to provide more customer-friendly products and quality services, the Bank reviewed, recommended and improved tracking of its financial friendly policies and their implementation in the Committee. 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.

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## ● 5-5 Protection of Customer Rights and Interests

### 5-5-5 Fraud Prevention

In 2023, UBOT successfully prevented 95 fraud cases, totaling NT\$77,228,460. To incentivize branches in their efforts to prevent fraud cases, in accordance with Article 3, Paragraph 2 of the Financial Institution Anti-Fraud Incentive Template, deserving individuals are reported to the Personnel Evaluation Committee for rewards. Furthermore, in order to deter the use of dummy accounts, the Bank mandates the implementation of KYC procedures during account opening. Anti-fraud operations are promoted through morning meetings, educational training courses, financial planning seminars, and management meetings; a dedicated system section for fraud alerts and prevention is also regularly updated with relevant information for branch utilization.

In 2023, UBOT joined the "Eagle Eye Fraud Detection Alliance," enhancing its model with common fraud patterns for automated detection and alerts of irregular accounts, boosting fraud prevention efficacy. Furthermore, in collaboration with competent authorities, 10 branches of the Bank have partnered with police departments to conduct the "National Anti-Fraud Awareness Campaign in 368 Townships", collectively visiting remote areas to raise awareness on fraud prevention and promote anti-fraud principles among the public.

## ● 5-6 Enhance Information Security

### 5-6-1 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.

### 5-6-2 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, cooperated with CDN service providers to clean up traffic and took other countermeasures.

### 5-6-3 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:

Make backup of important data on a regular basis, and carry out backup drills for all Material systems on a yearly basis.

Regularly implement scenario simulation disconnection drills or backup drills for the credit card application system.

Run the newly developed program in the formal operating environment after it has been verified as correct in the test environment.

Set up a backup mechanism for important network connection equipment and dedicated lines to ensure the quality of connection.

## 5-7 Customer Relationship Management

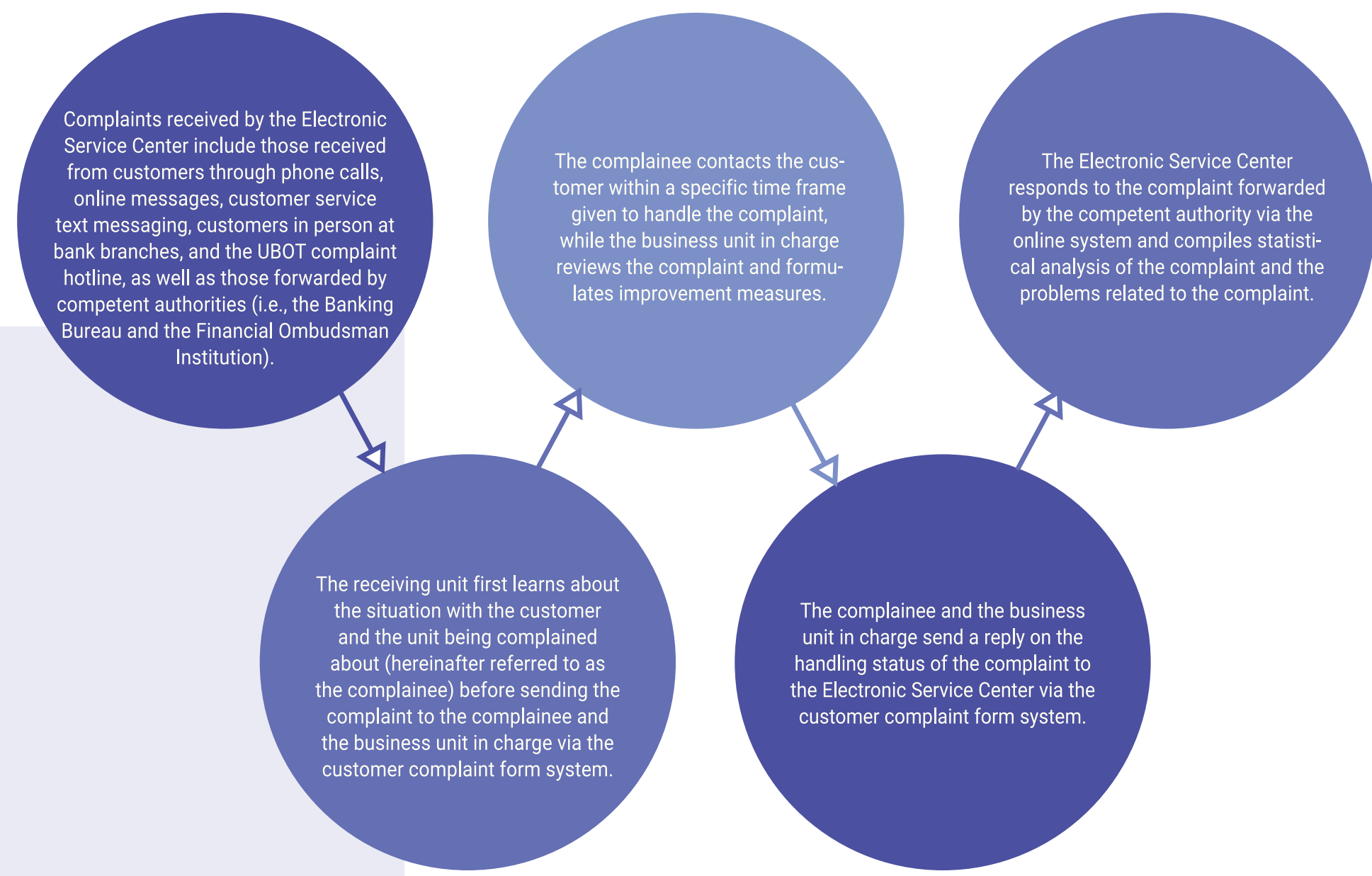
The Bank's customer service center accepts customer inquiries, handle complaints, and gives priority to protecting customer rights and interests, while complying with laws and regulations. In view of handling customer complaints, the Bank has formulated the "Consumer Dispute Handling System" and "Key Points for Handling Customer Complaints" to properly handle customer issues in the first time and avoid disputes. In case of disputes arising from customer complaints and no agreement can be reached, it will be submitted to "Consumer Dispute Case Handling Team" of the Bank for evaluation, so as to speed up the settlement, resolve disputes and improve customer satisfaction.

### 5-7-1 Multiple Communication Channels

The Bank offers email, message boards, a 24-hour service hotline, and online real-time text customer service year-round to resolve customer issues. Customer satisfaction communication surveys are also conducted on a regular basis, subsequently incorporating customer feedback into the service quality system to get a better understanding for customer needs and to enhance their willingness to engage with the Bank.

The "business director" system gathers UBOT's service ambassadors who are professional, cordial and enthusiastic. The head office would conduct field surveys on their professionalism and accuracy, regularly carry out service quality inspections on business units, 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.

### 5-7-1 Processing flow



The Bank received a total of 382 complaints and problem cases in 2023, seeing an increase of 141 cases compared to 2022. The majority of the complaints were related to consumer disputes, primarily due to a significant rise in national fraud cases in 2023. Additionally, there was an increase in consumer disputes such as credit card fraud and issues related to customer purchases of funds and insurance due to investment losses.



50607

## Employee Care



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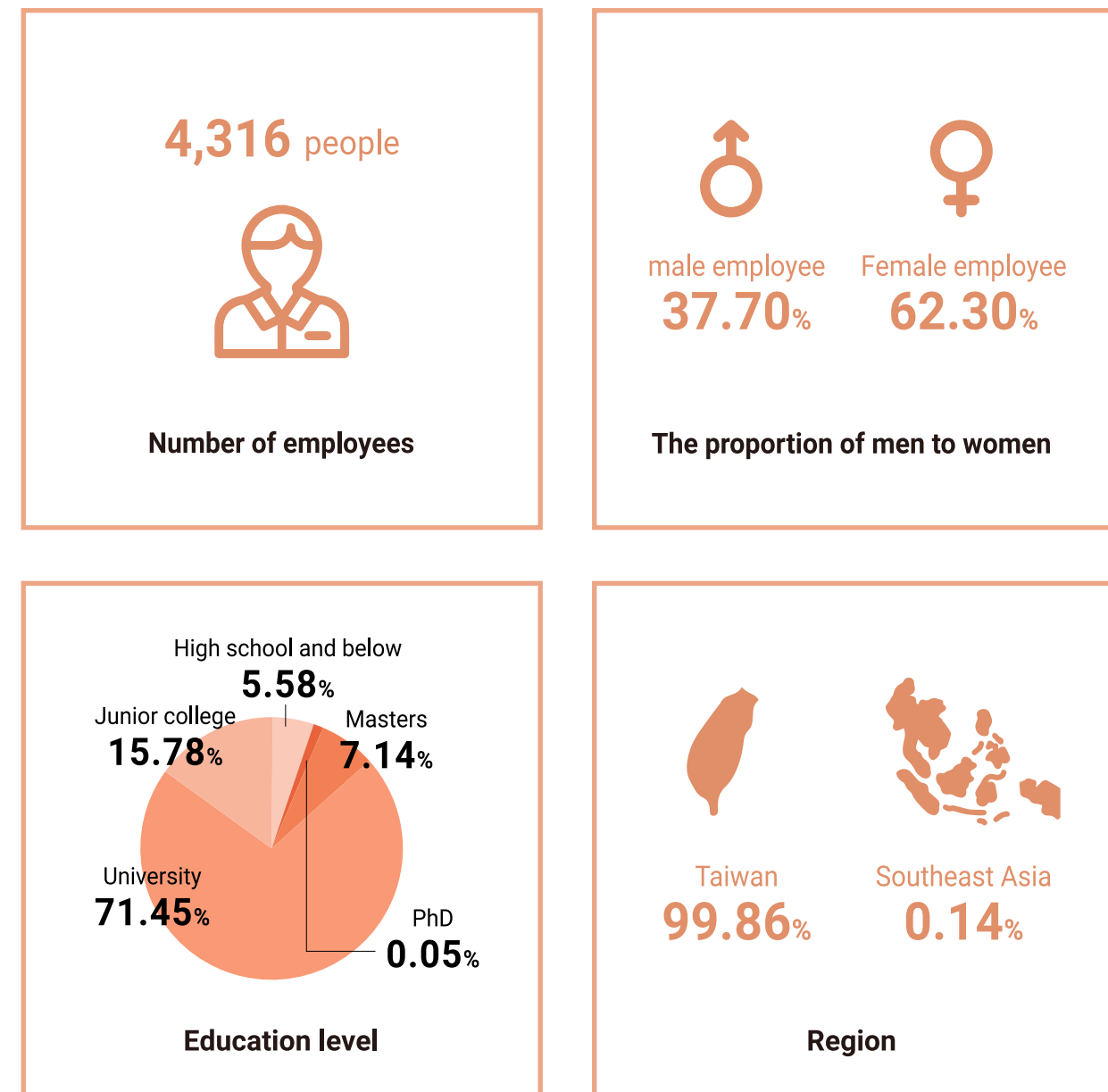
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## 6-1 Employee Structure

As of the end of 2023, there were 4,316 full-time employees at 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 40 years old, where 62.30% were female and 37.70% were male. The relevant manpower structure is shown in the following tables:



## 6-1 Employee Structure

### 6-1-1 Statistics on new employees, turnover and age in 2023

#### 1 Number of new employees

2023		Male			Female			Total
		18 to 29 years old	30 to 49 years old	50 years old and above	18 to 29 years old	30 to 49 years old	50 years old and above	
UBOT	Number of employees	144	49	13	267	113	13	599
	Percentage	24.04%	8.18%	2.17%	44.58%	18.86%	2.17%	100.00%
UBOT subsidiaries	Number of employees	21	39	6	16	22	4	108
	Percentage	19.44%	36.11%	5.56%	14.82%	20.37%	3.70%	100.00%
Total		165	88	19	283	135	17	707

#### 2 Turnover

2023		Male			Female			Total
		18 to 29 years old	30 to 49 years old	50 years old and above	18 to 29 years old	30 to 49 years old	50 years old and above	
UBOT	Number of employees	88	100	21	144	135	44	532
	Percentage	16.54%	18.80%	3.95%	27.06%	25.38%	8.27%	100.00%
UBOT subsidiaries	Number of employees	22	39	7	4	30	5	107
	Percentage	20.56%	36.45%	6.54%	3.74%	28.04%	4.67%	100.00%
Total		110	139	28	148	165	49	639

#### 3 Turnover rate

2023	Number of employees at the end of the year	Number of departures	Turnover rate	By Gender			
				Male	Percentage	Female	Percentage
UBOT	3,981	532	13.36%	209	14.43%	323	12.75%
UBOT subsidiaries	335	107	31.94%	68	37.99%	39	25.00%

### 6-1-2 Structure of managerial and general staff in 2023

#### 1 Analysis of managerial staff structure by gender and age

2023		Male			Female			Total
		18 to 29 years old	30 to 49 years old	50 years old and above	18 to 29 years old	30 to 49 years old	50 years old and above	
UBOT	Number of employees	0	87	232	0	136	224	679
	Percentage	0.00%	12.81%	34.17%	0.00%	20.03%	32.99%	100.00%
UBOT subsidiaries	Number of employees	0	11	29	0	15	12	67
	Percentage	0.00%	16.42%	43.28%	0.00%	22.39%	17.91%	100.00%
Total		0	98	261	0	151	236	746

#### 2 Analysis of non-managerial staff structure by gender and age

2023		Male			Female			Total
		18 to 29 years old	30 to 49 years old	50 years old and above	18 to 29 years old	30 to 49 years old	50 years old and above	
UBOT	Number of employees	366	610	153	701	1277	195	3302
	Percentage	11.08%	18.47%	4.63%	21.24%	38.67%	5.91%	100.00%
UBOT subsidiaries	Number of employees	34	83	22	27	91	11	268
	Percentage	12.69%	30.97%	8.21%	10.07%	33.96%	4.10%	100.00%
Total		400	693	175	728	1368	206	3570

#### 3 Number of employees

2023		Male			Female			Total
		18 to 29 years old	30 to 49 years old	50 years old and above	18 to 29 years old	30 to 49 years old	50 years old and above	
UBOT	Number of employees	366	697	385	701	1413	419	3981
	Percentage	9.19%	17.51%	9.67%	17.62%	35.49%	10.52%	100.00%
UBOT subsidiaries	Number of employees	34	94	51	27	106	23	335
	Percentage	10.15%	28.06%	15.22%	8.06%	31.64%	6.87%	100.00%
Total		400	791	436	728	1519	442	4316

### 6-1-3 Number of non-employee workers in 2022 and 2023

Number of employees	Year	
	2022	2023
	240	223

Note: Non-employee workers mainly include security personnel, cleaning personnel and dispatch personnel. There was no significant difference between 2022 and 2023.



## 6-2 Protection of Employee Rights

### 6-2-1 Protect employees in compliance with laws and regulations

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

The employee retirement system is also handled in accordance with the “Labor Standards Act” and the “Labor Pension Act,” while 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 system, UBOT 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% to 6% of their salary as labor pension, which will be withheld by UBOT on their behalf. The pension allocated by UBOT 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 contribution made by UBOT to the pension fund for 2023 was NT\$165,896,757.

For employees who choose the old retirement system and are eligible for retirement, their pensions will be calculated and paid based on their seniority and the average salary for the six months prior to retirement. UBOT contributes 3.25% to 16.73% of the total salary of our employees under the old retirement system to their retirement fund on a monthly basis. The net pension cost recognized by UBOT under the above pension plan for 2023

was NT\$66,300,523.

UBOT appoints an actuarial company to assess the contributions of pension every year. In case of any shortfall, 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 system, UBOT estimates the amount of pension payable to workers who are eligible for retirement conditions in the next year, and if there is any difference, UBOT will transfer the amount from the designated account to the account with UBOT of Taiwan.

### 6-2-2 Establish working rules and hold labor-management meetings on a regular basis

To protect the rights and obligations of both workers and employees, and to improve UBOT’s operation and management system, UBOT has formulated a “Working Rules” since its opening and holds a “Worker-employer Meeting” consisting of representatives from both sides, etc., all of which have been submitted to the competent authority for approval and record. Members participating in labor-management meetings at UBOT are composed of nine labor representatives and members designated by UBOT to protect the rights and interests of all employees at UBOT, including the rights and interests under the Labor Standards Act, human rights, tax payment and freedom of association. Among them, labor representatives are elected throughout the whole company including the north, central and south regions by online voting, and the top nine (four males and five females) shall be selected according to the number of votes received. Labor-management meetings are held on a yearly basis, where the representatives attending the meeting are full-time employees at UBOT.

