

# 2024 Sustainability Report

Environmental Social Governance





## INDEX Catalog

### About the Report

Message from Chairman..... 1

1

### Sustainable Governance and Performance

1.1 Sustainable Development Governance Structure ..... 3  
1.2 SDGS Sustainable Performance..... 4  
1.3 Joy-sharing ..... 4

2

### About UBOT

2.1 Enterprise Overview ..... 5  
2.2 Brand Spirit and Operation Principle..... 5  
2.3 Company Organization..... 6  
2.4 Operation Performance..... 7  
2.5 Tax Policy..... 8  
2.6 Service Stations..... 9  
2.7 Participate in Various Associations and Organizations..... 9

3

### Stakeholder Engagement

3.1 Stakeholders Identification .....10  
3.2 Channels of Communication with Stakeholders .....10  
3.3 Process of Identifying Material Topics.....13  
3.4 Confirmation of Material Topics.....14  
3.5 Impact and Boundaries of Material Topics .....16  
3.6 Strategies, Objectives, and Achievement Status of Material Topics .....17

4

### Corporate Governance

4.1 Governance Structure.....19  
4.2 Ethical Management.....23  
4.3 Legal Compliance .....24  
4.4 Risk Management.....27  
4.5 Business Continuity Plan.....31  
4.6 Anti-Money Laundering and Countering the Financing of Terrorism.....31  
4.7 Cyber Security Management .....33

5

### Sustainable Finance

5.1 Responsible Credit.....36  
5.2 Responsible Investment.....38  
5.3 Sustainable Products .....40  
5.4 Inclusive Finance and Services .....41  
5.5 Diverse innovation.....44  
5.6 Protection of Customer Rights and Interests.....44  
5.7 Enhance Information Security.....48  
5.8 Customer Relationship Management.....49

6

### Employee Care

6.1 Employee Structure.....50  
6.2 Protection of Employees' Rights and Interests.....52  
6.3 Continuing Education and Training of Employees.....55  
6.4 Employee Salaries and Benefits and Employee Care.....58  
6.5 Employee Relationship.....61  
6.6 Labor Occupational Safety and Health Training and Measures.....61

7

### Environmental Sustainability

7.1 Task Force on Climate-Related Financial Disclosure (TCFD) ..... 62  
7.2 Green Management Policy ..... 93  
7.3 Supply Chain Management..... 94  
7.4 Resource Recycling and Reusing..... 94  
7.5 Energy Consumption..... 94  
7.6 Water Consumption..... 94

8

### Social Inclusion

8.1 Educational Promotion..... 95  
8.2 Art and Culture..... 99  
8.3 Caring for the Society.....101  
8.4 Charitable Donation.....103  
8.5 Natural Ecological Conservation.....105

Appendices .....107

1 Index of Contents Disclosed in Code for Reporting of GRI Sustainability.....107  
2 GRI Standards with Specific Topics .....107  
3 SASB Indicator Comparison Table .....109  
4 Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.....109  
5 External Assurance .....110



## 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. 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.

## Scope and Data of the Report

Our bank issues a sustainability report annually. This report was discussed and approved by the Board of Directors on August 25, 2025. The information disclosure period for this report is the fiscal year 2024 (January 1, 2024, to December 31, 2024). The content encompasses the performance and achievements of the Bank from the environmental, social, and corporate governance aspects, with some information including comparative analysis against historical data.

The scope of non-financial information disclosure in this report primarily covers operational activities and services in Taiwan, including Union Bank and its subsidiaries—Union Leasing, Union Finance, Union Investment Trust, Union Information, and Union Venture Capital. The disclosed scope accounts for 99.29% of consolidated net income. The scope of financial data disclosure is consistent with the consolidated financial statements, which have been audited and approved by certified public accountants, with New Taiwan Dollar as the unit of measurement.

## Basis of Preparation

The Union Bank of Taiwan’s Sustainability Report 2024 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.



## Contact Information

UBOT’s Sustainable Development section: [https://web.ubot.com.tw/english/esg\\_environment/index.htm](https://web.ubot.com.tw/english/esg_environment/index.htm)  
If you have any opinion or information consultation concerning this report, please contact us at:  
Business Management Department, Union Bank of Taiwan Co., Ltd.  
Address: No. 109, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City      Tel.: 02-27180001  
Website: [www.ubot.com.tw](http://www.ubot.com.tw)  
(welcome to leave your precious opinions under “Customer Service Center/I Want to Give My Comments”)  
Date of issue: August, 2025 (previous date of issue: August, 2024)

## External Assurance

Information Category	Compliance standards	Issuing organization
Sustainable Information	Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information	Deloitte Taiwan
Financial Information	Annual Financial Report	
Management System	ISO 27001 International Information Security	British Standards Institution (BSI Taiwan)
	ISO 27701 Privacy Information Management	
Environmental Data	ISO 14064 Greenhouse Gas Inventory	Taiwan Inspection Technology Co., Ltd. (SGS Taiwan)
	ISO 14001 Environmental Management Systems	
	ISO 50001 Energy Management Systems	



A portrait of the Chairman, a middle-aged man with short grey hair and glasses, wearing a white dress shirt and a dark tie. He is standing outdoors with a blurred background of greenery and a building.

### A Message from the Chairman

In recent years, the international community's attention to sustainability issues has been steadily increasing. Countries around the world have successively proposed the "2050 Net-Zero Emissions" targets and action plans. The financial industry plays a crucial role in driving transformation and guiding resources in this context. To align with international trends, Union Bank actively enhances its capacity to address risks related to climate change and ESG (Environmental, Social, and Corporate Governance). By participating in the "Sustainable Finance Evaluation" promoted by the Financial Supervisory Commission and the international S&P DJSI CSA ratings, the bank continuously strengthens its sustainable business planning and the quality of its financial services. It steadily advances its net-zero transition, leveraging its financial influence to promote a sustainable future for both industry and society.

## Towards Net Zero: Advancing a New Era of Transformational Finance

The Bank has established a three-phase carbon reduction target and proposes three major strategic directions: "Reducing its own operational carbon emissions," "Expanding the use of renewable energy," and "Implementing energy and environmental management while expanding influence." The bank regards "net zero" as the core principle of climate governance. In response to the spirit of COP29, the Board of Directors approved the "Sustainable Credit and Investment Policy" in 2024, which stipulates that the Bank and its subsidiaries will prioritize investments in green industries and enterprises with inclusive growth potential, while gradually reducing credit support to high-pollution industries. In the future, new credit cases related to coal will also be discontinued, and the Bank expects to completely withdraw from the coal and unconventional oil and gas industries by 2040, taking concrete actions to promote fair and low-carbon economic and social development.

## Strengthening Financial Influence to Guide Corporate Green Transformation

To assist corporate clients in accelerating their sustainable transformation efforts, the Bank has launched the "Sustainability-Linked Credit Loan" and the "Green Credit Loan Program," and has committed to expanding the scale of credit programs. In practice, the Bank also refers to the "Guidelines for Identifying Sustainable Economic Activities" and actively engages in discussions with investment and financing enterprises to assist in increasing their awareness and responsiveness to ESG issues. This further enables the Bank to exert its guiding influence in sustainability as a capital allocator.