### 6-2-3 Fair assessment and reward and punishment system

To treat employees fairly and protect the rights and interests of each employee, UBOT has formulated the “Employee Performance Appraisal Method” and “Employee Reward and punishment Case Handling Method” and other relevant rules to establish a fair evaluation and reward and punishment system and safeguard the rights and interests of employees as well as overall discipline.

### 6-2-4 Human rights protection and venue diversity

- 1 In order to prevent sexual harassment in the workplace and to protect the rights and interests of employees, the “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” are established in accordance with the provisions of the Workplace-Friendly and Gender Equality Act. In addition, we have established the “Unlawful Assault in the Performance of Duty Program” to provide employees with complaints of physical, psychological and verbal violence and sexual harassment in order to maintain a safe workplace environment.
- 2 UBOT endorses and supports the spirit and basic principles of human rights protection enshrined in various international human rights conventions such as the Universal

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Declaration of Human Rights, the Global Compact and the International Labor Organization Conventions, and has formulated the “Human Rights Policy” to implement the said declaration and fully embody its responsibilities to respect and protect human rights. UBOT 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.

3 UBOT has rolled out a workplace diversity policy with the intention of realizing employment diversity alongside fairness in pay and promotion opportunities. All our policies do not constitute unequal treatment or any form of discrimination on the basis of gender, sexual orientation, race, class, age, marriage, language, ideology, religion, party affiliation, place of origin, place of birth, appearance, facial features, physical or mental disabilities. In 2023, 63.6% of our employees and 53% of our managers were female. Of all employees at UBOT, 26.8% were under 30 years old; 53% were 30 to 49 years old; while 20.2% were 50 years old and above. On the other hand, UBOT also employed a total of 18 people with disabilities, which not only accounts for 0.4% of all our employees, but is also greater than the minimum number of five employees with disabilities to be hired as stipulated in the People with Disabilities Rights Protection Act.

- Average salary ratio of staff at different levels in 2023

Employee level	Average salary ratio (female-to-male)
Average salary of managerial staff	100:104
Average salary of non-managerial staff	100:105

## 6-3 Continuing Education and Training of Employees

### 6-3-1 Talent Education

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, UBOT 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 employees’ career development plans. At the same time, we not only encourage our employees to obtain designated finance-related certificates and licenses in accordance with the relevant rules and regulations set forth by the competent authority, but also put in place a salary adjustment mechanism after obtaining finance-related professional certificates, with a view to increasing our employees’ willingness to obtain the necessary qualifications for soliciting business while complying with the legal basis.



In addition, UBOT has developed an e-learning platform for online education and training aimed at providing a variety of digital learning courses placed in the online education and training area so that our employees can learn independently and improve their competencies at any time without constraints. In an effort to nurture future management talents, we continue to conduct the “Advanced Course for Management Talents,” which serves as a cross-departmental platform for outstanding staff in each business category to carry out business rotations and explorations, with hopes of inspiring them to maximize their competencies, broaden their horizons and acquire a variety of professional knowledge. In order for middle and top-level managers to effectively communicate employees across different generations following the arrival of the new generation, we conduct the “Cross-Generation Communication and Leadership” program from time to time, which includes learning about communication, coordination, inclusion, and adaptive leadership, so as to understand the thoughts of the new generation, thereby increasing employee retention.

On the other hand, UBOT engages in industry-academia collaboration with a number of universities and colleges, as well as arranges internships for education and training on an annual basis, with a total of 28 people successfully completing these internships, so as to realize the goal of talent sustainability. We also plan career programs with universities and colleges as promoted by the Ministry of Labor, whose objective is to not only nurture students’ professional financial knowledge and understanding of banking practices, but also to provide students with assistance and increase their willingness to join the financial industry.

For employees who resign involuntarily, UBOT 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.

All in all, UBOT provides intensive education and training to employees of various grades to improve the smoothness of operation processes, elevate the level of customer service, and develop all-round talents in financial services, while bolstering employees’ own competencies and workplace competitiveness in light of the rapid development of fintech, digital economy, and ESG, thereby facilitating the sustainable development of UBOT.

### 6-3-2 Overview of UBOT's implementation of education and training in 2023

Item	Internal	External	Total
Number of trainees (person-times)	47,076	8,005	55,081
Training expense (Unit: NT\$ thousand)	9,239	6,958	16,197

2023					
Category	Nature	Classes	Total number of trainees	Total training hours	Average training hours per employee
Internal training	Specialized courses	246	42,942	158,571	3.69
	Initial training	4	272	1,606	5.90
	Occupational safety and health	1	3,862	3,862	1.00
Subtotal		251	47,076	164,039	3.48
External Training	Specialized courses	438	7,635	41,125	5.39
	Corporate governance	6	60	180	3.00
	ESG	19	38	225	5.92
	Occupational safety and health	61	238	2,206	9.27
	Executive training	13	34	3,471	102.09
Subtotal		537	8,005	47,207	5.90
Total		788	55,081	211,246	3.84

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

Average education and training hours among employees in 2023		Male	Female	Total training hours	Average hours
Position	Management	58.77	68.11	43,200	63.72
	Non-management	53.41	49.58	168,046	50.89

## 6-4 Employee Salaries and Benefits and Employee Care

### 6-4-1 Compensation and Benefits System

UBOT has established a sound system of compensation, bonus, and benefits, and adheres to the principle of fair employment. The salary of new staff is higher than the statutory minimum basic wage. UBOT also adopts a competency-based compensation system, 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. UBOT also continues to formulate performance incentive plans for various business grades to provide incentive bonuses for employees who meet the standards.

### 6-4-2 Family-friendly Workplace Environment

In order to promote family care and welfare and comply with the Labor Standards Act, UBOT not only creates a suitable working environment and related conditions, but also implements policy directions and goals such as creating a family-friendly workplace environment. At UBOT, the "Workplace Female Health Protection Plan" has also been rolled out to safeguard the physical and mental health of our female staff, with a 100% achievement rate. Aside from offering employees basic leave benefits, such as pregnancy check-up leave, maternity leave, antenatal care leave and paternity leave, we have also signed welfare contracts with kindergartens and child care centers to satisfy employees' child care needs while issuing childcare and marriage allowances for employees. In 2023, UBOT received a total of 143 applications for unpaid parental leave to look after children under three years old.

Unpaid parental leave among UBOT employees in 2022			
Item	Male	Female	Total
Number of employees eligible to apply for unpaid parental leave	55	189	244
Number of employees who actually applied for unpaid parental leave	7	52	59
Number of employees expected to be reinstated	9	74	83
Number of employees actually reinstated	7	41	48
Reinstatement rate in 2022	78%	55%	58%
Number of employees still employed one year after reinstatement	5	38	43
Incumbency rate one year after reinstatement	71%	93%	90%

Unpaid parental leave among UBOT employees in 2023			
Item	Male	Female	Total
Number of employees eligible to apply for unpaid parental leave	66	222	288
Number of employees who actually applied for unpaid parental leave	6	52	58
Number of employees expected to be reinstated	3	48	51
Number of employees actually reinstated	2	42	44
Reinstatement rate in 2022	67%	88%	86%
Number of employees still employed one year after reinstatement	2	37	39
Incumbency rate one year after reinstatement	100%	88%	89%

\* The number of employees expected to be reinstated is determined based on the expected date of reinstatement of employees when they apply for parental leave



### 6-4-3 Employee Health Care

In order to take care of the physical and mental health of employees, UBOT 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 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, UBOT strengthens the promotion of workplace health knowledge and habits of life and health care. The occupational safety nurses of UBOT post real-time information in the internal mailbox from time to time, so that employees can take preventive measures and self-management of health care.

In addition, UBOT grants a subsidy fee of NT\$5,000 per year for health examinations 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 system 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 aged 40 years old and above but under the age of 65 years old should be checked every three years. Employees highly affirmed this health check and recognized the importance of health check to maintain good health.

#### • Injury and sick leave among UBOT employees in 2023

	Number of injury leave	Days of injury leave	Occupational injury rate	Number of sick leave	Days of sick leave	Number of personal leave	Days of personal leave	Absence rate
Male	17	253	1.17%	480	2,151	241	683	0.86%
Female	42	299	1.66%	1,090	6,253	437	1,177.5	1.23%
Total	59	552	1.48%	1,570	8,404	678	1,860.5	

\* Occupational injury rate = (Number of employees on occupational sick leave / Total working hours)\*1,000,000

\* Absentee rate in male employees = (Number of occupational sick days taken by male employees + sick days taken by male employees + personal days taken by male employees) / Total working days for male.

\* Absentee rate in female employees = (Number of occupational sick days taken by female employees + sick days taken by female employees + personal days taken by female employees) / Total working days for female.

\* Total working hours = 7,898,304 (Total number of employees \*Daily working hours \*Total working days in a year).

\* Total working days for male=359,104(Total male number of employees \*Total working days in a year).

\* Total working days for female=628,184(Total female number of employees \*Total working days in a year).

### 6-4-4 Salary analysis and statistics of non-managerial staff at UBOT (disclosed for past three years)

Year	Number of non-managerial employees	Average salary	Median salary
2021	3,681	837,023	736,624
2022	3,563	854,120	744,290
2023	3,629	911,709	805,082
Difference between 2022 and 2022	66	57,589	60,792
Ratio	1.85%	6.74%	8.17%

### 6-4-5 Take out 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, UBOT 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 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, UBOT 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.

#### • Amount of claims

Year	Number of claims	UBOT-funded group insurance	Number of claims	Self-paid group insurance
2022	679	18,679,174	137	1,406,587
2023	911	17,863,320	184	2,913,254
Total	1,590	36,542,494	321	4,319,841

## 6-5 Employee Relations

In order to establish a good communication and interaction relationship with employees, UBOT has established an "employee complaint system" in the personnel management measures, and set up an "employee corner" in UBOT'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. UBOT also appoints dedicated personnel to handle the employee's opinion in a confidential and prompt manner, and transfers it to the respective business management unit, which then reports the results and handling situation to the employee. UBOT firmly believes that an open approach to employees can build an institutionalized bridge of communication, and strengthen the care for employees and the handling of labor-management relations, which is conducive to the cohesion of employees to improve business performance. In addition, UBOT maintains good employee-employer relation, with collective bargaining agreements accounting for 0.3% of the total number of employees at UBOT.



# Employee Relations

What's more, employees who have been working for more than one year can fill in the "Employee Volunteer Service Area Questionnaire" in the "Employee Corner" to apply for volunteer service. 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 development of employees' competencies. UBOT also conducts an employee satisfaction survey for current position on its internal website at the end of each year, where the satisfaction score in 2023 was 97.8%.



## 6-6 Labor Occupational Safety and Health Training and Measures

In order to maintain the safety of employees in the workplace, UBOT 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, UBOT 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 workers, and strengthened medical and health promotion measures. In 2023, we organized 62 such sessions, which were attended by 4,100 trainees in total, with hopes of enhancing each employee's understanding of safety and health concepts and realizing the principle of zero accident in the workplace.

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.

### Occupational safety and health educational training for workers

Year	2021	2022	2023
Number of sessions	52	80	62
Number of trainees	3,777	3,792	4,100

### Conclusions

Since our founding in 1992, the number of employees at UBOT 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. As of the end of 2022, Union Group had a total of 4,316 employees. Although UBOT does not have a trade union, it has set up a "Employee Corner" 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 UBOT, so as to achieve the goals set by UBOT. Therefore, UBOT 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, and a sustainable development of UBOT.

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# 0708

## Environmental Sustainability



- 7-1 Task Force on Climate-Related Financial Disclosure (TCFD)
- 7-2 Green Management Policy
- 7-3 Supply Chain Management
- 7-4 Resource Recycling and Reusing

In response to climate change becoming one of the major global risk issues, the Task Force on Climate-related Financial Disclosure (TCFD) established by the Financial Stability Board (FSB) issued the Report on Climate-related Financial Disclosure Suggestions in 2017, and the Financial Supervisory Commission issued “Guidelines for Financial Disclosure of Climatic Risks of Domestic Banks” at the end of 2021. In accordance with the framework of the Guidelines, UBOT continues to deepen our disclosure of the implementation of four aspects including governance, strategy, risk management, indicators and targets under climate change.

- **7-1 Climate-related Financial Disclosures**

### 7-1-1 Governance

#### a. Board of Directors and management in the Climate Governance Framework

- 1 In order to ensure the implementation of corporate social responsibility, sustainable development policy and climate change risk management, UBOT established the “Sustainable Development Committee” (ESG Committee) under the Board of Directors and the “Asset and Liability and Risk Management” under the Chairman of the Board. The two committees are responsible for relevant issues respectively.
- 2 The ESG Committee is responsible for coordinating UBOT’s sustainable development policies, management guidelines and specific promotion plans, and reports their implementation status annually to the Board of Directors. The ESG Committee has an Environmental Sustainability Team, whose functions include environmental sustainability policy, corporate decarbonization management, green procurement, environmental sustainability propaganda and supply chain management. The convener of the team could invite relevant units to participate in its work based on its functions.
- 3 The Asset and Liability and Risk Management Committee is responsible for reviewing and inspecting management reports or information proposed by various business management units and the Risk Management Department. In addition to the Chairman, its members also include the General manager, Deputy General Manager, supervisors of Head Office’s business management and risk management units.
- 4 The Risk Management Department is responsible for planning and coordinating the financial disclosures related to climate change, and reporting relevant information on climate change risk issues to the Board of Directors annually.

## b. Rights and responsibilities of the risk management organization

### 1 Board of Directors

This is the supreme decision-making unit of UBOT's risk management policy, being responsible for reviewing and verifying UBOT's overall risk policies, limits, organization structure and attribution of rights and responsibilities.

### 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, so as to maintain the risk management effectiveness of the whole Bank.

### 3 Risk Management Department

It is an independent dedicated risk management unit, which 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 the Asset and Liability and Risk Management Committee, and planning and establishing various measurement tools of risk control.

### 4 Various business management units

Formulate management regulations, processes and control mechanisms according to business their mainly responsible for, appropriately manage and supervise various business units to carry out necessary management.

### 5 Various business units

They are responsible for making daily business management in accordance with the management regulations and measures formulated by UBOT's various management units, and confirming the correctness and integrity of all operational data.

## c. Management policy

- 1 UBOT formulated the "Criteria for Management of Climatic Change and Environmental Sustainability Risks" under the "Risk Management Policy," specifying that UBOT shall abide by relevant laws and regulations related to climate, energy and environmental protection, implement and disclose greenhouse gas inventory, water consumption and waste management and statistics, formulate related policies and improve education and promotion to strengthen employees' awareness of energy saving, disclose governance condition of climate risks and opportunities regularly, identify and evaluate relevant risks and the goals used for evaluating relevant topics.
- 2 UBOT's Sustainable Development Best Practice Principles requires it to comply with environment-related laws and regulations, as well as relevant international norms, and protect the natural environment as appropriate. Moreover, in the implementation of operational activities and internal management, UBOT shall be committed to the goal of environmental sustainability. UBOT shall assess the potential risks and opportunities of climate change and take relevant countermeasures. UBOT shall adopt common standards or guidelines at home and abroad, implement enterprise greenhouse gas inventory and make disclosure and statistics of greenhouse gas emissions, water consumption and total waste weight, formulate various policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management, incorporate the acquisition of carbon emission rights into the its carbon reduction strategy planning, and promote relevant work based on this, so as to reduce the impact of its business activities on climate change.

- 3 UBOT's "Energy and Environmental Management Policy" stipulates that it shall "abide by laws and regulations related to energy and environmental protection," "support energy conservation and carbon reduction, and continue to implement green procurement," "pay attention to education and promotion to strengthen employees' awareness of energy saving," "improve management performance and build a sustainable business environment," "implement greenhouse gas reduction and disclose related data," "use products with the water-saving mark to reduce waste of water resources." and "comply with waste sorting and resource recycling and reuse."
- 4 UBOT's "Supplier Management Policy" requires that UBOT shall work together with our suppliers to implement corporate social responsibility and promote environmental sustainability. When signing the contract, they shall sign and abide by the "Commitment Letter on Compliance with CSR, Ethical Management and Legal Provisions," and jointly abide by the environmental sustainability policy or relevant environmental protection measures promoted by UBOT.



**d. Enhance climate-related expertise and capabilities**

1 In order to actively acquire new knowledge about climate trends, enhance staff awareness of climate change issues, and improve corporate culture, UBOT's members of the Board of Directors, senior managers, relevant personnel of Head Office's business units and risk management units continued to actively participate in various projects, seminars, presentations and training courses.

2 UBOT has appointed a dedicated environmental management staff in the General Affairs Department, who is responsible for promoting measures related to environmental sustainability, making disclosure of greenhouse gas inventory information in accordance with the "Sustainable Development Roadmap of TWSE- and TPEX-listed Companies" made by the Financial Supervisory Commission, and conducting education and training for greenhouse gas emission inventory personnel in all units of the entire bank.

3 In 2023, a total of 28 training sessions were conducted by UBOT, which saw the participation of 679 people undergoing training for 180 hours in total.

Participant	Number of session	Cumulative number of employees	Total training hours	Primary content
Board members	3	11	9	<ul style="list-style-type: none"> <li>• Opportunities and challenges in the financial sector, trends in sustainable finance disclosure, sharing of responsible investment practices, development trends concerning climate stress testing in the banking sector under the pathway to net-zero emission by 2050.</li> <li>• Climate-related financial disclosure (TCFD) report, biodiversity, and nature-related financial disclosure (TNFD)</li> <li>• Sustainable Development Action Plans for TWSE- and TPEX-listed Companies, as well as corporate governance and ESG promotion measures in the near future.</li> </ul>
Senior executives and staff from various units at the head office		21		
Relevant personnel at various business units across UBOT or business units under the head office and risk management units	20	60	163.8	<ul style="list-style-type: none"> <li>• Introduction to climate risks, response strategies, experiences and challenges in promoting management practices, and international development trends; biodiversity and TNFD, and IFRS S1 and S2 Sustainability Accounting Standards.</li> <li>• Innovative applications of digital technology in sustainable finance.</li> <li>• Green and sustainable finance risk management.</li> <li>• Net-zero risks/opportunities and how to deal with them.</li> <li>• International development trends in greenhouse gas issues, as well as carbon footprint management and calculation.</li> </ul>
Personnel at the head office (including senior management personnel) and various business units	5	587	7.5	<ul style="list-style-type: none"> <li>• ISO 50001 and ISO 14001 energy management system management review meetings, as well as related education and training programs.</li> <li>• Education and training on the ISO 14064 Standards for Greenhouse Gas Inventories.</li> </ul>

# Climate-related Financial Disclosure

## 7-1-2 Strategy

a. As the impact of extreme weather intensifies globally, relevant transnational initiatives and national governments have proposed various climate adaptation and mitigation measures. Sustainable development has become the primary goal of the current global economic transition. In line with the Sustainable Development Goals of United Nations, UBOT aims to use our influence to provide climatic finance products and services and enhance the climate adaptation capability of our customers. In addition, it would take practical actions to support Taiwan green energy, implement carbon reduction, and continuously commit to the sustainable development of enterprises. UBOT's strategy is as follows:

### 1 Moving towards net-zero emission

UBOT is actively managing our daily operational activities to conserve energy and reduce carbon emissions, with a view to achieving the goal of net-zero emission.

### 2 Supporting Low Carbon Economic Activities

UBOT develops and implements potential business opportunities and related financial benefits arising from climate change, while effectively managing associated risks. Our services include assisting clients in their transition to a low carbon economy, supporting the development of low carbon technologies, and promoting climate financial products and services.

## b. Climate risks and opportunities

### 1 Types of climate risk



#### 1 Physical risk

Physical risk refers to the direct or indirect impact of extreme weather events on banks that may result in the destruction of fixed assets, disruption of operations, impairment of production, and potential changes in asset value.



#### 2 Transition risk

In order to achieve the global warming control objectives outlined in the Paris Agreement, countries worldwide are considering the implementation of net zero carbon emission targets. This could involve the introduction of measures such as taxation and stricter regulations aimed at curbing carbon emissions. However, these actions may have potential implications for businesses, including reduced revenue and increased costs.



#### 3 Climate opportunities

In order to mitigate or adapt to the impacts of climate change and considering the market development potential, UBOT, as a financial service provider, may develop diversified business opportunities, such as encouraging the research and development of electric vehicles or promoting low-carbon means of transport, implementing green procurement, as well as providing green investment, financing, products and services.

2 Short-, medium-, and long-term climate risks and opportunities

In order to comprehend the impact of climate change risks and opportunities on UBOT and UBOT's response measures, these items are explained in the following table:

Type of risk	No.	Description	Impact period	Corresponding risks	Impact on business or finances	Response measures/ Climate actions
Physical risk	1	Impact of extreme weather on UBOT's business locations	Short- and long-term	Operational risk	Extreme weather events, such as typhoons, floods, or long-term sea level rise, can cause regional power outages, water shortages, and communication disruptions. This can lead to the risk of business operation interruptions and the associated costs of recovery.	<ol style="list-style-type: none"> <li>To ensure the backup of core information equipment, power, and network, as well as the establishment of emergency response operating procedures for disasters, business units conduct regular safety and security education training and drills. These measures are continuously reviewed and improved. Furthermore, insurance coverage is in place to mitigate the risk of property damage resulting from extreme weather disasters.</li> <li>By conducting a self-assessment of operational risk control, UBOT evaluates the effectiveness of control measures and develop alternative action plans based on the assessment results if necessary.</li> </ol>
	2	Impact of extreme weather on UBOT's real estate collaterals	Short- and long-term	Credit risk	Extreme weather events, such as typhoons, floods, or long-term sea level rise, have led to a decline in the value of UBOT's real estate collateral, thereby increasing UBOT's credit risk.	UBOT's appraisal standards stipulate that credit grantees that are susceptible to wind disasters, floods and droughts or adverse geological conditions shall be included in the matters requiring attention, and special attention shall be paid to their risk control; whereas real estate collaterals such as those located in high flood risk areas, high risk areas for slope hazards, and high potential areas for soil liquefaction shall be detailed in the appraisal report.
	3	Impact of extreme weather on customers' operations or revenue	Short-, medium-, and long-term	Credit risk and market risk	Extreme weather events, such as typhoons, floods, or long-term sea level rise, can have a detrimental effect on the operations and income of our investment and financing customers, thereby impacting their ability to make repayment.	<ol style="list-style-type: none"> <li>Keep a close eye on the operational and financial condition of customers and consistently enhance due diligence investigations and control measures for customers.</li> <li>Assist customers impacted by natural disasters in their restoration and reconstruction efforts by providing the necessary funding for post-disaster restoration while minimizing the impact on UBOT's earnings.</li> </ol>
Transition risk	1	Cost implications of carbon reduction and compliance arising from policies and regulations.	Short- and medium-term	Operational risk	In response to the Climate Change Response Act, UBOT will incur additional costs for carbon reduction measures, such as carbon tax and carbon pricing, as well as penalties for non-compliance.	<ol style="list-style-type: none"> <li>Establish relevant energy-saving goals and prioritize the procurement of energy-saving equipment that is labeled with energy-saving labels, water-saving labels, green building material labels, and eco labels.</li> <li>As part of the Ministry of Economic Affairs' "Service Industry Energy Management System Demonstration and Promotion Program," UBOT has implemented ISO energy management systems in all five of our buildings. Additionally, all units within UBOT have successfully completed greenhouse gas inventory and certification.</li> <li>Evaluate the effectiveness of control measures by conducting a self-assessment of operational risk control, and develop alternative action plans based on the assessment results if required.</li> </ol>
	2	Customers' exposure to risks related to carbon reduction and sustainable transformation.	Short-, medium-, and long-term	Credit risk and market risk	The repayment capacity of investment and financing clients has been affected by additional costs resulting from policy and regulatory transformation, as well as a decline in revenue due to untimely transformation.	<p>Pay close attention to the operations and financial condition of customers, continuously strengthen due diligence investigations and control measures for customers, as well as remain vigilant about relevant regulatory disclosures and provide working capital in a timely manner to assist customers in low-carbon transition.</p> <p>Note: Short-term refers to within 3 years, medium-term refers to 3 to 10 years (inclusive), and long-term refers to more than 10 years</p>

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No.	Description	Impact period	Impact on business or finances	Response measures/ Climate actions	
<b>Climate opportunities</b>	1	Enhance energy efficiency in UBOT's business locations	Short-, medium-, and long-term	By replacing outdated energy-consuming products, implementing energy-saving and power-saving products, and promoting energy-saving measures, UBOT is able to reduce our operating costs.	<p>1 Switch to LED light bulbs, replace old air conditioners, participate in the Ministry of Economic Affairs Energy Bureau's "Service Industry Energy Management System Demonstration and Promotion Program," control indoor air conditioning temperature during summer, and promote energy-saving measures to conserve electricity.</p> <p>2 Ensure that green building materials account for more than 45% of the building materials used in the renovation of UBOT's dormitory buildings.</p>
	2	Promote a variety of online services and paperless initiatives.	Short- and medium-term	Promote digital transactions and various online services, enhance operational efficiency, achieve the benefits of going paperless, and reduce operating costs for UBOT.	Provide digital deposit accounts, online loan application service, as well as promote electronic billing and insurance policies, and optimize internal operating procedures to achieve energy conservation and carbon reduction.
	3	Issue low-carbon financial products or services.	Short- and medium-term	By developing and promoting low-carbon products and services, we can improve consumers' perception of our brand, leading to increased profitability.	<p>1 Issue green credit cards made from environmentally friendly materials and virtual cards, and encourage customers to engage in green consumption through UBOT's official website.</p> <p>2 Introduce ESG or low-carbon specific investment trust products to meet the demand of investors.</p>
	4	Promote green and sustainability loans and investment products.	Short-, medium-, and long-term	Provide green and sustainability loans and invest in green/ sustainability bonds, with the intention of encouraging businesses to adopt sustainability-related practices and enhancing UBOT's revenue.	<p>1 Provide green credit (including renewable energy loans, green building loans, electric (or hybrid) vehicle loans, loans for green and related industries, etc.), and invest in green bonds, sustainability bonds, and solar power plants.</p> <p>2 Plan to formulate the "Key Points to the Sustainability-linked Loan Business," aimed at encourage companies to achieve the sustainability performance indicators they are committed to by offering more favorable interest rate conditions, so as to assist companies and industries in low-carbon and sustainability transitions.</p>
	5	Respond to energy conservation advocacy campaigns and programs	Short-, medium-, and long-term	Corporate image is an intangible asset of the company. If we can jointly respond to energy conservation initiatives with our customers and neighboring businesses to save energy expenditure, it will have a positive impact on corporate finance	Enhance corporate image by responding to the global "Earth Hour", "World Earth Day", "World Environment Day" and other energy-saving initiatives, as well as participating in the "Green Procurement for Private Enterprises and Organizations" program organized and promoted by the Executive Yuan.

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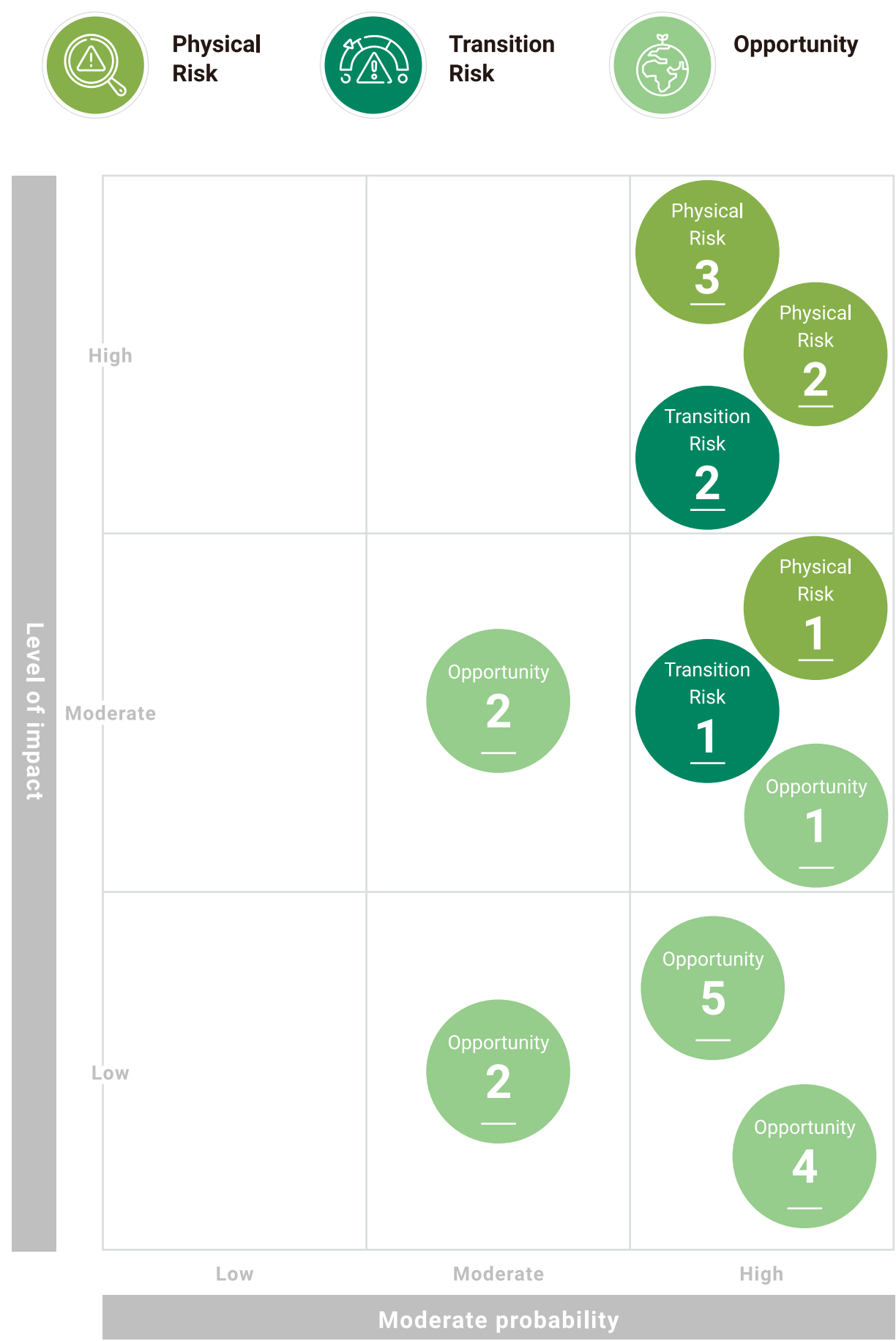
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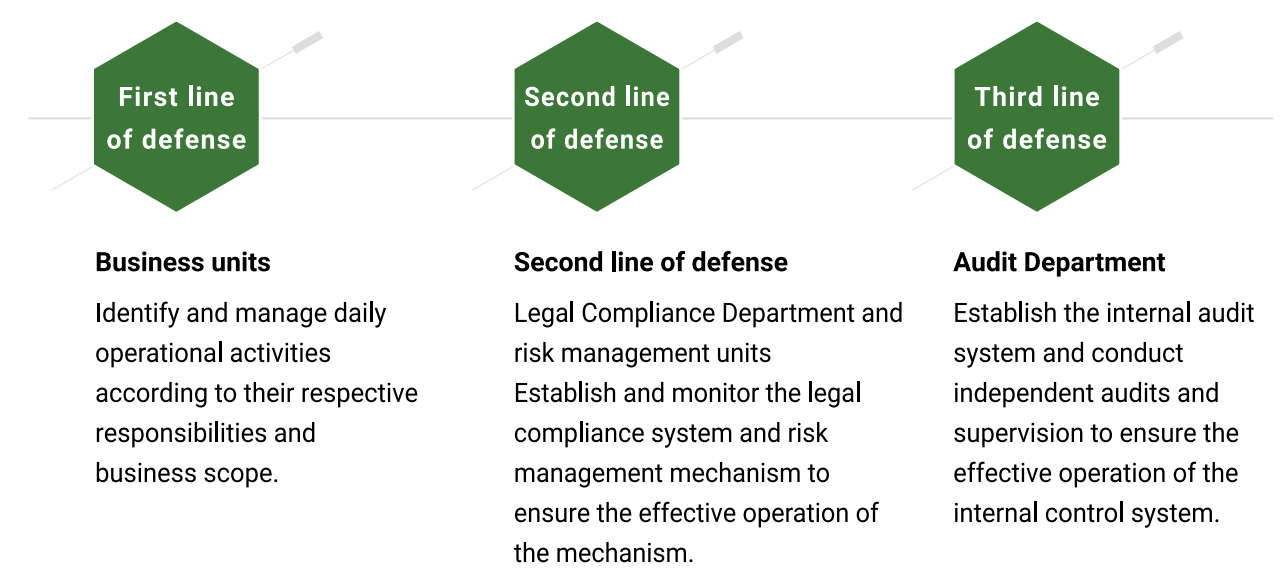
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• Climate Risk and Opportunity Matrix