## Promoting Inclusive Economic Growth

## through Inclusive Finance

Inclusive finance is a key force in promoting economic growth, job creation, and social welfare. In alignment with the policy objectives of the Financial Supervisory Commission, Union Bank is committed to realizing the vision of inclusive finance as defined by the World Bank. The Bank aims to provide affordable, useful, and accessible financial products and services to all individuals and enterprises in a responsible and sustainable manner. These services include transactions, payments, savings, loans, and insurance. The Bank has issued the "Inclusive Finance Statement," outlining seven major commitments. It aims to provide appropriate financial services to specific groups such as micro-enterprises, disadvantaged populations, and the elderly in order to enhance their financial accessibility, achieve economic inclusion, reduce wealth disparities, and promote social equity.

## Friendly Workplace and Sustainable Talent Development: Achieving Future Competitiveness

As birth rates have declined, labor shortages and rising labor costs have increasingly become operational risks for enterprises. The Bank actively addresses the challenges of sustainable talent development, striving to create a friendly workplace and a diverse development environment. In 2024, the Bank implemented an average salary increase of 7% and emphasized human rights due diligence and improvement measures, earning certification as a "Middle-aged and Elderly Friendly Enterprise" from the Taipei City Government.

Simultaneously, the Bank has also strengthened sustainable knowledge and skills training for employees, encouraging colleagues to obtain certifications related to sustainable finance. In 2024, a total of 456 individuals obtained the "Sustainable Finance Basic Competency Certification," among whom the certification rate for senior executives reached 33%. This demonstrates the high level of engagement of senior management in sustainable transformation and also helps promote green finance and social dialogue.

## Embedding sustainable governance from the ground up to implement a top-





113 年度「聯邦 ESG · 親子馨樂園」  
母親節公益園遊會啟動儀式

聯邦銀行榮獲 113 年度臺北市  
中高齡者暨高齡者友善企業認證



聯邦銀行 32 週年行慶暨聯邦文教基  
金會美術獎頒獎典禮

## down cultural transformation

To strengthen the ESG governance framework and execution capability, the Bank promotes a top-down sustainability culture. We link the performance evaluations of senior executives, including those of the General Manager and Deputy General Manager, with sustainability indicators to increase accountability awareness and cultural orientation. At the same time, we implement the “Responsible Mapping System” to comply with the Financial Supervisory Commission’s fair customer treatment policy, establishing a clear division of responsibilities.

The Bank has also referred to the Taiwan Stock Exchange’s “Reference Items for Judging the Effectiveness of Internal Control Systems” to establish an internal control system for sustainability information. Starting in 2024, the sustainability report will be submitted to the Board of Directors for review and approval before publication, in order to increase dis-

closure quality and information credibility. Additionally, the Bank will gradually shift to align with the IFRS Sustainability Disclosure Standards, reporting sustainability performance quarterly to implement transparent supervision and continue to improve.

Through double materiality analysis, the Bank strengthens our decision-making foundation regarding sustainability issues for both internal operations and the external community. We are committed to enhancing governance resilience, reducing risks, and strengthening competitiveness in investment and financing, ensuring a steady advancement of sustainable transformation.

## Happiness is when we smile together

2024 was a significant year for Union Bank, with advancements in both net-zero transformation and sustainable operations. Over the past year, we have not only acted together with all employees to enhance ourselves but also collaborated with our partners to create value. The core of a business should not be limited to profit-making, but should also bear the mission of transforming society and creating a better future. Every change promoted by the Union Bank is the starting point of a butterfly effect.

We firmly believe that listening and understanding

are the cornerstones of happiness. Union Bank has always regarded its customers as the most important family and friends. Focusing on the customer, whether it is a slight smile, a wry smile, a hearty laugh, or an embarrassed yet polite smile, as long as they are smiling, the distance between hearts can be shortened, and happiness will naturally follow. We aspire to be our customers’ lifelong friends, accompanying them through every stage to create a bright future together.

Chairman

林波野



# 1 Sustainable Governance and Performance

## 1.1 Sustainable Development Governance Framework

To enable the Bank to fulfill its corporate social responsibilities and promote improvements in the economy, environment, and society in order to achieve the goals of sustainable development, the Bank responded to the UN's Sustainable Development Goals (SDGs) by gradually implementing 17 goals via corporate citizenship commitment. This increases contributions to the national economy, improves the quality of life of staff, the community and society, and promotes competitive advantages based on sustainable development, 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 in 2015 to establish the Regulations Governing the Establishment of Corporate Social Responsibility Committee, and then established 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 in 2015 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 committee is required to consist of no fewer than three members, with the Chairman serving as the committee chair and convener, provided that at least one of the members shall be an independent director of UBOT. The list of members and their sustainability-related expertise and competencies are as follows:

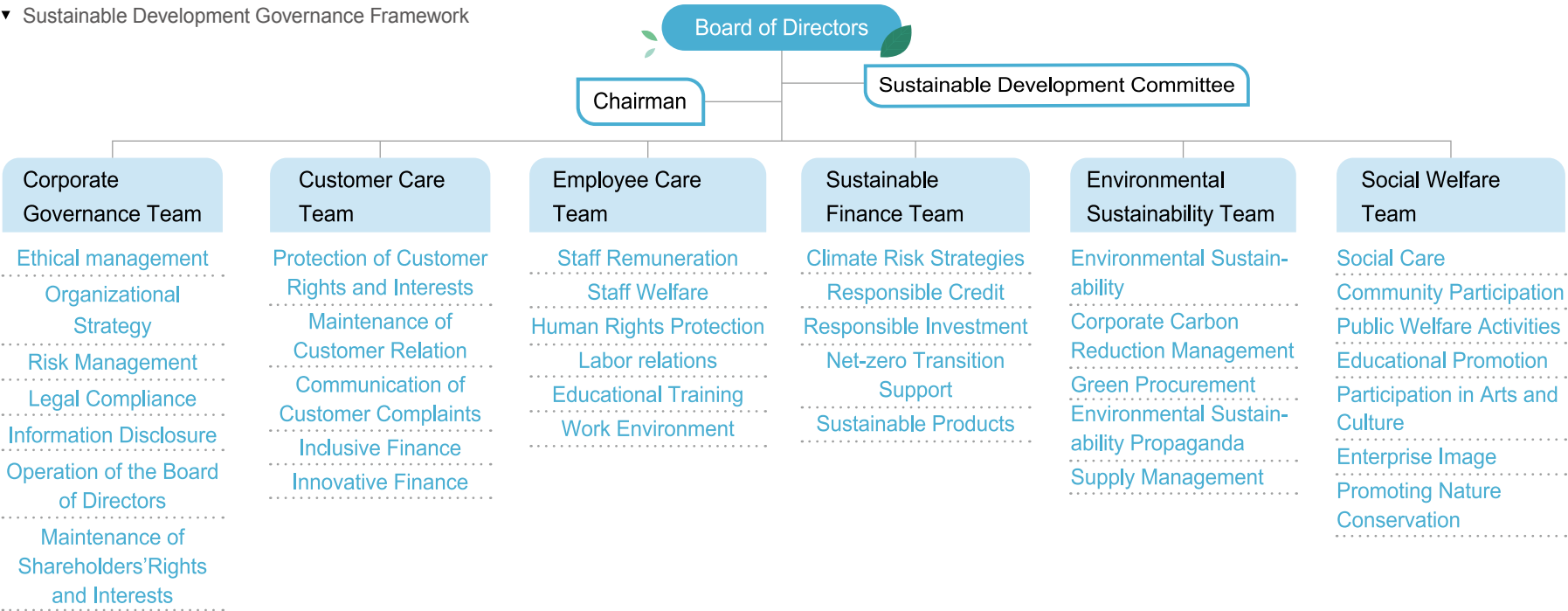
Convener	Member	Possesses expertise in finance, law, or business operations as required
Hong- Lien Lin (Chairman)	Lin-Yu Fan (Independent Director), Wei-Wen Hsu, Denfer Hung, Chu-Chang Yang, Jane Lu, Tammy Chang, Yu-Man Chao, Wen-Chih Cheng, Pi-Chiu Tang, Chueh-Ling Liu, Yu-Chang Chang (Russell Chang), Hung-Min Chen, Chi-Hung Chen (Joseph Chen), Chang-Chieh Hsu, Huei-Wen Chang, Guan-Hung Li	Hong- Lien Lin, Lin-Yu Fan, Wei-Wen Hsu, Denfer Hung, Chu-Chang Yang, Jane Lu, Tammy Chang, Yu-Man Chao, Wen-Chih Cheng, Pi-Chiu Tang, Chueh-Ling Liu, Yu-Chang Chang (Russell Chang), Hung-Min Chen, Chi-Hung Chen (Joseph Chen), Chang-Chieh Hsu, Huei-Wen Chang, Guan-Hung Li