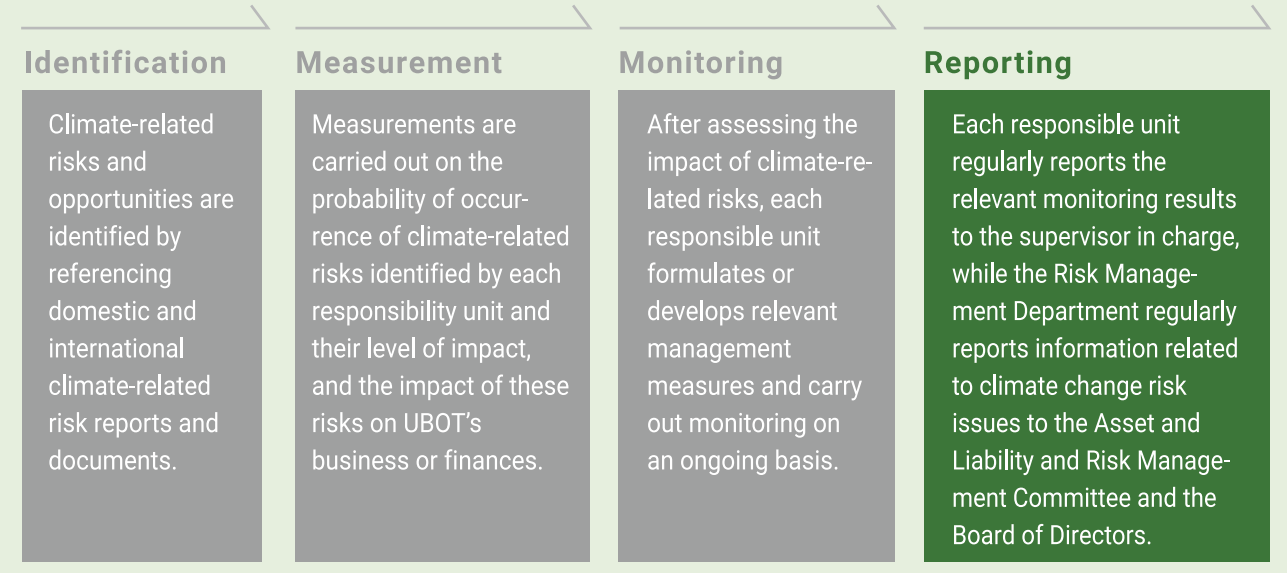


7-1-3 Climate Risk Management

a. UBOT conducts climatic risk management through the three-defense-line framework of internal control, which includes the 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.



b. The "Risk Management Policy" formulated by UBOT is the highest management principle of risk management at UBOT, which includes the "Criteria for Management of Climatic Change and Environmental Sustainability Risks" and our risk management process includes risk identification, risk measurement, risk monitoring, risk reporting and other procedures.



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c. For the direction of our credit granting policy, UBOT shall support alternative energy and water resources, environmental protection and pollution control, and other green industries, as well as assist credit grantees in transition to decarbonization, while our credit-awarding audit shall place special emphasis on circumstances such as significant negative impact of enterprise operation on environmental protection, or violation of environmental protection laws and regulations. Furthermore, with the intention of guiding our customers to pay serious attention to sustainability-related issues and to fulfill CSR so as to achieve the goal of sustainable development jointly realized by both enterprises and UBOT, UBOT plans to formulate the "Key Points to the Sustainability-linked Loan Business," which links the overall performance of our corporate customers in the area of sustainable development to the terms and conditions of credit facilities, with the aim of encouraging companies to achieve the sustainability performance indicators they are committed to by offering more favorable interest rate conditions, so as to assist companies and industries in low-carbon and sustainability transitions.

d. For the investment business, UBOT takes into consideration ESG or projects with high climate risk factors in a progressive manner, which is detailed as follows:

1 Investment in New Taiwan dollar-denominated bills and bonds, as well as foreign currency-denominated debt instruments:

UBOT has put in place an ESG assessment and review process for investments in New Taiwan dollar-denominated corporate bonds (including financial bonds) and underwriting of non-guaranteed commercial papers, which is explained as follows. Before making such an investment, ESG is incorporated in the review and appraisal process, where investment caps are applied based on the appraisal grading scale. After making such an investment, the ESG situation is reviewed regularly. If the issuing company is in a high-emitting industry, the company is required to disclose its carbon reduction plan. Investment caps on the aforesaid instruments and foreign currency-denominated bonds have also been put in place against high-emitting industries.

2 The following additions have been made in the first quarter of 2024:

**1 Investment in TWSE- and TPEX-listed equity instruments**

For investments in equity instruments not held for trading, ESG scores shall be used as a reference indicator before making such an investment; if the aforesaid scores are not available, the results of the Taiwan Corporate Governance Evaluation can be use in place of these scores. If both sets of indicators are unavailable or below the threshold, the investment cap shall be adjusted, while the reason for such an adjustment has to be detailed in a written report; moreover, the ESG situation of the investment shall be reviewed on a regular basis. In addition, UBOT has also set out the industries to be avoided when making such investments, which is listed as follows: fur trading, pornography, illegal weapons manufacturing, logging in tropical rainforest, manufacture of asbestos cement tiles or other asbestos products, gillnet fishing, and manufacture of drugs or radioactive substances (excluding those for medical purposes).

**2 Investment in foreign currency-denominated bonds**

ESG shall be included in the investment appraisal process, where ESG score items shall be reviewed before making such an investment, while the investment cap shall be adjusted according to the grading results in the appraisal process and also reviewed on a regular basis. If the subject matter in the investment is a sovereign bond, it is a must to disclose in the checklist whether the country that issues

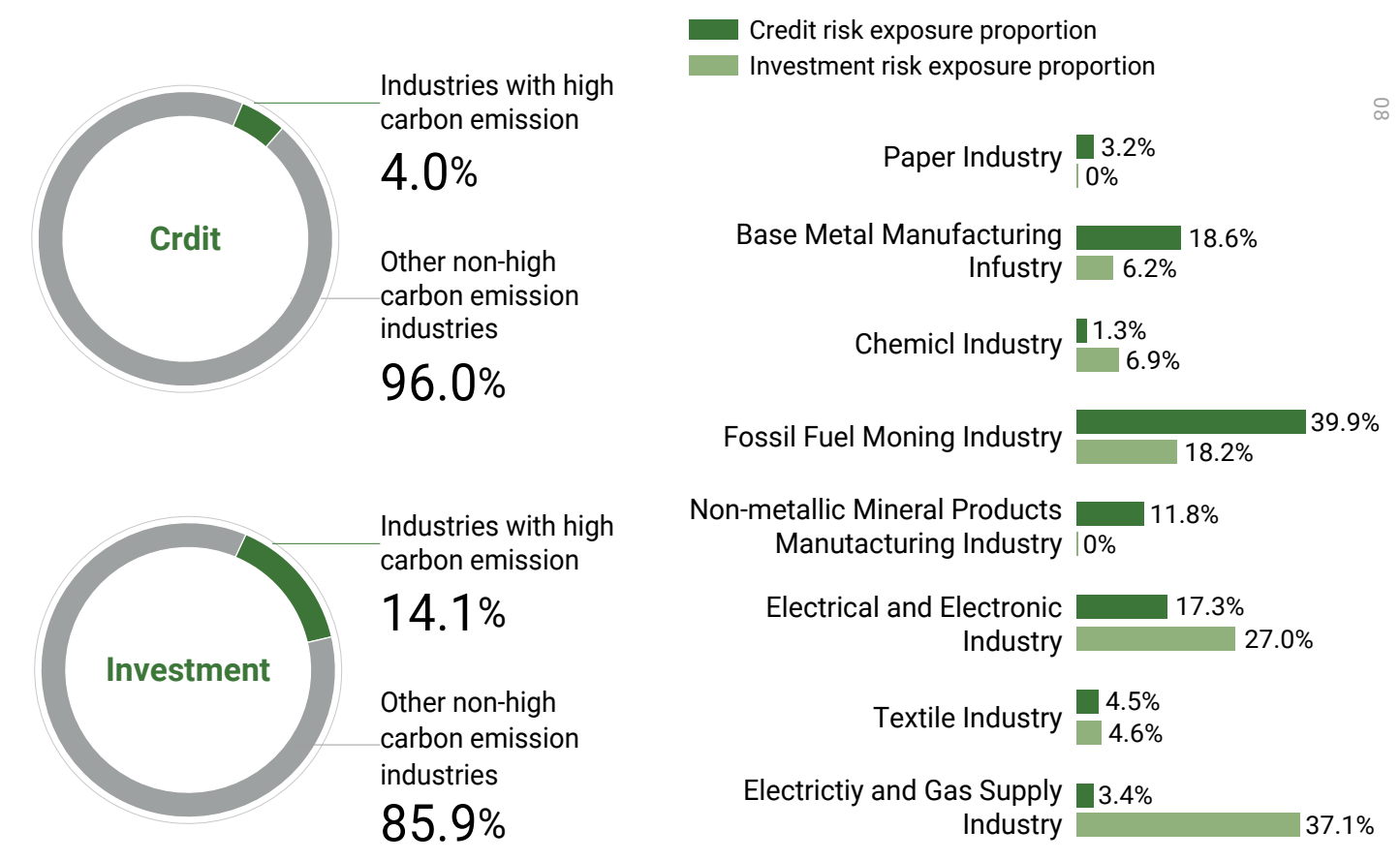
the bond has a carbon reduction program in place. If the subject matter in the investment is a corporate bond or a financial bond, it is a must to disclose whether the company that issues the bond has set a net-zero emission target.

e. A dedicated unit in charge of energy and environmental management shall establish appropriate energy and environmental management system in accordance with attribute of the banking industry, including green management policy, corporate decarbonization management, green procurement, energy certificate subscription, supply chain management, resource recycling, and reusing, and creating green life and other execution measures, and review the operation effect regularly.

f. Risk measurement

1 Risk exposure of high-emitting industries:

Under the trend of global low-carbon transition, high-emitting industries will face increasingly stringent laws and regulations or policy controls. In the future, the imposition of carbon tax/fee both at home and abroad will increase the operating cost of enterprises. Failure to engage in transition in a timely manner may affect the operation and profit of enterprises. By referencing the identification of industries with high energy consumption and high carbon emissions by the Environmental Protection Administration and the Ministry of Economic Affairs, UBOT has compiled the "List of High-emitting Industries" as follows: "paper," "base metal manufacturing," "fossil fuel mining," "chemical" "non-metallic mineral products manufacturing," "electrical and electronics," "textile," and "electricity and gas supply." The percentage of credit and investment risk exposure of high-emitting industries as of the end of 2023 are illustrated in the following diagrams:



▲ Industries with high carbon emission





### 1 Background statement

With the trend of promoting economy towards the low-carbon transition and building net zero emission already becoming a global consensus, high-emitting industries will be the first group of industries to be affected by relevant laws, regulations and policies and become their main object of control. In the future, the imposition of carbon tax/fee both at home and abroad will increase the operating cost and reduce the revenue of relevant enterprises. In the face of increasing customer risk, it is necessary to not only reassess the change of customer default risk, but also analyze the possibility of increased expected losses arising from future credit risks, and assess the transition risk of customers investing in credit and bank book bonds.



### 3 Evaluation method

Based on relevant domestic and foreign information, three carbon fee scenarios (as shown in the table below) were assumed to calculate the additional operating costs that customers may face (unit carbon price \* carbon emissions) and the resulting impact on revenue. The financial data adjusted by carbon fee pressure was used to analyze the change of default rate and expected credit loss under the scenario that customers pay extra costs of carbon fee.



### 2 Subject of evaluation

Based on the carbon emission data published on the Mandatory Greenhouse Gas Reporting System provided by the Climate Change Administration under the Ministry of Environment, a total of 18 UBOT customers with risk exposure as of the end of December 2023 were identified, while the balance of these customers accounted for 1.2% of UBOT's total credit and bond balance.



### 4 Evaluation results

1. According to the evaluation results for Scenario 1, in which Taiwan is estimated to begin collecting carbon fees in 2025, one customer will experience an increase in default rate, which could result in an expected credit loss of approximately NT\$0.12 million. there is no change in customer default rates and no change in expected credit losses for the time being. However, under Scenario 2 and Scenario 3 in which carbon fees are expected to rise until 2030, three and five customers will experience an increase in default rate, which could result in an expected credit loss of approximately NT\$10.28 million and NT\$13.94 million, respectively. It is assessed that these expected loss amounts will have little impact on UBOT.
2. As can be observed in analysis by industry category, under Scenario 3 in which carbon fee reaches its peak, the industry with the highest increase in expected loss is "electricity and gas supply" (70%), followed by "base metal manufacturing" (19%).

# Carbon fee pressure scenario

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## ▼ Carbon fee pressure scenario

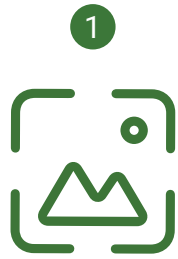
Item	Scenario 1 NT\$307 (approximately US\$10)	Scenario 2 NT\$2,305 (approximately US\$75)	Scenario 3 NT\$3,934 (approximately US\$128)
Scenario statement	Following the promulgation of the Climate Change Response Act in Taiwan in February 2023, it is estimated that Taiwan will begin collecting carbon fees in 2025 based on the inventory results for 2024 while keeping up the pressure with the current starting price of NT\$10 per ton as recommended in an outsourced study commissioned by the Environmental Protection Administration.	In order to achieve the goal of limiting global warming to within 2 degrees Celsius, as set by the Paris Agreement, the World Bank projects a carbon price range of US\$50 to US\$100 per ton by 2030. The estimated price per metric ton is US\$75 based on the average value.	Out of the six NGFS scenarios, UBOT selected the Net Zero 2050 scenario in the orderly category, where the average estimated carbon price of US\$128 per metric ton for Asian countries in 2030 was adopted.
Number of customers with changes in default rate	1	3	5
[Calculation results]: Amount of additional expected credit loss (NT\$ millions)	0.12	10.28	13.94

Note: Additional expected credit loss = Expected credit loss after carbon fee pressure - Expected credit loss before carbon fee pressure.

## ▼ Scenario 3

Item	Proportion of additional expected loss	
High-emitting industries	Electricity and gas supply	70%
	Base metal manufacturing	19%
	Fossil fuel mining	0%
	Chemicals	0%
	Non-metallic mineral product manufacturing	2%
	Electrical and electronics	0%
	Textile	1%
	Paper	0%
	Subtotal	92%
Non-high-emitting industries	Wholesale	0%
	Real estate development	0%
	Financial services	0%
	Retail	0%
	Food and feed manufacturing	8%
	Others	0%
Subtotal	8%	
<b>Total</b>	<b>100%</b>	

# Scenario 3



In terms of climate disaster, Taiwan is more prone to floods. Therefore, the quantitative assessment of flood risk was carried out for UBOT's business locations and the locations of the real estate collateral with credit granted by UBOT.

## 2 Evaluation method



According to the Climate Change Disaster Risk Adaptation Platform of the National Center for Disaster Reduction (NCDR), the hazard level of extreme rainfall occurrence in all townships and districts in Taiwan has been assessed for the mid-century period (2036-2065) under the RCP8.5 scenario. In addition, UBOT's business locations and real estate collateral loans have taken into account the vulnerability classification map of the third-generation flood potential by the Water Resources Agency, considering exposure based on the number of sites and balance levels. To assess the potential impact of flood disasters on UBOT in different regions, we have used five risk levels, ranging from Level 1 to Level 5.



## 3 Evaluation results

According to the flood map of 316 towns and cities made by NCDR, under the scenario of RCP8.5, there are 51 towns and

cities in the region with relatively high flood risk-vulnerability degree (with the risk-vulnerability level of 5) in the middle of the century. After comprehensive consideration of exposure degree, the risk exposure of UBOT's business locations and the locations of real estate collateral with credit granted by UBOT during floods is as follows:

### 1. UBOT's business locations:

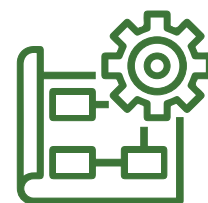
As of the end of December 2023, seven out of UBOT's 90 business locations in Taiwan were in the region with high exposure risk (Level 5: more than three located in the same region), all of which were in northern Taiwan.