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. In 2024, meetings were held on March 12, June 26, September 27, and December 24. A total of 12 reports, 9 discussion items, and 1 motion were presented. The agenda items included:

- 1 Improvements in Sustainable Finance Evaluation and Corporate Governance Appraisal Result
- 2 Preparation of sustainability report
- 3 Identifying material issues, establishing strategies and management objectives
- 4 Scope of annual implementation results and future promotion plans and objectives
- 5 Climate-related information disclosure, adoption of science-based targets (SBT) for carbon reduction
- 6 Approval or filing of matters related to sustainable development  
(compliance with the implementation of the "Guidelines for Preventing Greenwashing for Financial Institutions," self-regulatory standards for the banking industry's adoption of the "Responsible Mapping System," formulation of the "Inclusive Finance Statement," establishment of sustainable credit and investment policies, formulation of management procedures for sustainable information, implementation plan for IFRS sustainability disclosure standards, and statement of customer data confidentiality measures)

The ESG Committee has a number of subordinated teams in a number of areas, including Corporate Governance, Customer Care, Employee Care, Sustainable Finance, 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.

▼ Sustainable Development Governance Framework





## 1.2 Sustainability Performance in 2024 by SDG

 <ul style="list-style-type: none"> <li>Underwrote elder care and disability trusts totaling NT\$85.54 million</li> </ul>	 <ul style="list-style-type: none"> <li>Provided loans to 16,104 SME accounts, with a loan balance of NT\$149.8 billion</li> </ul>
 <ul style="list-style-type: none"> <li>Donated NT\$1063 million to charities.</li> </ul>	 <ul style="list-style-type: none"> <li>83% of UBOT ATMs were wheelchair-accessible</li> <li>83% of UBOT ATMs were equipped with voice assistance for the visually impaired</li> <li>Establishment of accessible service counters</li> </ul>
 <ul style="list-style-type: none"> <li>Disbursement of birth allowance and subsidy totaling NT\$240,000</li> </ul>	 <ul style="list-style-type: none"> <li>Electric vehicle purchase loans: 1,326 Accounts, with a loan balance of NT\$1.87 billion</li> </ul>
 <ul style="list-style-type: none"> <li>Invested NT\$3.41 million in promoting education on finance, environmental education, and anti-fraud</li> </ul>	 <ul style="list-style-type: none"> <li>Number of digital accounts opened grew 17%</li> <li>17.8% increase in the number of e-banking users</li> <li>11.6% increase in the number of corporate online banking users</li> </ul>
 <ul style="list-style-type: none"> <li>Females accounted for 63.4% of employees, 53.2% of managers, and 11% of directors at UBOT</li> </ul>	 <ul style="list-style-type: none"> <li>Using 2023 as the base year, an actual carbon reduction of 3%</li> </ul>
 <ul style="list-style-type: none"> <li>Using 2023 as the base year, water savings of 0.08% in 2024</li> </ul>	 <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>
 <ul style="list-style-type: none"> <li>Invested in the green energy industry, with 9,100 million kWh of electricity generated using solar power cumulatively</li> </ul>	 <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>
 <ul style="list-style-type: none"> <li>Posted a net income after tax of NT\$5.223 billion and an earnings per share of NT\$1.16</li> <li>Compensation increased by an average of 7%</li> </ul>	 <ul style="list-style-type: none"> <li>The Board of Directors passed formulation of the "Taxation Governance Policy"</li> </ul>

## 1.3 Joy-sharing



Ranked among the top 6% to 20% listed companies in the 11th Corporate Governance Evaluation

Awarded again with the Certificate of Appreciation for "Green Procurement by Private Enterprises and Organizations" by the Department of Environmental Protection, Taipei City Government

Awarded the Golden Quality Award - Credit Card Information Category by the Joint Credit Information Center

Awarded by the Financial Supervisory Commission as a Grade A Bank for performance in Lending to the Six Core Strategic Industries

Received Taipei City certification as a Middle-aged and Elderly Friendly Enterprise



Won the Silver Award in the Financial and Insurance Industry Category during the 17th Taiwan Corporate Sustainability Awards

Honored with the eACH Business Excellence award by Taiwan Clearing House in 2024

Won the "Post-pandemic Revitalization" award in the financing business category by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG)



# 2 ABOUT UBOT

## 2.1 Enterprise Overview

Company Name	Union Bank of Taiwan Co., Ltd.
Date of Establishment	December 31, 1991
Chairman	Lin, Hung-Lien
Address of Head Office	No. 109, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City 105
Capital	NT\$42,500,729 thousand
Total assets	NT\$995,457,466 thousand
Total number of staff	4,367 (including staff of subsidiaries)
Bank operation bases	Domestic: 90 branch offices Overseas: 2 representative offices
Stock code	2838

Note: As of December 31, 2024



### Deposit Business

Unit: NT\$ 1000	User number	Total deposits
Individual	2,897,644	523,826,825
Small enterprise	107,260	183,091,275
Corporate customer	11,045	53,449,642
Others	2,313	50,275,067
Total	3,018,262	810,642,809

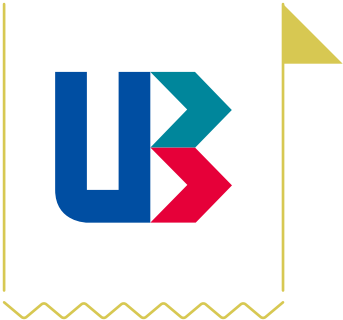
### Credit Business

Unit: NT\$ 1000	User number	Total deposits
Individual	141,417	431,675,179
Small enterprise	16,173	149,804,889
Corporate customer	201	33,201,442
Total	216,419	614,681,510

Note: 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

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 over 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 3.0” 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, we 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, we 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.

In order to expand the operation access and the scale, we 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 4,367 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 Founda-

tion (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. 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 an investment management institution with independent operation business under the Union Group, Union Investment Trust specializes in research on international and domestic fixed-income products and the 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.

USITC aligns with the government's "5+2 Industrial Innovation Plan" and officially established Union Private Equity Co., Ltd. on September 17, 2020. It is currently one of the few investment trusts that have transitioned into private equity investment. In 2025, we actively entered the ETF market by issuing the Union Taiwan Exciting 50 ETF Fund.

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 YesGoGo-Go 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

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 Company Organization

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. Considering economic benefits and the Bank’s overseas market strategy, the company ceased external operations at the end of December 2023. Following the cessation of operations, the company proceeded with the cancellation of its business registration and was officially approved for dissolution by the Hong Kong Companies Registry on January 17, 2025.

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.

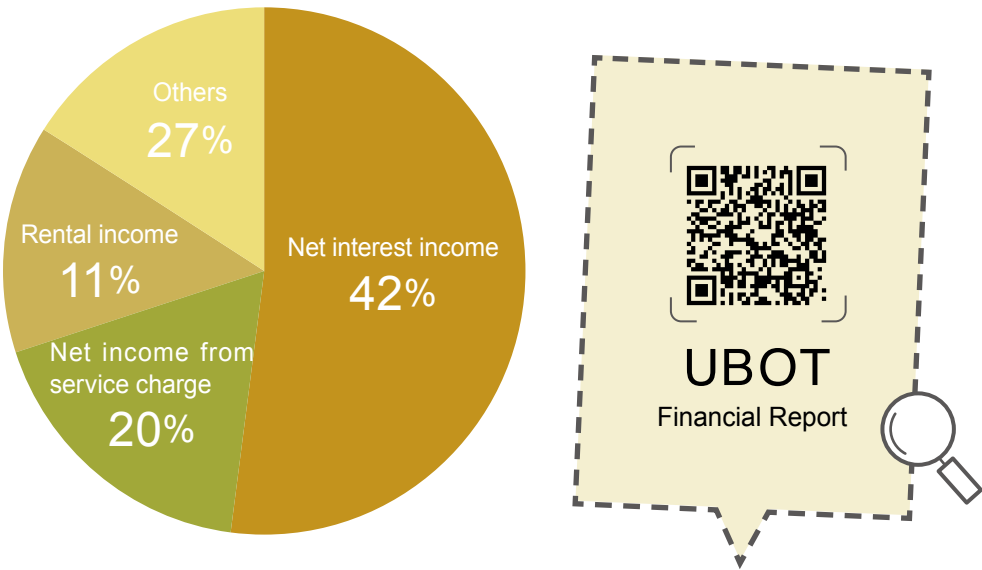
Established on November 21, 2019, Union Venture Capital is a member of Union Enterprise Group, and it is established for the purpose of complying with overall industrial development requirements of the country, cooperating with the financial policies of the Government and the Financial Supervisory Commission 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 Unit: NT\$ 1000/NT\$/%

Unit: NT\$ 1000	2024	2023
Total assets	995,457,466	939,147,045
Shareholders' equity	79,452,598	70,642,455
Net income	19,826,869	17,934,627
Net profit after tax	5,222,513	4,320,680
Earnings per share after tax	1.16	0.95
Return on shareholders' equity	7.23	6.75
Return on assets	0.54	0.47
Average income of staff	4,540	4,145
Average profit of staff	1,196	999

2.4.2 Consolidated net income revenue structure



2.4.3 Credit rating of the latest period

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



## 2.5 Tax Policy

In response to the international trends in tax governance and to implement corporate sustainability, as well as to enforce compliance with tax laws, the Board of Directors has approved the establishment of the “UBOT Tax Governance Policy.” This policy clearly stipulates that the Board of Directors serves as the highest decision-making and supervisory body for tax management. According to the overall operational strategy and business environment, the Board approves the comprehensive tax governance policy, oversees the execution of the bank-wide tax risk management mechanism, and ensures the effective operation of the tax management system.

The Business Management Department serves as the tax management unit, formulating tax governance policies, establishing the tax management framework, and overseeing the Bank’s various operational activities to ensure compliance with the aforementioned principles. Cases involving tax administrative relief shall be reported according to the standards of authority and responsibility division. Other related matters shall be reported to the Board of Directors periodically or as needed by the highest executive of the business management department, depending on the significance of the issue. In response to changes in international and government regulations, this policy shall be reviewed and revised in a timely manner. Any matters not covered herein shall be handled in accordance with the relevant regulations of the competent authorities and the Bank.



### 2.5.1 Taxation Governance Policy

#### Legal Compliance

Comply with tax regulations of each country, 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, and comply with regulations on transfer pricing.