### 2. Real estate collateral loans with credit:

(A) As of the end of December 2023, among the real estate collateral loans with credit, the proportion of notional balance of real estate collateral loans with credit that has high risk exposure (Level 5) to total credit balance was 5.31%. All of them are located in the northern region. However, this proportion is relatively low and the overall physical risk of these loans is relatively limited. Specifically, the real estate balance of corporate customers accounted for 1.24% of the total real estate loans, while the real estate balance of individual customers accounted for about 4.07% of the total real estate loan.

(B) According to analysis by industry, category, UBOT-defined high-emitting industries accounted for 0.06%, whereas non-high-emitting industries accounted for about 1.18%. Specifically, industries with a credit concentration of more than 8% (according to the classification description provided by the Directorate-General of Budget, Accounting and Statistics) include real estate development, financial services, and wholesale, which accounted for 0.48%, 0.14% and 0.11%, respectively.

## 4 Existing measures



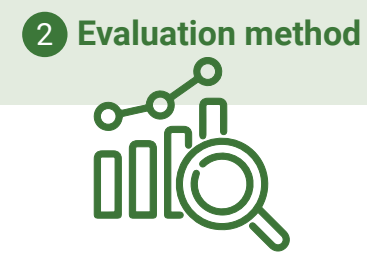
1. UBOT has incorporated natural disasters, such as floods and earthquakes, into the scope and reporting procedures for major unforeseen events at our business locations. Additionally, UBOT has implemented emergency response measures to effectively mitigate the potential negative impacts of floods.

2. UBOT's current standards for real estate collateral appraisal stipulate that those susceptible to floods shall be included in the matters needing attention in the appraisal report; whereas real estate collateral such as those located in high flood-risk areas, high risk areas for slope hazards, and high potential areas for soil liquefaction shall be detailed in the appraisal report.



4 Scenario analysis of physical and transition risks - Operational Plan for Climate Change Scenario Analysis by Banks in Taiwan

Areas with high flood risk (Level 5)	Mid-century (2036 to 2065)		Real estate collateral loans		
	Number of business locations	Percentage of real estate collateral loan balance	Subject of evaluation	Proportion of balance	
Northern region	7	5.31%	Corporate custor High-emitting industri	Electricity and gas supply	0.00%
Central region	0	0%		Base metal manufacturing	0.00%
Southern region	0	0%		Fossil fuel mining	0.00%
Eastern region	0	0%		Chemicals	0.02%
				Non-metallic mineral product manufacturing	0.00%
				Electrical and electronics	0.02%
				Textile	0.01%
				Paper	0.01%
				Subtotal	0.06%
				Non-high-emitting industries	1.18%
			Subtotal	1.24%	
			Individual accounts	4.07%	
			Total	5.31%	



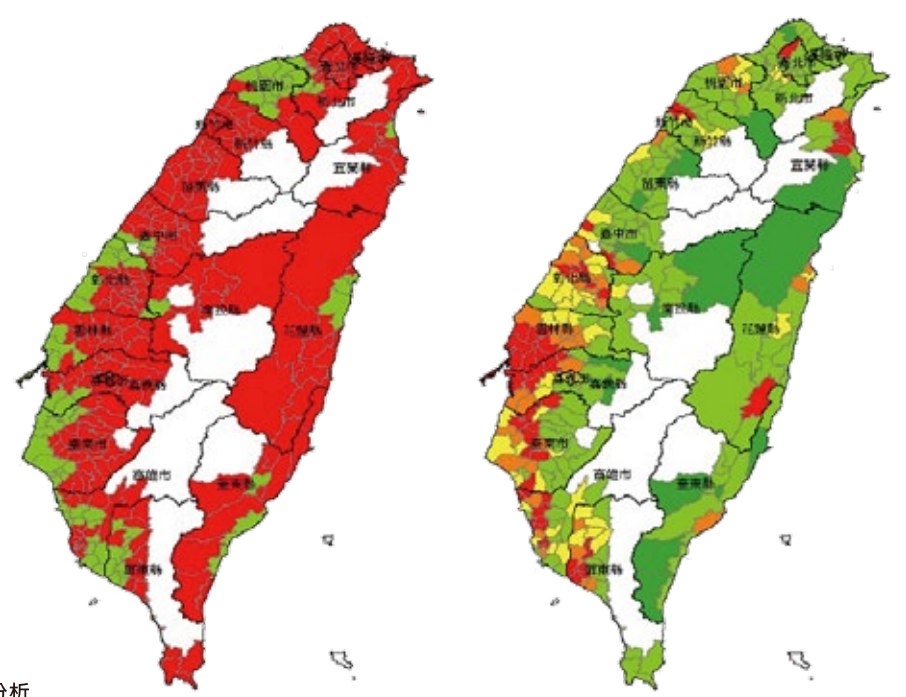
UBOT assesses the financial impact of climate change under three climate scenarios: "Orderly Transition," "Disorderly Transition," and "No Policy" based on the "Operational Plan for Climate Change Scenario Analysis by Banks in Taiwan" published by the Financial Supervisory Commission. These scenarios encompass both physical risks and transition risks.

1. Evaluation date: End of December 2023
2. Scope of evaluation: The scope of evaluation covers UBOT's credit risk position (including branches of international financial business) in and outside Taiwan, i.e., UBOT's credit position (including credit card), bond, and equity investment positions on and off UBOT's books.

Set scenario period	2030 and 2050		
Climate scenario	Scenario 1 Orderly Transition	Scenario 2 Disorderly Transition	Scenario 3 No Policy
Scenario statement	Implement immediate and gradual transition to achieve carbon reduction targets	Continue to achieve carbon reduction targets despite delaying the implementation of transition	No transition policy
Corresponding scenario	NGFS Net Zero 2050	Delayed Transition	Baseline
	IPCC RCP2.6	RCP2.6	RCP8.5
Set climate scenario factors	1 Macroeconomic factors: The "Net Zero 2050," "Delayed Transition," and "Baseline" scenarios are adopted as the basis for macroeconomic factors in each analysis scenario. The indicators for these factors include GDP growth, unemployment rate, and long-term interest rate, while changes in default rates in each position were simulated. 2 Environmental factors: The "RCP2.6" and "RCP8.5" scenarios in the Fifth IPCC report are adopted as the basis for environmental factors in each analysis scenario. These factors take into account the values of environmental and temperature changes to predict future trends in physical risk hazards such as heavy rain, floods, and droughts, as well as their impact on individuals with different attributes. 3 Transition factors: These factors are primarily employed to simulate changes in a company's carbon emissions and carbon prices, and their impact on individuals.		
Methodological framework	1 Domestic credit position: Evaluate the impact of macroeconomic factors on risk-linked indicators (including business finance ratio, full guarantee ratio, combined loan-to-value ratio (CLTV), and debt burden ratio (DBR)) after taking into account the extent of macroeconomic factors under each scenario, which in turn produces the probability of default, loss given default, and default risk exposure under each scenario, and eventually evaluate the expected loss for each analysis scenario. 2 Overseas credit position: Determine the default rate under each analysis scenario in primary consideration of UBOT's international credit ratings, and then estimate the loss given default by referencing the domestic credit position. 3 Bank book investment position: Adopts the same approach as that for credit position.		

Note: 1.NGFS stands for Network for Greening the Financial System.  
2.IPCC stands for Intergovernmental Panel on Climate Change.  
3.RCPs stands for Representative Concentration Pathways.

Disaster risk map of Taiwan



圖例  
危害/脆弱度等級  
第一級  
第二級  
第三級  
第四級  
第五級  
無納入統計分析



degree of harm  
century (2036-2065)

vulnerability

### 3 Evaluation results



1. Under three hypothetical scenarios, the proportions of expected loss in 2030 and 2050 to UBOT's net worth and pre-tax profit and loss are shown in the table below:

(A) According to analysis, the proportions of expected loss to net profit and pre-tax profit and loss will peak in 2030 and 2050 under the "Disorderly Transition" scenario. By 2030, expected loss will amount to NT\$3.2 billion, and account for 4.72% and 62.51% of net worth and pre-tax profit and loss, respectively. By 2050, expected loss will amount to about NT\$3.6 billion, and account for 5.25% and 69.53% of net worth and pre-tax profit and loss, respectively.

Climate scenario		Scenario period	Overall evaluation results	
			Proportion of expected loss to net worth	Proportion of expected loss to pre-tax profit and loss
Scenario 1	Orderly Transition	2030	4.36%	57.74%
		2050	5.07%	67.20%
Scenario 2	Disorderly Transition	2030	4.72%	62.51%
		2050	5.25%	69.53%
Scenario 3	No Policy	2030	4.21%	55.73%
		2050	4.68%	62.05%

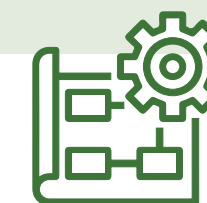
2. Analysis of the proportions of expected losses of each asset type to net worth and risk exposure in 2030 and 2050 respectively under the "Disorderly Transition" scenario:

(A) According to analysis, the proportions of expected loss to net worth by 2030 and 2050 are the highest in the "corporate credit" category, i.e., 1.87% and 2.46%, respectively.

(B) According to analysis, the proportions of expected loss to net worth by 2030 and 2050 are the highest in the "bank book investment" category, i.e., 1.01% and 1.75%, respectively.

Asset category			Proportion of expected loss to net worth		Proportion of expected loss to risk exposure	
			2030	2050	2030	2050
Credit (including credit cards)	Corporate		1.87%	2.46%	0.86%	1.12%
	Individual	Home loans	0.31%	0.24%	0.08%	0.06%
		Others	1.85%	1.36%	0.73%	0.54%
	Subtotal		4.03%	4.05%	0.48%	0.48%
Bank book investment			0.69%	1.20%	1.01%	1.75%
Total			4.72%	5.25%	0.52%	0.58%

### 4 Existing measures



**1** During the annual review of industry-specific credit risk concentration limits (including investment and credit business), UBOT reviews the list of "high-carbon emission industries" we have defined, includes them in the consideration of the adjustment factor, and lowers the relevant industry-specific limits at our discretion.

**2** For the investment business, UBOT takes into consideration ESG or projects with high climate risk factors in a progressive manner. ESG is incorporated in the review and appraisal process before making such an investment, where investment caps are applied based on the assessment grading scale. After making such an investment, the ESG situation is reviewed regularly. If the issuing company is in a high-emitting industry, the company is required to disclose its carbon reduction plan. Investment caps on the aforesaid instruments and foreign currency-denominated bonds have also been put in place against high-emitting industries. Investment caps on the aforesaid instruments and foreign currency-denominated bonds have also been put in place against high-emitting industries.

**3** For the corporate banking credit business, UBOT has set the target of "incorporating climate risk factors into the credit granting process." In 2023, UBOT has completed the design of the "Climate Risk Assessment Form" for credit grantees. In 2024, UBOT plans to digitalize the aforesaid form so as to facilitate the analysis of the credit positions of UBOT's credit grantees affected by climate risk. Thereafter, UBOT will set caps on the credit position of sensitive industries that are susceptible to climate risks and establish credit granting principles or engagement methods for credit grantees with high climate risks based on the analysis results, which are scheduled for completion by 2026.

**4** UBOT's appraisal standards stipulate that credit grantees that are susceptible to wind disasters, floods and droughts or adverse geological conditions shall be included in the matters requiring attention, and special attention shall be paid to their risk control; whereas real estate collaterals such as those located in high flood risk areas, high risk areas for slope hazards, and high potential areas for soil liquefaction shall be detailed in the appraisal report.

## 7-1-4 Effectiveness, Indicators, and Targets of Climate-related Measures

### a. Greenhouse gas emissions

#### 1 Emission inventory of UBOT's own operations:

UBOT conducts a bank-wide inventory of electricity consumption and corresponding greenhouse gas emissions (measured in metric tons of carbon dioxide equivalent) according to the ISO 14064 standards, where the corresponding results for each year are shown in the table below. While the amount of carbon emissions at UBOT were calculated based on emissions from electricity consumption in 2022 and prior years, such a calculation has been expended to include not only electricity, but also other sources of greenhouse gas emissions, such as water, gas gasoline, and diesel, starting in 2023.

Indicator	Unit of measurement	2019	2020	2021	2022	2023
Greenhouse gas emissions	Metric tons of CO2e	5,023	5,016	4,838	4,309	10,064
Intensity	Metric tons of CO2e per NT\$ million	-	-	-	-	0.6566

Note: In 2022 and prior years, the scope of inventory covers bank dormitory in which electricity bills were paid separately. In 2023, the scope of inventory encompasses Scope 1, 2 and 3 (Categories 1 to 14) emissions from UBOT's 90 business units and various units under the head office. UBOT's greenhouse gas inventory for 2023 has been awarded the SGS verification certificate.

Target item	Short-term targets (2024)	Medium- to long-term targets (2025~)
<b>Greenhouse gas inventory and verification</b>	<ol style="list-style-type: none"> <li>Scheduled to complete the greenhouse gas inventory of UBOT.</li> <li>Scheduled to complete the greenhouse gas inventory of UBOT subsidiaries.</li> </ol>	Scheduled to complete greenhouse gas verification at UBOT subsidiaries by 2027.
<b>Carbon emission reduction</b>	<ol style="list-style-type: none"> <li>Plan to set annual greenhouse gas reduction targets based on SBTi's Absolute Contraction Approach, with 2023 as the base year.</li> <li>Strategies and specific action plans:                             <ol style="list-style-type: none"> <li>Energy conservation: Continue to implement various measures to save electricity, fuel and water, as well as purchase electric vehicles and scooters.</li> <li>Energy creation: Install solar power systems on the rooftop of UBOT dormitory buildings.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Achieve the target of 42% reduction in carbon emissions by 2030 using the Absolute Contraction Approach, with 2023 as the base year.</li> <li>Achieve the goal of net-zero emission (carbon neutrality) through energy conservation and carbon reduction, investment in solar plants (energy creation), purchase of green electricity, and trading of carbon credits from 2031 to 2050 in line with Taiwan's carbon reduction targets for 2050.</li> </ol>

#### 2 Investment and financing portfolio emission inventory:

UBOT not only conducts a greenhouse gas inventory of our investment and financing customers, but also calculates the financed emissions that we need to assume, as shown in the following table, based on the methodology adopted by the Partnership for Carbon Accounting Financials (PCAF). In 2023, UBOT recorded a total of 777,638 metric tons of CO2e in financed emissions, with a carbon emission intensity of 6.45 and a data quality score of 2.65.

Item	Inventory coverage	
	2022	2023
Business category		
Investment business	5.46%	34.12%
Financing business	1.28%	8.75%
Total	2.30%	15.10%

Item	Absolute emissions (metric tons of CO2e)		Carbon emission intensity (metric tons of CO2e per NT\$ million)		Data quality	
	2022	2023	2022	2023	2022	2023
Asset category						
TWSE/TPEX-listed stocks	17,478	47,347	7.30	2.74	-	1.59
Corporate bonds	147,391	251,341	22.50	10.70	-	2.61
Sovereign bonds	-	222,890	-	7.41	-	1.65
Commercial loans	62,850	256,060	9.18	5.16	-	3.64
Total	227,719	777,638	14.42	6.45	-	2.65

Note1: Inventory coverage: Emission inventory of investment and financing portfolios/FVTPL, FVOCI, AC, IEQU (excluding subsidiaries), and loans (excluding collections) on the balance sheet.

Note2: Carbon emission intensity: Scope 1 and 2 emissions from the investment and financing portfolio/ Emission inventory of investment and financing portfolios.



Target item	Short-term targets (2024)	Medium- to long-term targets (2025~)
<b>Greenhouse gas inventory and verification</b>	Plan and carry out inventory and disclosure of greenhouse gas emissions from investment and financing customers based on the PCAF methodology.	Continue to carry out inventory and disclosure of greenhouse gas emissions from investment and financing customers based on the PCAF methodology, expand the scope of asset covered in such inventories, and plan for third-party assurance (verification).
<b>Carbon emission reduction</b>	Study and deliberate on carbon reduction methods and strategies for financed emissions from investment and financing portfolios in accordance with the "Guidelines on Carbon Reduction Target Setting and Strategy Planning for the Financial Sector."	Plan and set carbon reduction targets, strategies and action plans in accordance with the "Guidelines on Carbon Reduction Target Setting and Strategy Planning for the Financial Sector" and the progress of financed emission inventory for PCAF's asset classes.

# Climate-related Financial Disclosure

## b. Energy use

- UBOT implements the following measures to "reduce electricity consumption":
  - Replace old lighting fixtures and air conditioning units with high energy consumption, where a total of 54 lighting fixtures and 16 air conditioning units were replaced in 2023 at a total cost of NT\$8.582 million.
  - Ensure that the air conditioning temperature is not set below 26°C during summer.
  - Display "Power saving in progress" signs at prominent places across all UBOT business locations to remind employees and customers to save energy.
  - Maintain minimum lighting or use sensor lighting in all public spaces during off-peak hours.
  - In 2023, electricity consumption across UBOT was 8.66% lower than that for the same period in 2020. Based on this trend, as well as the progress of the actions listed above, we conducted a trend analysis, and predicted that the reduction goals could be achieved on schedule by 2035. In addition, due to the obsolescence and renewal of equipment with high energy consumption, the energy saving benefit in the early stage would be very significant. However, the energy saving benefits in the later stage will decrease gradually. In the future, the energy saving goals will be adjusted in an appropriate and timely manner according to the obsolescence and renewal situation of equipment with high energy consumption. According to our judgment, we remain climate resilient for the time being following the implementation of our current climate strategies and actions.

- UBOT implements various measures to "reduce water consumption," which includes not only checking sanitary equipment for leaks, but also using products with water-saving labels.

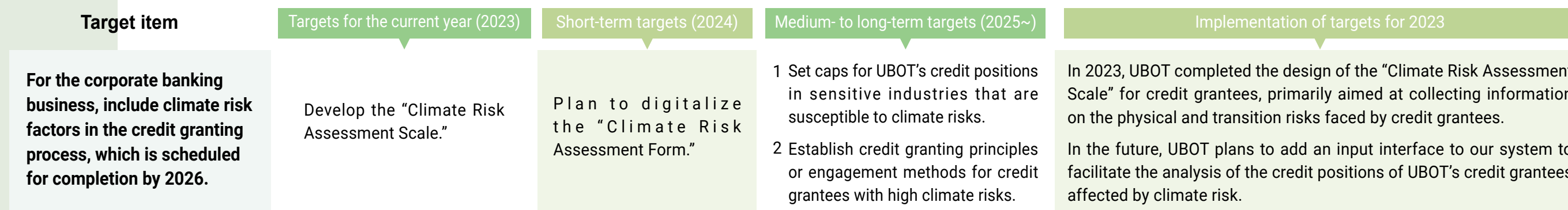
Target item	Targets for the current year (2023)	Short-term targets (2024)	Medium- to long-term targets(2025~)	Implementation of targets for 2023
<b>Reducing electricity consumption</b>				Achieved a 8.66% reduction in electricity consumption compared to the base year.
<b>Reducing water consumption</b>				Used 2023 as the base year
<b>Reducing fuel consumption in company vehicles</b>				Used 2023 as the base year
<b>Installing charging systems for electric vehicles</b>				Planned to install four electric vehicle charging piles at UBOT's own building in Tucheng which is currently under construction.
<b>Setting up solar farms on the rooftop of UBOT's buildings</b>				Planned to set up a solar farm on the rooftop of UBOT's own building in Southern Taoyuan.

### c. Climate risk management

UBOT adopted the following measures to manage and control climate-related risks:

- 1 Aside from compiling a list of high-emitting industries in 2023, UBOT will also take into account adjustment factors in the annual review of the industry-specific concentration limits and reduce the limits as appropriate. All relevant units have set monitoring indicators for climate risk control, while the Risk Management Department reports to the Asset and Liability and Risk Management Committee on a quarterly basis the risk exposure of the high-emitting industries to the investment and credit granting businesses, as well as the warning indicators set by each business unit in order to monitor changes in risk exposure.
- 2 For the corporate banking credit business, UBOT planned to develop the “Climate Risk Assessment Scale” aimed at collecting information on climate risks (including physical risks and transition risks) from credit grantees, and formulate the development direction of the credit granting business (e.g., adjusting credit terms, interest rates, and pricing) based on the analysis results in order to help credit grantees reduce carbon emissions and speed up sustainability transition, which is scheduled for completion by 2026.

Indicator (Unit of measurement %)	2022	2023
Proportion of the balance of credit facilities granted to high-emitting industries to the total number of credit facilities granted by UBOT	3.61%	3.96%
Proportion of the balance of investment commitments in high-emitting industries to UBOT’s overall investment position	8.48%	14.09%
Proportion of foreign currency bonds invested in high-emitting industries to UBOT’s overall foreign currency bonds (which must be less than or equal to 35%)	15.35%	19.06%
Proportion of New Taiwan dollar-denominated bonds invested in high-emitting industries to UBOT’s overall New Taiwan dollar-denominated bonds (which must not exceed 35%)	-	16.69%
Proportion of non-guaranteed promissory notes underwritten for high-emitting industries to the total balance of non-guaranteed promissory notes underwritten by UBOT (which must not exceed 50%)	-	27.71%



### d. Climate opportunities

UBOT continues to promote green-related financial products, services, and procurement with a view to exerting our financial influence, which is detailed as follows:

- 1 Green credit: Green credit refers to credit cases involving loans for green-related industries (which belong to the six key strategic industries, including green power and renewable energy industries (excluding high-emitting industries), and green and environmental sustainability-related industries) and green expenditures (including renewable energy loans, green building loans, electric (hybrid) vehicle loans, etc.). As of the end of December 2023, the total balance of green credit granted by UBOT was approximately NT\$17.74 billion. Specifically, the balance of green credit granted to corporate customers was approximately

NT\$13.29 billion, accounting for 6.93% of the total amount of credit granted to corporate customers (i.e., NT\$191.82 billion), whereas the balance of green credit granted to individual customers was NT\$4.45 billion, accounting for 1.11% of the total amount of credit granted to individual customers (i.e., NT\$401.49 billion).

- 2 Investment in New Taiwan dollar- and foreign currency-denominated green and sustainability bonds: As of the end of December 2023, the total face value of these bonds at UBOT was NT\$1.72 billion.

3 Union Green Card: UBOT issued the “Union Green Card,” which is made of eco-friendly materials and equipped with virtual card technology, with the aim of reducing the burden on the environment in the card production process through rebates in green consumption channels. In addition, UBOT allocated funds to be donated to the Taiwan Environmental Information Association according to the amount of green spending while engaging in environmental protection work and environmental education promotion to a greater extent, so as to realize the goal of environmental friendliness. As of the end of December 2023, UBOT has issued a total of 80,000 Union Green Cards, where the cumulative transaction amount was NT\$2.38 billion, with a total of NT\$1.68 million donated to green social welfare organizations.

4 Issuance of green and sustainability-related funds: The “Union 2023 High-quality Bond Fund” issued by Union Investment Trust under Union Group, which primarily invests in ESG-themed bonds, has reached its maturity date on November 23, 2023. On the other hand, the “Union Multi-asset Low-carbon Target Fund,” which invests in “low-carbon target”-themed marketable securities, reached a size of NT\$881 million as of the end of December 2023.

5 Sale of green and sustainability-related funds: As of the end of December 2023, UBOT has launched 55 ESG-related funds for customer selection.

6 Promotion of digital finance and paperless operations:

(1) Following proactive efforts to promote digital financial services aimed at reducing the use of papers, UBOT recorded a total of 364,050 digital accounts, 1,085,743 electronic banking personal accounts, and 24,120 electronic banking corporate accounts in 2023, up 70.53%, 35.86%, and 17.28% from the previous year, respectively.

(2) In an effort to reduce the use of paper in the loan process and strike a balance between customer convenience and carbon reduction, UBOT began switching the personal credit and loan application process from the traditional paper-based process to online application at the end of 2020. In the online application process, customers can not only fill out their loan information online as well as upload identification documents and financial documents, but also receive system notifications via text messages to inform them of the need to provide additional documents and their loan approval status, as well as sign the loan contract online, which in turn reduces the need for paper in the loan process. UBOT expects to extend the online application process to personal home loans and land mortgages from 2024 onward, in hopes of substantially reduce carbon emissions from manual and paper-based operations. Furthermore, UBOT is also planning to introduce the online application service in the home loan business in order to enhance operational efficiency and digital services capabilities, with a view to creating a paperless financial environment.

(3) In an effort to optimize the day-to-day operations of the wealth management business and promote the benefits of going paperless, a dedicated section for wealth management operations has been set up in UBOT’s NOTES system to replace paper-based operations with electronic ones. Our web/mobile app enables customers to open and apply for a trust account online and undergo the KYC financial management assessment process. For specific money trust-related transactions (e.g., funds, ETF, and overseas stock transactions), orders can also be placed on UBOT’s online/mobile app, eFutong, or U-talk to realize the convenience and paperless benefits of digital transactions for customers.

7 Investment in solar power plants: Following investments in the 5+2 innovative industries proposed by the government (including the Asia Silicon Valley project, smart machinery, green energy, biotech and pharmaceutical, national defense, new agriculture, and circular economy), Union Capital under Union Group has invested in a total of four solar power plant projects through its subsidiaries, one of which has been completed so far. This recently completed solar power plant generated 50 million kWh of electricity was generated in 2023, while the expectation is that 350 million kWh of electricity will be generated each year upon completion of the remaining solar power plants.

8 Supplier management: UBOT has put in place the “Letter of Commitment on Compliance with CSR, Ethical Management and Legal Provisions” for suppliers, and requires our suppliers and manufacturers to sign the letter of commitment when signing contracts, with the intention of jointly adhering to the environmental sustainability policy or relevant environmental protection measures promoted by UBOT, and complying with occupational safety and health management requirements. In 2023, UBOT received a total of 29 letters of commitment signed by suppliers, representing a 100% signing rate.

9 Following our participation in the “Green Procurement of Private Enterprises and Organizations” program hosted by the Executive Yuan in 2023, UBOT purchased a total of NT\$54.544 million worth of green products throughout the year.

Indicator		Unit of measurement	2022	2023
Proportion of credit granted to corporate customers in green-related industries to the total balance of credit granted to corporate customers		NT\$ hundred millions	94.55	132.9
		%	4.98%	6.93%
Proportion of green credit granted to individual customers to the total balance of credit granted to individual customers		NT\$ hundred millions	13.3	44.5
		%	0.36%	1.11%
Total amount of investment in New Taiwan dollar- and foreign currency-denominated green, social, and sustainability bonds		NT\$ hundred millions	19.3	17.2
Number of Union Green Cards issued by UBOT		ten thousand cards	5.5	8
Number of ESG-related funds already launched by UBOT		funds	45	55
Promoting digital finance	Number of new New New Bank accounts	accounts	50,950	150,579
	Number of accounts applying for personal online/mobile banking	accounts	148,479	286,629
	Number of new accounts with e-banking features	accounts	3,568	3,090



Target item		Targets for the current year (2023)	Short-term targets (2024)	Medium- to long-term targets (2025~)	Implementation of targets for 2023
<b>Green bond investment growth rate</b>		Achieve 3% average annual growth in the balance of investment in New Taiwan dollar-denominated green bonds, social bonds, and sustainability bonds, with 2023 as the base year.			Used 2023 as the base year
<b>Providing green and sustainability-related loan products</b>		-	Plan to establish the "Key Points to the Sustainability-linked Loan Business" to assist companies and industries in low-carbon and sustainability transitions.	-	-
<b>Launching new climate-related financial products</b>		Launch 10 climate-related products such as funds and bonds between 2023 and 2025.			AS of 2023, UBOT has launched a total of 10 ESG-related green financial products for customer selection.
<b>Promoting digital finance</b>	<b>Number of new New New Bank accounts</b>	120,000	144,000	-	In 2023, UBOT recorded a total of 150,579 new New New Bank accounts, representing a 125% achievement rate.
	<b>Number of accounts applying for personal online/mobile banking</b>	132,000	132,000	-	In 2023, UBOT recorded a total of 286,629 accounts applying for personal online/mobile banking, representing a 217% achievement rate.
	<b>Number of new accounts with e-banking features</b>	3,600	3,240	-	In 2023, UBOT recorded a total of 3,090 new accounts with e-banking features, which was less than the target of 3,600 for the year, representing a 85% achievement rate. The slow growth in achievement rate was mainly due to the COVID-19 outbreak and enhanced scrutiny of applications as a consequence of the occurrence of fraud cases in 2023.

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**e. Other Items**

1 Targets for other categories:

Category	Target item	Targets for the current year (2023)	Short-term targets (2024)	Medium- to long-term targets (2025~)	Implementation of targets for 2023
<b>Governance</b>	<b>Number of hours of climate-related education and training for board members</b>	Attend 3 hours of climate-related education and training every two years from 2023 to 2030.			Arranged for all board members to attend a training course titled "On the Importance of Sustainability Reports and TCFD" for a total of 3 hours in June 2023.
<b>Engagement and communication</b>	<b>Training rate among personnel attending carbon emission inventory courses or number of courses on environmental (or energy) management and greenhouse gas reduction</b>	Have at least two people from each unit who have undergone training on carbon emission inventory, with a target training rate of 100%.	Conduct at least three training courses on the environment, energy, and greenhouse gas reduction each year from 2024 to 2030.		Achieved a 100% training rate among personnel attending carbon emission inventory courses in 2023.
<b>Internal carbon pricing</b>	<b>Develop internal carbon pricing for Scope 1 and 2 emissions from UBOT's operations</b>	-	Plan the introduction of the internal carbon pricing mechanism in UBOT's own operations, with priority to be given to high-emitting UBOT branches.	Continue to introduce the internal carbon pricing mechanism.	-

Internal carbon pricing: As far as our own operations are concerned, UBOT plans to price the cost of each ton of carbon emissions based on internal shadow carbon prices and the carbon fee rates announced by the competent authorities, and then includes it in the assessment during the decision-making process so that we can carry out greenhouse gas management internally. For high-emitting business units, priority will be given to equipment upgrading and related energy-saving and carbon reduction measures.

2 Implementation of other measures:

In 2023, UBOT paid a total of NT\$2.445 million in electronic equipment insurance and fire insurance premiums.

# Climate-related Financial Disclosure

## 7-2 Green Management Policy

**1** UBOT's Energy and Environmental Management Policy, aimed at fulfilling our responsibility for sustainable and green environmental management, is detailed as follows:

1. Abide by laws and regulations related to energy and environmental protection.
2. Support energy conservation and carbon reduction, and continue to implement green procurement.
3. Attach importance to education and promotion to raise employees' energy conservation awareness.
4. Improve management performance and build a sustainable business environment
5. Implement GHG reduction and disclose related data
6. Use products with water-saving label to reduce waste of water resources.
7. Comply with waste sorting and resource recycling and reuse.

**2** UBOT has appointed dedicated environmental management personnel at the General Affairs Department, who are tasked with guiding staff from other units to participate in education and training on energy management system and indoor air quality maintenance and management, as well as promoting measures related to environmental sustainability.

**3** Planning related to the purchase of green electricity and electricity generation using solar power:

- Starting from 2024, UBOT will purchase green electricity on an annual basis with the aim of ensuring green electricity makes up 50% of bank-wide electricity consumption.
- We will set up at least five rooftop solar farms in our own buildings by 2035.

## 7-3 Supply Chain Management

- 1 UBOT has formulated the “Supplier Management Policy” aimed at urging suppliers to not only comply with relevant standards on topics such as labor, environmental protection, safety and health, and ethical management, but also work with UBOT to enhance corporate social responsibility.
- 2 UBOT has formulated the terms of supplier compliance with corporate social responsibility and incorporated them into supplier contracts to avoid transactions with those who violate UBOT’s corporate social responsibility policy. UBOT may terminate or cancel the contract at any time if the supplier is involved in a violation of the said policy or if it has a significant impact on the environment and society.
- 3 UBOT has formulated a “Commitment Letter on Compliance with CSR, Ethical Management and Legal Provisions” for suppliers, and requires its suppliers of various equipment, supplies, and labor services, as well as decoration and construction manufacturers, to sign the letter of commitment when signing contracts, to jointly abide by the environmental sustainability policy or relevant environmental protection measures promoted by UBOT, and comply with occupational safety and health management and other requirements. In 2023, all suppliers that have signed contracts with UBOT have signed the “Commitment Letter on Compliance with CSR, Ethical Management and Legal Provisions.”
- 4 UBOT has created the “Supplier CSR Self-Assessment Form” whose content encompasses environmental protection, occupational safety and health, labor human rights and ethical management. The form is provided to suppliers for self-evaluation, with the intention of learning about the status of their implementation of CSR, as a reference basis for the evaluation of suppliers. 100% of new suppliers have filled out and returned the form in 2023.