#### Talent Development

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

### 2.5.2 2024 Net Income, Pre-tax Earnings, and Income Tax Payment Status of Union Bank Group Unit: NT\$ 10000

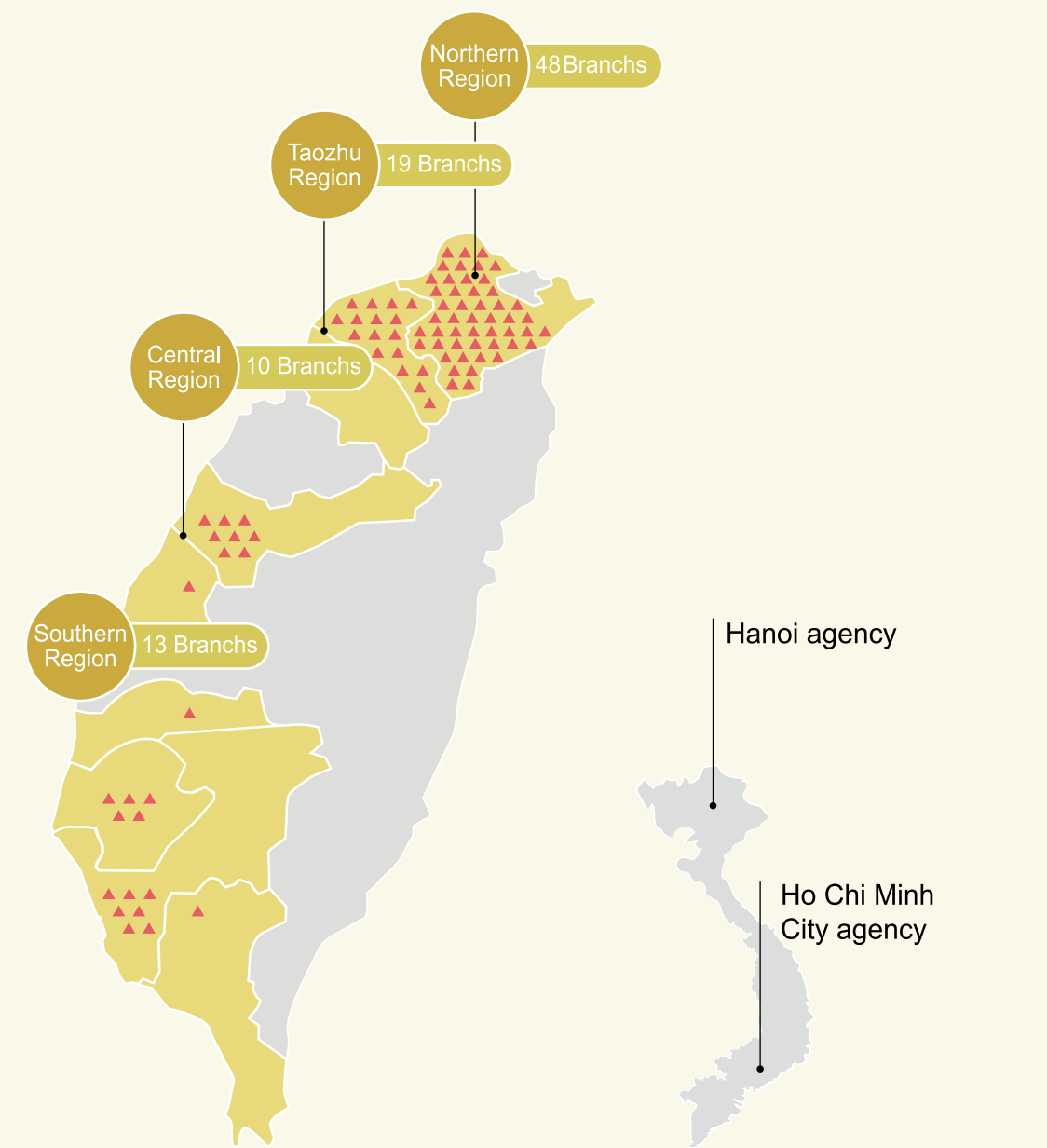
Tax Jurisdiction	Number of Employees	Net Income		Pre-tax Earnings		Current Income Tax		Cash income tax paid	
		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Taiwan	4,363	1,968,687	99.29%	611,694	99.19%	93,375	98.85%	93,368	99.03%
Hong Kong	0	183	0.01%	(408)	-0.07%	-	0.00%	-	0.00%
Japan	2	13,353	0.67%	5,037	0.82%	699	0.74%	533	0.57%
Singapore	2	464	0.02%	387	0.06%	385	0.41%	385	0.41%
Total	4,367	1,982,687	100.00%	616,710	100.00%	94,459	100.00%	94,286	100.00%

### 2.5.3 Income Analysis Unit: NT\$ 10000

Item	2024		2023	
	Amount	Effective Tax Rate	Amount	Effective Tax Rate
Pre-tax net profit	616,710		523,540	
Income tax expense	94,459	15.32%	91,472	17.47%
Cash income tax paid	94,286	15.29%	137,470	26.26%

2.6 Service Stations

By means of domestic and international service locations, combined with the mutual online cooperation of its 24h customer service center, electronic finance platform, online and mobile banking services, and a nationwide ATM network, Union Bank constructs a comprehensive and highly efficient, integrated system of financial services to provide customers with an instant, convenient, and comprehensive financial service experience.



Mobile banking APP



Domestic branches	Overseas representative office	Securities branches	ATM	Investment trust	Leasing
90 branches	2 locations	9 branches	426	1 location	14 locations

UBOT social media: IG page, FB fanpage, YT channel, official LINE  
Banking service hotline: (02) 2545-1788  
Credit card service hotline: Taipei (02) 2545-5168, Kaohsiung (07) 226-9393

2.7 Participate in Various Associations and Organizations

To promote domestic financial industrial development, the Bank actively participates in various associations and organizations, holding key positions in some organizations, and provides suggestions for practical operations of the financial industry as well as sustainability management research appropriately, making its own contribution to improving the overall industrial environment and sustainable development in the country.

The Bank and its subsidiaries actively participate in various organizational projects and committees, engage in information exchange and business cooperation with industry peers, and assist the government in implementing financial policies. The total amount of expenses for supporting or participating in policy research and advocacy related to the financial industry by public associations in 2024 was NT\$9.74 million. The top three public associations by investment amount were as follows: The Bankers Association of the Republic of China (an investment of NT\$1.23 million); Securities Investment Trust & Consulting Association of the R.O.C. (an investment of NT\$1.21 million); and SWIFT (an investment of NT\$1.207 million).

▼ Overview of participation in associations and organizations

Name of Associations and Organizations
The Bankers Association of the Republic of China
Trust Association of the Republic of China
The Insurance Agency Association of the Republic of China
Chinese National Futures Association
Taiwan Securities Association
R.O.C. Bills Finance Association
Taiwan Clearing House
Society for Worldwide Interbank Financial Telecommunication (SWIFT)
Securities Investment Trust & Consulting Association of the R.O.C.
Small & Medium Enterprise Credit Guarantee Funds of Taiwan
Joint Credit Information Center
Finance Information Service Co., Ltd.
Taipei Leasing Association, R.O.C.
Taipei Construction Machinery Association
Financial Information Sharing and Analysis Center (F-ISAC)

▼ Participation and investment amounts in public relations over past four years

Unit: NT	2021	2022	2023	2024
Lobbyists/Organizations, Interest Groups	0	0	0	0
Political Organizations, Candidates	0	0	0	0
Industry Associations or Think Tanks	10,511,215	9,343,319	9,811,574	9,743,661
Others: Expenses related to elections and referendums	0	0	0	0
Total	10,511,215	9,343,319	9,811,574	9,743,661
Coverage Rate	100%	100%	100%	100%

Note: The data boundary includes all departments of the Union Bank and its five subsidiaries

▼ Organizations participating in policy-influential activities in 2024

Organization/Unit	Participation Topics	Participation Methods	Investment amount
The Bankers Association of the Republic of China	Promotion of Financial Policies and Related Operations	Serving as a director of the Bankers Association, participating in meetings, assisting the government in implementing financial policies, promoting economic development, and enhancing the common interests of industry peers; additionally, supervisors from various banking business management units participate in the operations of committees under the association, providing opinions or directions on discussion topics to facilitate the development of banking and financial services.	NT\$1.23 million
Securities Investment Trust & Consulting Association of the R.O.C.	Promotion of Competent Authority Policies and Related Operations	The General Manager of USITC serves as the Deputy Convener of the Association's affairs and Industry Promotion Committee. He actively participates in various meetings and activities of the Investment Trust and Consulting Association, assists regulatory authorities in implementing policies, promotes vigorous industry development, and enhances the common interests of industry peers. Furthermore, he diligently fulfills the duty of care expected of a prudent manager and strives to safeguard the rights and interests of investors.	NT\$1.21 million



# 3 Stakeholder Engagement

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 and determines the major stakeholders and materiality considerations according to sustainability context, materiality, integrity, and stakeholder inclusiveness.

## 3.1 Stakeholder Identification

Referencing the five major principles of the international standard AA1000 SES (Stakeholder Engagement Standards): dependency, responsibility, tension/concern, influence, and diverse perspectives, the Bank identifies its primary stakeholders. The primary stakeholders of the Bank are determined based on the identification and scoring results, including shareholders/investors, customers, employees, partners/suppliers, the community/general public, government/regulatory authorities, and the media. The opinions and needs of these primary stakeholders are given priority consideration.



## 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 communication with stakeholders to the Board of Directors on a regular basis each year. The communication methods, channels, and situations between the Bank and stakeholders are summarized in the table below.

▼ Overview of communication with stakeholders

Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication with Stakeholders in 2024
Customers	<ul style="list-style-type: none"> <li>Customer privacy and rights</li> <li>Customer relationship management</li> <li>Financial innovation</li> <li>Information security</li> <li>Inclusive finance</li> <li>Sustainable finance</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>Official website comments, consumer dispute complaint section</li> <li>Online real-person text-based customer service</li> <li>Customer suggestion mailboxes at various branches</li> </ol> </li> <li>Actively and effectively settle dispute cases to protect consumer rights and enhance service quality. Established the "Consumer Dispute Settlement System," "Key Points for Customer Complaint Settlement," and the "Consumer Dispute Settlement Team."</li> </ul>	<ul style="list-style-type: none"> <li>In the current year, a total of 363 complaints and problem cases were handled, a decrease of 19 cases compared to the 382 total in 2023. Active follow-up and processing were conducted, along with a review of customer complaint cases and improvements.</li> <li>The official website has been redesigned to provide a more convenient browsing experience. It integrates the personal financial website and personal Internet bank, and introduces a new "Consumer Dispute Complaint Section," allowing customers to check the progress and results of their cases online.</li> <li>With a commitment to implementing the principle of treating customers fairly and providing friendly financial services, UBOT made a total of 2,100 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.</li> <li>Enhancement of financial friendly services by establishing accessible service counters; there was one instance of online sign language video translation services used during a customer appointment.</li> <li>UBOT added 74 overseas stocks, 27 overseas ETFs, 43 foreign bonds, and 74 funds.</li> <li>UBOT conducted a total of 6 seminars on elderly care trusts, which saw the participation of 188 people in total.</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>	<ul style="list-style-type: none"> <li>UBOT organized a total of 113 briefing sessions on financial management, which saw the participation of 2,652 people in total.</li> <li>Hosted the "UBOT - Online Forum for ESG and Low-Carbon Transition Strategies," with a total participation of 205 corporate clients.</li> <li>Participated in the "2024 Financial Services Charity Carnival" held in Taipei and Tainan, promoting sustainable finance and financial fraud prevention, reaching a total of over 2,000 citizens and customers.</li> </ul>

Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication with Stakeholders in 2024
Employees	<ul style="list-style-type: none"> <li>• Talent attraction and retention</li> <li>• Talent cultivation and career development</li> <li>• Workplace health and safety</li> <li>• Labor relations</li> <li>• Human rights and diversity inclusion</li> <li>• Operation performance</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 485 employees received a promotion and 4,642 employees received a salary adjustment, representing an average salary adjustment rate of 6.96%.</li> <li>• As the number of employees applying for various welfare subsidies has reached 250 people, UBOT has signed contracts with 13 safe and legal childcare institutions located around the company in an effort to help our employees address their childcare problems.</li> <li>• UBOT implemented a total of 548 job rotations based on employees’ career planning or the company’s business and talent development needs.</li> <li>• UBOT organized education and training on topics such as physical and mental abuse at work, abnormal workload, human-related hazards, maternal health protection, and sexual harassment prevention. A total of 4,544 people completed the online and in-person courses.</li> <li>• UBOT organized 26 sessions of health consultant service provided by professional doctors on site, 46 health promotion lectures, and health advocacy and care for the physical health of 1,402 employees, and completed health examinations for 3,669 employees.</li> <li>• Conducted an “investigation of musculoskeletal symptoms” across the entire bank, with a total of 4,352 responses collected. The response rate was 100%, with 4,334 respondents reporting no related hazards, whereas 18 respondents cases suspected themselves to be suffering from related hazards.</li> <li>• UBOT convened four labor-management meetings to ensure effective communication and achieve harmonious labor management relations.</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 7,766 people were covered by the aforesaid types of insurance this year.</li> <li>• Conducted a total of 804 sessions of employee education and training courses on the following: deposits and remittances, financial regulatory compliance and anti-money laundering, professional knowledge of financial services, financial planning, sustainable finance, financial technology, information security, labor safety training, as well as statutory trust business and securities business seminars.</li> <li>• Conducted online education and training on personal data protection and information security, with 3,715 and 3,851 participants completing the courses respectively in 2024.</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>	
		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>	
		Every three years	<ul style="list-style-type: none"> <li>• Engage professional medical examination institutions to conduct health examinations for employees.</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>	
Investors/ Shareholders	<ul style="list-style-type: none"> <li>• Operation performance</li> <li>• Corporate governance</li> <li>• Risk 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 10.02% compared to the previous year.</li> <li>• UBOT conducted 2 investor conferences.</li> <li>• UBOT convened 1 shareholders’ meeting.</li> <li>• UBOT made 46 major announcements on MOPS.</li> <li>• Published financial reports, annual reports, and sustainability reports, and provided live video and audio coverage of shareholders’ meetings.</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>	



Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication with Stakeholders in 2024
Community/ General public	<ul style="list-style-type: none"> <li>• Social welfare</li> <li>• Sustainable operating environment</li> <li>• Natural ecological conservation</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> </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>	
Suppliers/ Partners	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Workplace health and safety</li> <li>• Sustainable operating environment</li> <li>• Climate change strategies</li> </ul>	From time to time	<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 456 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>• A total of 31 meetings were held regarding the renovation of UBOT's dormitory buildings.</li> <li>• A total of 46 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>

Stakeholders	Topics of concern	Frequency of communication	Methods and channels of communication	Communication with Stakeholders in 2024
Government/ Competent authorities	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Ethical management</li> <li>• Legal Compliance</li> <li>• Risk Management</li> <li>• Money laundering prevention</li> <li>• Climate change strategies</li> <li>• Information security</li> <li>• Sustainable operating environment</li> <li>• Sustainable finance</li> </ul>	Annually	<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>• Participated in a total of 5 meetings organized by the Financial Supervisory Commission.</li> <li>• Awarded the Joint Credit Information Center's "Gold Quality Award" for 2 consecutive years.</li> <li>• In response to COP29 and to assist enterprises in accelerating their green transformation, the "Sustainable Credit and Investment Policy" was established.</li> </ul>
		From time to time	<ul style="list-style-type: none"> <li>• Participate in policy seminars and symposiums hosted by the government and competent authorities.</li> <li>• Set up a contact point for supervision and inspection by competition authorities to provide relevant information.</li> </ul>	<ul style="list-style-type: none"> <li>• Formulated the "Inclusive Finance Statement" and the statement of customer data confidentiality measures and disclosed them on the Bank's official website.</li> <li>• Awarded by the Financial Supervisory Commission as a Grade A Bank for performance in Lending to the Six Core Strategic Industries.</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Financial innovation</li> <li>• Social welfare</li> <li>• Operation performance</li> <li>• Corporate governance</li> </ul>	From time to time	<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 the current year, UBOT issued a total of 38 press releases, where a total of 562 news reports related to UBOT were published by media.</li> <li>• Continued to collaborate with Liberty Times on a financial management column, providing monthly information on loans, digital accounts, financial consumption, and fraud prevention, thereby promoting inclusive finance. The digital edition has garnered over 67 million exposures.</li> </ul>

3.3 Process of Identifying Material Topics

An identification of material topics is conducted annually according to GRI 3: Material Topics. For material topics with higher impact levels, corresponding ESG strategies and management objectives were formulated in response to stakeholders' expectations.