## 7-4 Resource Recycling and Reuse

### 1 Paper use

UBOT is actively managing our daily operational activities to conserve energy and reduce carbon emissions, with a view to achieving the goal of net-zero emission.

### 2 Garbage

Garbage is collected by 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 collective recycling. UBOT recycled 3,081 kg of metal in 2022 and 3,502 kg of metal in 2023; 10,062 kg of plastic in 2022 and 9,886 kg of plastic in 2023; as well as 156,050 kg of garbage in 2022 and 156,801 kg of garbage in 2023.

- Recycling performance in 2023

Paper	175,669kg	Plastic	9,886kg
Metal	3,502kg	Garbage	156,801kg

### 3 Water use

UBOT has completed the installation of atomizing water-saving devices on all faucets bank-wide for water conservation purposes. Priority is given to the use of water-saving equipment such as faucets and toilets with water-saving labels, whereas outdated water-cooled air-conditioning systems are gradually replaced with energy-saving air-cooled inverter air conditioners to reduce water and electricity consumption. We plan to achieve a 8% reduction in water consumption by 2035 based on 72,362 cubic meters of water consumed in 2023. UBOT has established a bank-wide management system for waste paper, metal, plastic, garbage and water consumption, compile statistics on bank-wide consumption of these resources, and carry out reduction management.



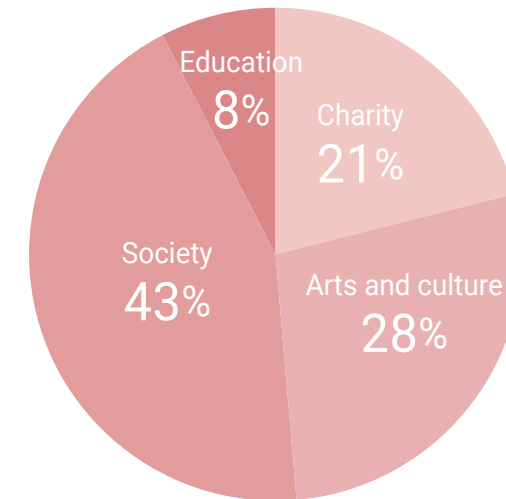
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## Social Welfare



- 8-1 Educational Promotion
- 8-2 Art and Culture Participation
- 8-3 Caring for the Society
- 8-4 Charity Donation

• Total investment in social welfare totaling NT\$41.24 million in 2023



### 8-1 Education promotion

(Investment: Approximately NT\$3.13 million)

#### 8-1-1 Implementing financial inclusion and promoting financial literacy

##### 1 "Money Hot Topic" wealth management column

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, UBOT has cooperated with Liberty Times on the "Money 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 UBOT's official website and Liberty Times (including print media, online e-newsletters and Facebook community), with an online impression of 6.08 million views per issue on average.

##### 2 Financial education for children

Placing an emphasis on financial education for children, UBOT has been hosting the "Litter Financier Finance Experience Camp" summer program for fourth- to sixth-grade elementary school children since 2008. The 14th edition of this program was held in July and August 2023 based on the theme titled "Little Financier - Green Finance Camp." The program not only encompasses basic financial management, insurance, and fraud prevention, as well as incorporates ESG concept, but it is also designed with a wide array of interactive courses covering various issues such as sustainable consumption, tree-planting education, and marine environment protection. A total of five sessions were scheduled to take place in Taipei City, Taoyuan City, Taichung

City, and Kaohsiung. Furthermore, in line with the United Nations Sustainable Development Goals, the registration and other fees collected in this program were donated to the "Pingtung County Government Department of Education - Special Account for Promoting Environmental Protection Education" aimed at assisting in the promotion of environmental education.



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### 3 Briefing sessions on customer financial management and seminars on elder care trust

UBOT organizes briefing sessions on customer financial management from time to time in order to realize the principle of treating customers fairly so that customers understand the investment properties of financial products and enhance their understanding of the concept of financial management. In 2023, UBOT organized a total of 155 briefing sessions on customer financial management, which were attended by a total of 3,043 participants. Echoing the government's efforts in promoting the "Elder Care Trust," UBOT hosted free seminars on elder care trust at the New Taipei City Luzhou District Sports Association Community Care Center" till October 2023.

#### 8-1-2 Rolling out anti-fraud awareness campaign

In an effort to prevent fraud, UBOT has not only nurtured professional competencies to address abnormal scenarios at the counter among our employees, but also required our employees to carry out various practices, including executing the Know Your Customer (KYC) process for verification in the accounting process and strengthening the implementation of the over-the-counter care mechanism. In line with the "Anti-fraud Campaign Via Financial Institutions Across 368 Townships in Taiwan" event organized by the Banking Association of the Republic of China in 2023, UBOT promoted fraud awareness in collaboration with the police departments of the neighboring municipalities and counties where our branches are located as assigned by the Banking Association of the Republic of China, with the aim of bolstering the public's understanding and awareness of fraud. A total of 10 UBOT branches, including Sanmin, Fengshan, Fengyuan, Tainan, Xingzhong, Dayuan, Wugu, Xizhi, Longtan, and Pingtung branches, participated in this collaboration effort,



#### 8-1-3 Promoting ecological education

The Taiwan leopard cat and the ring-necked pheasant are both endangered, protected 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 500 today. On the other hand, 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. In an effort to draw public attention to wildlife ecology and animal conservation issues, UBOT continues to adopt "Leopard Cat in Taipei Zoo" and "Ring-necked Pheasant in Kaohsiung Shoushan Zoo," as well as make monetary donations to the above-mentioned zoos for conservation works, animal welfare and related academic research while producing related awareness materials to publicize and educate the public about nature conservation on an ongoing basis.

#### 8-1-4 Promoting sustainability education

In order to educate the public about environmental sustainability, UBOT organized the "United We Stand for Sustainability" Mother's Day charity fair, in which an ESG area was set up for the first time, in May 2023. A number of NGOs dedicated to promoting environmental sustainability, such as the Taiwan Association for Marine Environmental Education and the Green Forest Environmental Protection Association of the Republic of China, were invited to set up awareness booths in the event to raise the public's awareness of tree planting and life education, as well as marine environment protection and resource recycling through fun and interactive means, so that the public can easily acquire relevant knowledge.



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## 8-2 Participation in arts and culture

(Investment: Approximately NT\$11.70 million)

### 8-2-1 Promoting Taiwanese oil painting art

Adhering to the concept of inheriting Taiwan art, fostering art creators and advocating Taiwan people to value art and culture, UBOT works with the Union Culture Foundation to hold various activities, and collaborates with art and cultural institutions in various counties and cities to exhibit and promote Taiwan oil painting art. Specific actions in 2023 include:

#### 1 Union Art Competition

UBOT and the Union Culture Foundation set up the Union Art Award Competition in 1998 to not only foster local artists with practical actions, but also offer a creative stage for them, thereby demonstrating our commitment to promoting cultural and art events. In 2023, we jointly held the 26th "Union New Artist Award" and the 21st "Union Art Impression Award", with a total prize money of NT\$2.4 million. In an effort to discover more new artists and give them encouragement, the prize money for the "Union New Artist Award" has been increased since last year, where the first prize, honorable mention prize, and selected prize amount to NT\$600,000, NT\$200,000, and NT\$100,000, respectively, in hopes of encouraging new artists to strive for creativity and realize their dreams through this competition. The winning works have been scheduled for display in the 2024 Union Art Touring Exhibition across 11 locations, with a view to offering more opportunities for local 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, UBOT and the Union Culture Foundation have jointly held the "Union Art Touring Exhibition" for more than 25 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 2023, we held 13 exhibitions for the winning works in the Union Art Competition across Taipei, Kaohsiung, Chiayi, Miaoli, Hsinchu, Pingtung, Taichung, Taoyuan, Taitung, Changhua, and Nantou, where the "Witnessing a New Future" 25-year retrospective exhibition was held at the Sun Yat-Sen Memorial Hall in Taipei City from July 4 to 16, aimed at encouraging outstanding local art creators to showcase their works, and exert our influence to advocate the importance of art and culture to the people of Taiwan.

### 8-2-2 Children's Charity Drawing Competition

In an effort to promote children's art so that children can develop artistic literacy at an early age, UBOT has organized the Children's Charity Drawing Competition since 2001. In 2023, a total of 5,856 works were received by the competition with the theme titled "Art Child & Painting Mummy," with 184 works awarded first prize, selected works, and excellent works amounting to a prize money of NT\$164,000 in total. In addition to promoting the culture of filial piety, each painting records the painter's happy time with his/her mother. 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, UBOT will donate NT\$10 for each work to the "Pingtung County Government Department of Education - Special Account for Promoting Environmental Protection Education" for the purpose of promoting environmental education. Moreover, in order to create a more diverse range of artistic value, children can apply to have their works cast into digital collectibles in the form of non-fungible token (NFT) as permanent collection for the first time in the history of this competition, while the winning works were displayed in UBOT's Mother's Day charity fair, official website, and metaverse virtual gallery.

### 8-2-3 Creating art gallery space and installation art

#### 1 Union Art and Culture Gallery

Since 2009, the Union Culture Foundation has long 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, in hopes of providing a space for the public to appreciate art and advocating for a cultural and artistic atmosphere.

#### 2 Taichung City Hall Metro Station Art Gallery Space

In order to make art a part of everyday life, UBOT will sponsored the Taichung Metro in 2023 to transform part of the 3rd floor of the Taichung City Hall Station into an art gallery, so that Taichung Metro will not only be a means of transportation, but also a venue for art exhibitions and performances.

#### 3 Mykonos Installation Art

As public art is a vital part of urban art and culture marketing, UBOT has been involved in promoting local arts and culture for many years. Therefore, we have gradually displayed installation art featuring Mykonos (Little White), UBOT's mascot, across various locations, such as Songjin 1 Park in Taipei City, Taoyuan Metro A3, A8, and A12 stations, and Kaohsiung Metro R8 Station, as well as our local branches.

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### 8-2-4 “Singing in Glory with Puzangalan Children's Choir” Concert

UBOT has initiated donation programs to fund education for the Puzangalan Children's Choir and the choir's participation in overseas competition since 2017. In order to express gratitude to all donors, UBOT hosted the “Singing in Glory with Puzangalan Children's Choir” Concert at Liberty Square in Neihu District, Taipei City in August 2023, which was not only open to the public free of charge, but also broadcasted live on UBOT's YouTube channel so that those who could not make it to the concert can enjoy the beautiful voices and music performance presented by the choir.



### 8-2-5 Sponsoring music events hosted by the Kaohsiung City Government

In an effort to promote and support local music and art events, UBOT has been sponsoring the Kaohsiung Philharmonic Cultural & Arts Foundation and the Bureau of Cultural Affairs of the Kaohsiung City Government in organizing art and culture banquets since 2012. In 2023, UBOT sponsored the “Spring Arts Festival” and “Resonate in D” concerts, which were attended by more than 20,000 people.

### 8-2-6 Sponsoring the 2023 Nantou Lantern Festival hosted by the Nantou County Government

Aimed at supporting traditional culture and revitalizing the local economy, UBOT sponsored the Nantou County Government in organizing the 2023 Nantou Lantern Festival, which not only showcased five types of experience, including lantern festival, water dance theater, brand exhibition, bamboo sand sculpture, and scenic sea of flowers. but also featured a multi-dimensional and cross-disciplinary design with three major themes, 12 lantern areas, and 10 major highlights, thus setting a record of 5.5 million people viewing lanterns in this annual sightseeing event.

### 8-2-7 Sponsoring the first play titled “Norza: The Adventure to the Dragon Palace” by the Paperwindmill Theatre in the Midsummer's Performing Arts Festival hosted by the Chiayi County Government

With a view to bridging the cultural gap as well as promoting traditional theater across the community, UBOT exclusively sponsored the first play titled “Norza: The Adventure to the Dragon Palace” by the Paperwindmill Theatre in the 2023 Midsummer's Performing Arts Festival hosted by the Chiayi County Government. The play, which marks the 30th anniversary of the Paperwindmill Theatre, not only combines modern sound and light technology, digital projection and animation, but also incorporates glove puppetry to reinterpret the classic story and flip the aesthetics of traditional theater, thus attracting approximately 1,000 people to enjoy the performance.

### 8-2-8 Sponsoring art and cultural events hosted by the Pingtung County Government

In an effort to promote urban tourism and support local art and cultural events, UBOT exclusively sponsored the Pingtung City Government's Kan Hai Art Museum in organizing the “2023 Ship's Cat in Pingtung” exhibition. The Ship's Cat is an installation created by contemporary Japanese artist Kenji Yanobe, and named as one of the “Three Treasures of Osaka” along with architect Tadao Ando's “Green Apple” and Taro Okamoto's “Tower of the Sun,” which attracted 180,000 visitors last year. UBOT also exclusively sponsored the 2023 Luo Shan Feng Art Season titled “Frequency of the Wind. A total of 17 artists from Taiwan, South Korea, and Japan were invited to participate in the curated exhibition, which attracted 290,000 visitors in total.





## 8-3 Caring for Society

(Investment: Approximately NT\$17.59 million)

### 8-3-1 Caring for community development and facilitating co-prosperity in the local community

#### 1 Adopting neighborhood parks

UBOT has adopted Minyou No. 2 Park in Songshan District, Taipei City for 27 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 numerous 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 Adopting flower garden in school campus

The Bank has adopted the flower garden in front of Luzhou Elementary School in New Taipei City for 12 years since 2012. 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.

#### 3 Supporting local farmers

In order to support local agriculture, every year in May, on the eve of Mother’s Day, UBOT purchases approximately 40,000 bunches of carnations from flower growers in Tianwei Township, Changhua County on the eve of Mother’s Day in May every year to be distributed to customers as gifts, thus helping farmers to promote sales of their hard-earned and high-quality local carnations.

#### 4 Supporting local traditional industries

In an effort to continue the traditional Lunar New Year culture, over the past 20 years, UBOT has produced a large number of Chinese Zodiac ceramics, calendars, red envelopes, Spring Festival couplets, and other New Year gifts for customers every year over the past 20 years. With the intention of supporting traditional industries, UBOT purchases ceramic handicrafts made in Taiwan, which not only demonstrates our support for local manufacturers with concrete actions, but also helps to reduce our carbon footprint.





### 8-3-2 Participating in disaster relief and comforting the families of firefighters who died in the line of duty during the disaster

Following the death of several firefighters in a factory fire and gas explosion that took place in the Pingtung Technology Industrial Park on September 22, 2023, UBOT donated NT\$2 million to the "Pingtung County Social Relief Account" to help with subsequent medical treatment, living, and reconstruction-related expenses while mourning the death of firefighters who died in the line of duty and comforting their families.

### 8-3-3 Building a LOHAS city in line with social welfare actions

#### 1 Sponsoring LOHAS social welfare events organized by Taoyuan Metro

- (1) UBOT sponsored the shooting of videos titled "Japanese and Taiwanese Wrap Advertising Trains on the Road," "Advertisements at Japanese and Taiwanese Metro Stations," and "Finally Meet You," which was played on loop in Japan and Taiwanese Metro Stations and trains, aimed at vigorously Taoyuan Metro to the general public via a variety of electronic media and eventually achieving the goal of promoting tourism between Taiwan and Japan.
- (2) UBOT sponsored the "Parent-child Carnival" aimed at creating a world of fun for Taoyuan residents in which everyone, regardless of gender and age, can join.
- (3) UBOT sponsored the shooting of the "Travel Light via Taoyuan Metro with TPASS" video, which unveils attractions and delicacies along the Taoyuan Metro route, so as to increase passengers' willingness to travel using metro service.
- (4) UBOT sponsored the "150th Million Passenger on Taoyuan Metro" event to promote Taoyuan Metro and create publicity for the event.

#### 2 Sponsoring LOHAS social welfare events organized by Taichung Metro

- (1) UBOT sponsored the "Blood Donation Drive Program" to increase the public's willingness to donate blood and thus alleviate shortages of blood for medical use across Taiwan.
- (2) UBOT sponsored the "Taichung Metro Old Town Farmer's Market," in which small farmers were invited to set up stalls at metro stations and sell food and beverage with the aim of spreading food and agricultural education.
- (3) UBOT sponsored the "Entry-Exit Gate Sound Effect Awareness Campaign," where the sound effects of seven species of birds inhabiting Taichung City and related campaign materials were put in place at the entry-exit gates of Taichung Metro in an effort to raise the public's awareness of the importance of the ecological environment.
- (4) UBOT sponsored the "Christmas Event Marketing Collaboration" program, in which a variety of music performances, tree-planting and handicraft experience, as well as creative Christmas events were held, while artists were invited to set up booths to cultural and creative merchandises, thus providing parent-child activities of high quality to the public.