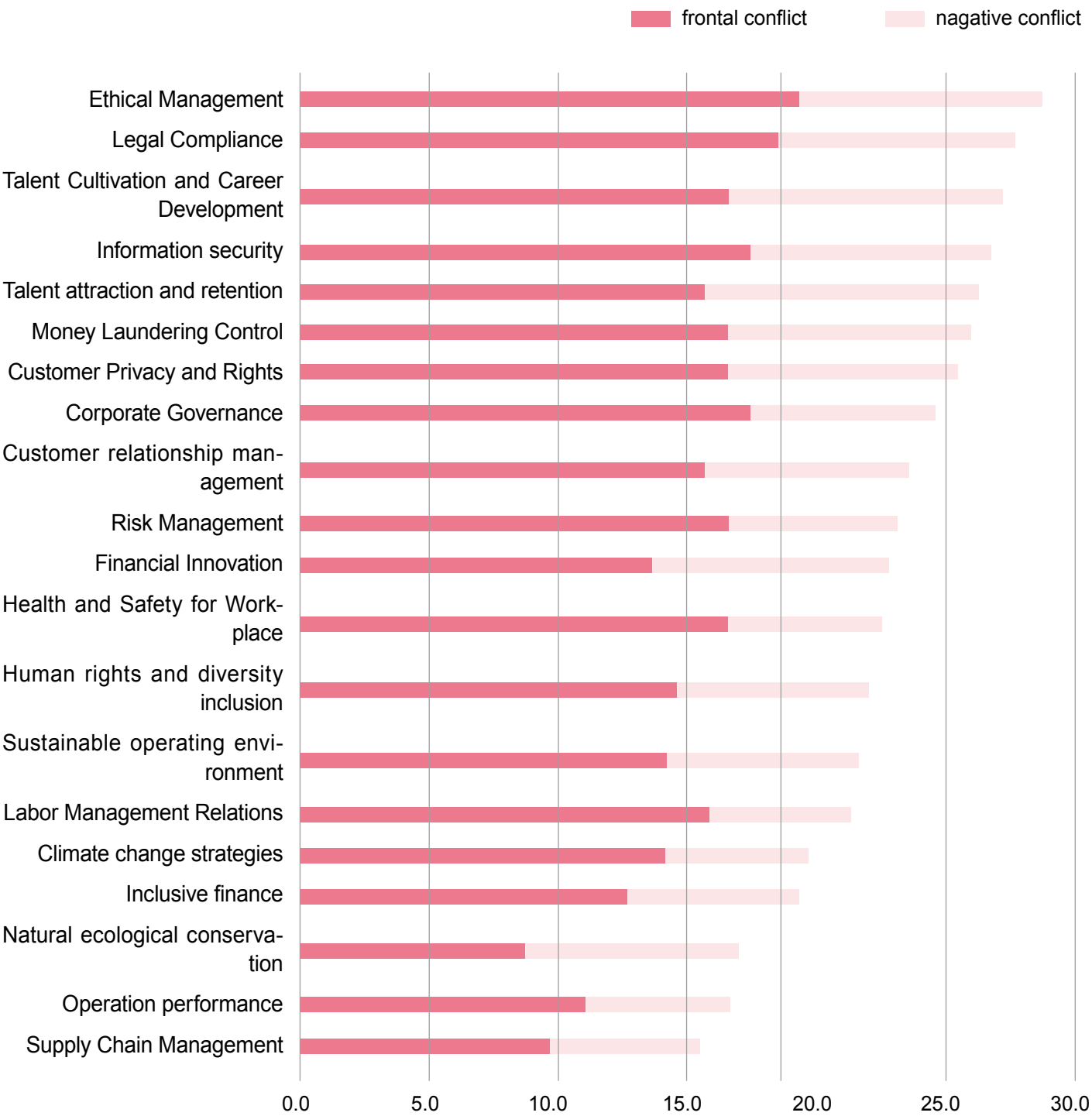




3.4 Confirmation of Material Topics

Analysis of Impact Materiality

Distribute external questionnaires to survey stakeholders’ level of concern regarding sustainability issues. After defining the key issues, senior executives of the Bank were invited to assess the positive and negative impacts of 21 sustainability issues on the economy, environment, and people (human rights). The evaluation results were ranked as shown in the following chart, with the impact levels arranged from highest to lowest.