- (5) UBOT sponsored the "I Saw the Rising Dust" art and cultural exhibition at Taichung City Hall Station and Wuri Station art galleries to display art and cultural works produced by Val Chen, a graduate student in the field of art at Tunghai University, which convey the idea of cherishing and valuing the things and people around us through her works.

#### 3 Sponsoring LOHAS social welfare events organized by Kaohsiung Metro

- (1) UBOT sponsored the "Good Kid Summer Camp," which provided schoolchildren with guided tours of various featured metro stations and experiences of the Kaohsiung Metro system for the purpose of fostering good riding habits and promoting environmental awareness of energy conservation and carbon reduction.
- (2) UBOT sponsored the "Summer Love Kaohsiung Metro Anime Season" aimed at promoting Taiwan's anime culture and expanding Kaohsiung City's anime economy.
- (3) UBOT sponsored a number of sports-related charity events such as the "3x3 Basketball Games" and the "Charity Road Running Race" in an effort to promote sports for all and strengthen family and parent-child bonds.
- (4) UBOT sponsored the "Charity Symphony Concert," where social welfare organizations or underprivileged families were invited to attend the concert, while all the proceeds from this event were donated to social welfare organizations with a view to promoting the spirit of social welfare.
- (5) UBOT sponsored beach cleanup activities with the intention of protecting the marine ecosystem and spreading the idea of plastic reduction, environmental protection, and green living.
- (6) UBOT sponsored the "Photography Exhibition" to help promote urban tourism and hopefully increasing ridership on Kaohsiung Metro.





## 8-4 Charity donations (Investment: Approximately NT\$8.82 million)

### 8-4-1 Participating in the Children Are Us Foundation Art Therapy Program

The “Children Are Us Foundation Art Therapy Program” is led by a professional musical theater troupe that trains children with intellectual development disorders on body and verbal expression, which not only develops their artistic potential, but also helps them increase their self-confidence, develop interpersonal interaction and teamwork, in hopes of extending the aforesaid to different areas of life while instilling self-reliance. UBOT has been participating in this program and purchasing PR tickets for annual public performances under this program since 2014. In 2023, UBOT continued to purchase tickets for the annual public performance titled “Hurry Up, Little Sloth” and the foundation’s handmade mealboxes, with a view to supporting everyday care for these children and showing recognition of the outcomes of their hard work with concrete actions.

### 8-4-2 Participating in charity events organized by Braze Charity Foundation

UBOT took part in the “2023 Love Without Limits” Christmas charity event organized by Braze Charity Foundation, where members of the public were invited to adopt to claim the “Wish Boxes” of children’s Christmas wishes, and jointly help make the wishes and dreams of children from underprivileged families come true.

### 8-4-3 Organizing the “United We Stand for Sustainability” Mother’s Day charity fair and launching a charity sale to collect donations

In May 2023, UBOT held the “United We Stand for Sustainability” Mother’s Day charity fair at both the Kaohsiung Cultural Center and the Sun Yat-Sen Memorial Hall in Taipei City. Not only did this event aim to promote filial piety and thank mothers for their hard work, but all units and affiliated companies of UBOT were also invited to set up booths to foster team spirit. 15% of the proceeds from these booths were donated to Union Culture Foundation for the purpose of promoting the art of oil painting in Taiwan. Furthermore, this event also

incorporated ESG as social welfare organizations as well as farmers’ and fishermen’s associations were invited to take part in a charity sale, whose participants are detailed as follows:

#### 1 Charity sale by social welfare organizations:

The Body Disabled Association in Kaohsiung, Kaohsiung Autism Foundation, Kaohsiung Homeless Service Center, Kaohsiung City Bafang Volunteer Group Care Association, and Children Are Us Foundation.

#### 2 Charity sale by farmers’ and fishermen’s associations

Jiandong Farmers’ Association, Pingtung County Fangliao Farmers’ Association, Tainan City Yongkang District Youth Farmers’ Association, Tainan City Yungkang District Farmers’ Association, Liuchiu Fishermen’s Association, Kaohsiung City Dashu Farmers’ Association, New Taipei City Farmers’ Association True Love Food Hall, and Jasmine Huatan Pavilion of Dreams.

### 8-4-4 Collaborating with the Union Culture Foundation on the “Let’s Be Happy” charity donation platform

To benefit the people of Taiwan, the Bank and the Union Culture Foundation jointly launched the “Let’s Be Happy” charity donation platform, in hopes of promoting donation activities via the influence of the platform and calling on more people to “help vulnerable groups in society” and “care for education in rural areas.” Each donation will be properly distributed and utilized by the Union Culture Foundation. The plan for this program in 2023 is detailed as follows:



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## 1 Helping vulnerable groups in society

UBOT helped Longyanlin Welfare Association in Zhongliao Township, Nantou County to raise funds for meal delivery service aimed at the elderly and vulnerable groups in rural areas; Children Are Us Foundation to raise funds for various services, such as everyday care for children with intellectual development disorders and job training; Mudan Tribe Xuhai Classroom Service Station for the Elderly and Children in Mudan Township, Pingtung County to raise funds for various services such as assistance and meals for the elderly and vulnerable groups; and Evergreen Canteen Community Elderly Care in Dounan Township, Yunlin County to raise funds for various services such as meals and health care for the elderly.

## 2 Caring for education in rural areas

### A. Puzangalan Children's Choir

The Puzangalan Children's Choir from Pingtung County 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. Having long been sponsoring the Puzangalan Children's Choir since 2017, UBOT launched a fundraising campaign for the choir's "Sound of Taiwan" initiative aimed at helping the choir take part in the 12th Johannes Brahms Choir Festival and Competition in Germany in 2023. Thankfully, the children lived up to expectations as they won three major awards in the competition, including first place for the gold award in the "Children's & Youth Choirs" category, first place for the gold award in the "Sacred Choral Music a cappella" category, and gold award in the "Folklore" category.

Year	Donations made by UBOT and the choir's achievements in previous years
2018	UBOT made donations for the purpose of raising funds for the choir to take part in the "Tokyo International Choir Competition", where the choir won the "Silver Award of Children's Group and The Best Singing Award of Theme Song."
2019	UBOT made donations for the purpose of raising funds for the choir to take part in the "Johannes Brahms Choir Festival and Competition," where the choir won the gold award in the "Children's & Youth Choirs," "Sacred Choral Music a cappella," and "Folklore" categories.
2020	As the choir's plan to go abroad to participate in the competition was canceled due to the COVID-19 pandemic, UBOT continued to make donations for the purpose of funding the choir's training and education program.
2021	As the choir's plan to go abroad to participate in the competition was canceled for the second time in a row due to the COVID-19 pandemic, UBOT continued to make donations for the purpose of funding the choir's training and education program.
2022	As the choir's plan to go abroad to participate in the competition was canceled for the third straight year due to the COVID-19 pandemic, UBOT continued to make donations for the purpose of funding the choir's training and education program.
2023	UBOT made donations for the purpose of raising funds for the choir to take part in the "Johannes Brahms Choir Festival and Competition," where the choir won the gold award in the "Children's & Youth Choirs," "Sacred Choral Music a cappella," and "Folklore" categories.

### B. Schools in remote areas across Chiayi County

UBOT helped various schools in remote areas across Chiayi County such as Alisan Elementary and Junior High School, I-Chu Junior High School, and Fengshan Experimental Education School Affiliated Preschool to raise the amount of funds they need so that schoolchildren can go to school with peace of mind and pursue their dreams with courage.

## 8-4-5 Credit card spending-based social welfare organization contribution programs

UBOT has issued a series of affinity cards, including the Guardian Angel Affinity Card, the Peace Affinity Card, and the Bafu Charity Affinity Card, where contributions equivalent to a certain percentage of each cardholder's spending are made to various social welfare organizations such as World Vision Taiwan, Peace Foundation, and Bafu Alliance. Furthermore, in an effort to implement the principles of ESG and sustainable governance in line with the government's "Green Finance Action Plan 2.0," UBOT continues to provide rebates through green spending channels through the "Union Bank of Taiwan Green Card" for the purpose of realizing the sustainability vision for both the environment and society while making contributions equivalent to a certain percentage of each cardholder's spending to the Taiwan Environmental Information Association so that cardholders can engage more in environmental protection, environmental education, and other related social welfare events through the resources provided by green social welfare organizations.

## 8-4-6 Donation programs via collaboration between Union cardholders and social welfare organizations

Donation events launched by UBOT in collaboration with social welfare organizations in 2023 include:

1



UBOT took part in the "Overcoming the Journey of Growth with Immediate Intervention and Learning Alongside Slow Flying Angels" program, in which Union card holders were invited to make donations so that the program can move forward in the future while caring for children with love and supporting children to overcome the adventure of growth.

2



UBOT took part in the collaborative donation event titled "Speak Up for the Eye," in which Union card holders were invited to help the visually impaired and their families. Through this event, the public can gain a better understanding of the visually impaired, witness their efforts and abilities, and give equal opportunities, thus enabling the visually impaired to contribute to the society and integrate into the society.

3



UBOT participated in the "Unbreakable Force 2023" program while helping the foundation promote Lunar New Year gift boxes to increase its revenue.

4



UBOT participated in the "Bear Love Doing Public Welfare - Save Childhood - Come and Join" program, in which Union card holders were invited to donate to children in remote and impoverished areas, passing love and hope, and bringing children with more smiles in their childhood.

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	203-1	Infrastructure in investment, development and impacts of services supported	Sustainable Finance	35
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure in investment, development and impacts of services supported	Social Welfare	70-73
	203-2	Significant indirect economic impacts	Sustainable Finance Social Welfare	36 68-75
GRI 205 Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	No corruption-related risks occurred during this year	
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance	26-28
	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance	26-28
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such matter this year	
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	302-4	Reduction of energy consumption	Using electricity consumption as the calculation basis, the Bank's total power usage decreased by 627,535 kWh in 2023 compared to 2022.	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Sustainability	61-62
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GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Environmental Sustainability	67
GRI415 Public Policy	415-1	415-1 Political contributions	No such matter	
GRI 417 Marketing and Signs 2016	417-1	Information and Signs Requirements of Products and Service	Sustainable Finance	34
	417-2	Incidents of non-compliance with relevant regulations on information and signs of products and services	No such matter	
	417-3	Incidents of non-compliance concerning marketing communications	No such matter	
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainable Finance	40

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Information Security	FN-CB-230a.1	(1) Number of information leakage incidents (2) Proportion of information leakage incidents related to personal data (3) Number of customers affected by information leakage incidents	Corporate Governance Sustainable Finance	29 37-39
	FN-CB-230a.2	Information security protection and risk identification methods	Corporate Governance Sustainable Finance	29 37-39
Financial Inclusion and Capacity Building	FN-CB-240a.1	Number and balance of loans to promote small business and community development	Sustainable Finance	28-30
	FN-CB-240a.2	Number and balance of overdue loans to promote small business and community development	The Bank has not announced the number of overdue loans, so it is not disclose for the time being	
	FN-CB-240a.3	Total number of unbanked, under-banked groups of customers served without charge	Relevant data is not yet available	
	FN-CB-240a.4	Total number of customer engagements in financial education for groups that are unbanked, underbanked, or underidentified as key customer groups	Sustainable Finance Social Welfare	33-34 68-69
Incorporate environmental, social and governance factors into the credit risk assessment process	FN-CB-410a.1	Industry exposure	Please refer to P94-95 of the Bank's 2023 Individual Financial Statements for details	
	FN-CB-410a.2	Incorporate ESG factors into the credit review process	TCFD	54
Business Ethics	FN-CB-510a.1	Financial losses arising from legal proceedings involving fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malfeasance or other violations of relevant financial industry regulations	Corporate Governance	27
	FN-CB-510a.2	Description of whistleblowing system and procedures	Corporate Governance	28
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.111 of 2023 Individual Financial Statements	
Indicator	FN-CB-000.A	Number and amount of deposit accounts by individual and small enterprise	About UBOT	05
	FN-CB-000.B	Number and amount of loan accounts by individual, small enterprise and enterprise client	About UBOT	05

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## Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Method	Content	Corresponding Section	Page
Article 2	Listed companies that meet any of the following conditions should prepare and submit a Chinese version of the sustainability report in accordance with the provisions of this operating procedure; the report must also be approved by the Board of Directors.		
Article 3	Listed companies, when compiling the sustainability report of the previous year, should refer to general standards, industry standards, and material topic standards published by the Global Reporting Initiative (GRI) each year. Significant economic, environmental, and social (including human rights) topics and impacts identified by the Company, disclosure items, and their reporting requirements, should be disclosed. Companies may also refer to standards set by the Sustainability Accounting Standards Board (SASB) to disclose industry indicator information, as well as the corresponding report content index for SASB indicators.	Stakeholder engagement	15
	The aforementioned sustainability report should include an assessment of relevant environmental, social, and corporate governance risks, as well as the establishment of corresponding performance indicators to manage the identified significant issues.  Listed companies should include an index of the content of the sustainability report in accordance with GRI guidelines. The report should also indicate whether each disclosure item has received third-party assurance or guarantee.  Disclosure items mentioned in Paragraph 1 should be measured and disclosed in accordance with relevant standards set by the competent authority. If the competent authority has not issued applicable standards, practical conventions or internationally recognized measurement methods should be adopted.	Appendices 1~3	76-79
Article 4	According to Article 2, Paragraph 1, Subparagraphs 1 and 2, listed companies shall enhance the disclosure of sustainability indicators by industry (Appendices 1-1 to 1-3):	Corporate Governance	30
	I. The number, proportion related to personal information, and number of affected customers of information leakage incidents.		
	II. Number and balance of loans to promote small business and community development.	Sustainable Finance	36
	III. Number of participants in financial education programs for underserved groups lacking access to banking services.	Sustainable Finance	37
	IV. Products and services designed by each business to create environmental or social benefits.	Social Welfare	75
	Listed companies mentioned above must obtain an assurance report from CPAs, issued in accordance with the criteria published by the Accounting Research and Development Foundation. The report should disclose the sustainability indicators of their respective industries, as outlined in Appendices 1-1 to 1-3.	Appendix Four	81
Article 4-1	Publicly listed companies are required to disclose climate-related information in their annual reports.  Starting in 2023, companies within the steel and cement sectors, along with those whose paid-in capital exceeds NT\$10 billion at the end of the latest fiscal year, are required to disclose their individual financial data. Furthermore, from 2025, these companies must also reveal financial data for both the parent company and its subsidiaries in their consolidated financial statements.	Environmental Sustainability	48-66

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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 2023 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 2023 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 TWSAE 3000 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;



- 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 2023 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 TWSQC 1 “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 21, 2024

#### 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 4	Corporate Governance	In 2023, 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.	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.
2	Chapter 5	Sustainable Financing	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, by the end of 2023, the Bank had disbursed SME loans to 15,200 enterprises with a loan balance of NT\$148 billion.	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.
3	Chapter 5	Sustainable Financing	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 for minors aged 18 and under, holds recommended account opening activities, and provides exclusive discounts in cooperation with high-quality franchised children's art stores in the industry (refer to Happiness Passbook section on the official website for more details). As of the end of 2023, there are 22,783 accounts of Happiness Passbooks opened with UBOT, 1,010 of which are new accounts.	Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.

No.	Chapter	Article Title	Subject matter information	Applicable Criteria
4	Chapter 5	Sustainable Financing	In line with the six core strategic industries promoted by the government (including "Information and digital industry", "Investment and Security Excellence Industry", "Taiwan Precision Health Industry", "National defense and strategic industry", "green energy and renewable energy industry", "livelihood and war preparedness industry" and other industries), the Bank provides necessary funds for enterprises. By the end of December 2023, the Bank's six core strategic industries had a credit balance of NT\$59.6 billion. Among them, 1,462 households committed to green energy and renewable energy industries, with a credit balance of NT\$18.4 billion.	Products and services designed by individual operating units to create benefits for the environment or society.
			UBOT continues to provide rebates through green spending channels through the "Union Bank of Taiwan Green Card" for the purpose of realizing the sustainability vision for both the environment and society while making contributions equivalent to a certain percentage of each cardholder's spending to the Taiwan Environmental Information Association so that cardholders can engage more in environmental protection, environmental education, and other related social welfare events through the resources provided by green social welfare organizations.	
	Chapter 8	Social Welfare		