Changes in Sustainability-Related Issues for 2024

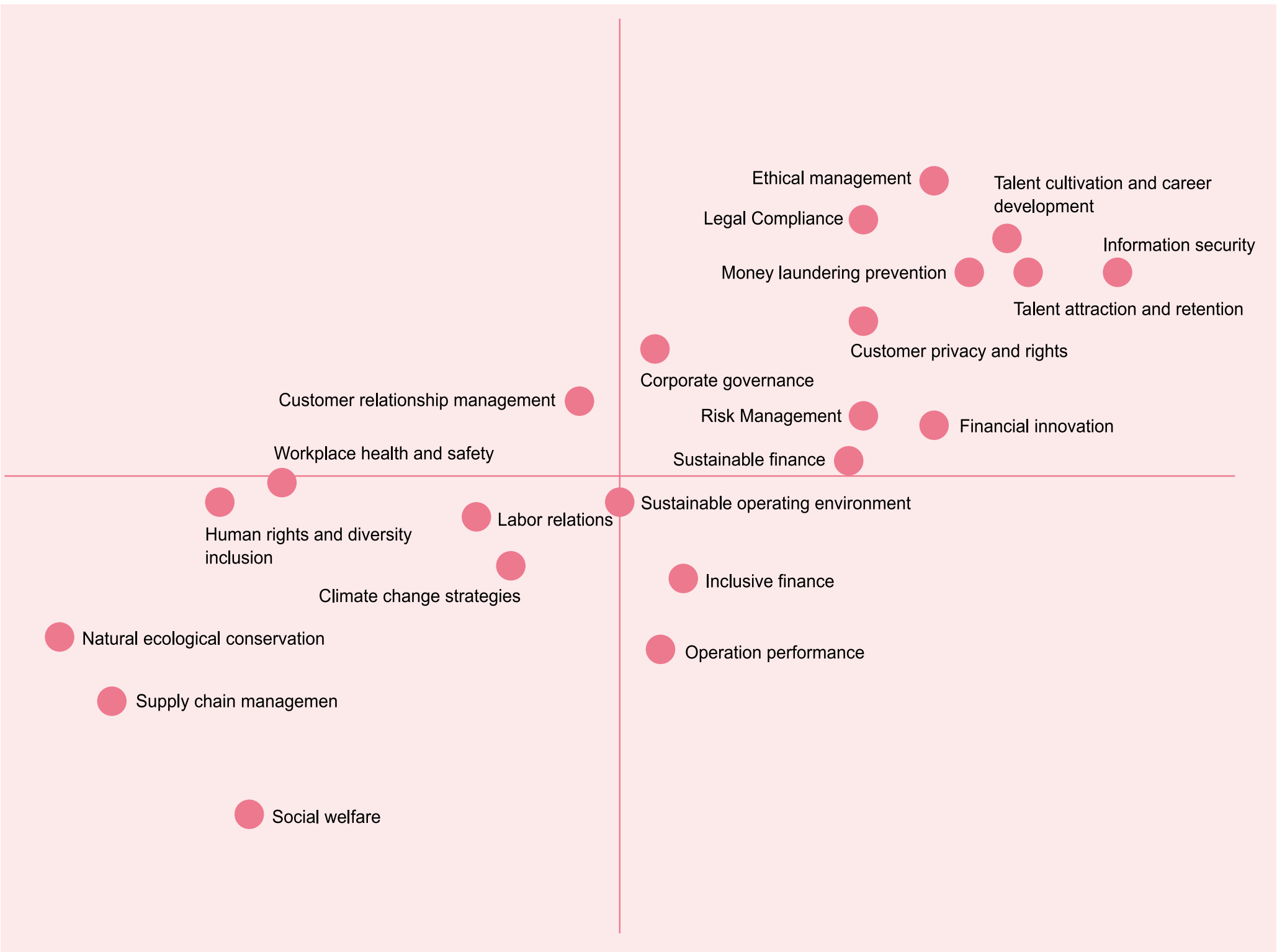
Dimension	Indicator Before Change	After Change	Reason for Change	Stakeholders
Corporate governance	Risk management and crisis management	Risk Management	Risk management includes crisis management; therefore, crisis management was removed.	Shareholders/investors, competent authorities
	Operating performance and shareholder interest	Operation performance	Referenced industry peers' practice of removing shareholders' equity.	Shareholders/investors, employees, media
	Legal compliance and internal audit	Legal Compliance	Internal audit should be established on the basis of legal compliance and risk management; therefore, the internal audit was removed.	Competent authorities
	Newly added	Information security		Competent authorities, customers
Society	Art and culture promotion	Removal	Referenced industry peers for removal.	
	Products diversity	Inclusive finance	Response to international trends and domestic initiatives.	Customers
	Consumer protection	Removal	Referenced industry peers for removal.	
	Service quality	Customer relationship management	Text revision.	Customers
	Newly added	Sustainable finance	Transferred from environmental sustainability to customer care.	Competent authorities, customers
	Employee compensation and benefits	Talent attraction and retention	Text revision.	Employees
	Performance management	Removal	Referenced industry peers for removal.	
	Newly added	Human rights and diversity inclusion	Response to international trends and domestic initiatives.	Employees
Environment	Climate change risks	Climate change strategies	Expanded the scope of content.	Competent authorities, suppliers
	Sustainable finance and green procurement	Sustainable operating environment	Expanded the scope of content.	Competent authorities, community/general public, suppliers
	Newly added	Natural ecological conservation	In response to TNFD.	Competent authorities, community/general public

# Double Materiality Analysis

Through the Assessment of Financial Materiality Questionnaire, senior executives of the Bank were asked to assist in evaluating the financial materiality of sustainability issues (i.e., the impact on the company's operations and degree of financial impact). By integrating the "Sustainability Impact Level" and the "Operational and Financial Impact Level," a dual materiality matrix was produced to identify topics with dual materiality that have significant impacts on both the company's financial operations and external influences. According to the analysis results, there are a total of 11 topics with dual materiality.

high

Degree of Sustainability Impact (Economic, Environmental, and People/Human Rights)



Dual materiality impacts ►

low

Degree of Operational Impact and Financial Impact

high

Explanation: According to the questionnaire results, the top three topics of concern to stakeholders are, in order, customer privacy and rights, customer relationship management, and information security. The top three material topics are, in order, ethical management, legal compliance, and talent cultivation and career development.



### 3.5 Impact and Boundaries of Material Topics

Major topics	GRI Material topic	Description of Impacts of Risks and Opportunities on the Economy, Environment, and People (Human Rights)		Degree of Financial Materiality	Corresponding chapter	Boundary					
						Degree of Involvement: Directly caused ▲ Indirectly caused ● Caused by UBOT's business relations ★					
		Positive	Negative			Employees	Investors	Customers	Government	Media	Supplier
Corporate governance	405 Diversity and Equal Opportunity	A sound internal supervision and information disclosure mechanism increases governance transparency and stakeholder trust, which helps reduce compliance risks, increase decision-making efficiency, and stabilize operations. This, in turn, attracts long-term investors, lowers capital costs, and improves the company's overall financial performance.	If directors and senior executives fail to adequately fulfill their supervisory responsibilities, this may lead to internal control deficiencies and regulatory violations. This could further result in fines, litigation, or reputational damage, thereby increasing operational risks and compliance costs, and affecting capital liquidity and the company's financial performance.	Moderate	Corporate governance	▲	●	★	▲		★
Ethical management	205 Anti-corruption	Strengthening ethical management and anti-corruption governance mechanisms helps reduce legal and operational risks, increasing the quality of corporate governance and investor confidence, thereby attracting capital, increasing market value, and improving long-term competitiveness.	If internal employees or senior executives are involved in dishonest or corrupt behavior, it will result in damage to the company's reputation, loss of customers, or regulatory sanctions, increasing legal costs and impacting financial performance.	High		▲	●	★	▲		★
Legal Compliance	2-27 Compliance with laws and regulations	Ensuring that all business operations comply with legal regulations helps reduce compliance risks, avoid potential penalties, and strengthen corporate image and external trust, thereby stabilizing operations and increasing capital acquisition efficiency.	Failure to comply with legal regulations may result in significant fines or litigation, leading to financial losses and operational disruptions, as well as severely damaging the company's reputation and investor confidence.	Moderate		▲	●	★	▲	●	
Information security	418 Customer privacy	Implementing information security management and system enhancement helps to prevent information security risks, ensure the stable operation of core systems, maintain business continuity and customer trust, and reduce potential losses and compliance costs.	If information security management is inadequate and results in personal data leakage or system interruptions, it will cause operational disruptions, fines, and reputational damage, increasing risk management costs and impacting financial performance.	High		▲		▲	●		★
Money laundering prevention	2-27 Compliance with laws and regulations 3-3 Management of material topics	The Bank implements anti-money laundering and countering the financing of terrorism through system establishment and employee training, effectively reducing compliance risks, protecting customer rights, and maintaining operational stability.	Failure to comply with procedures for anti-money laundering and fraud prevention will result in significant penalties and reputational damage, adversely affecting customer rights, trust, and company performance.	High		▲	●	★	▲	●	
Risk Management	3-3 Management of material topics	Establish management policies covering market, credit, and operational risks. Strengthen risk tolerance through capital management and stress testing mechanisms to ensure operational stability.	If operational risks and crisis events are not properly managed, it will lead to business interruptions and capital insufficiency, thereby affecting the bank's long-term stable development.	Moderate		▲	▲	★	▲		★
Customer privacy and rights	418 Customer privacy	Conduct personal data protection training and drills to enhance employee awareness and management procedures, ensure the security of personal data and transparency in complaint handling, increase customer trust and satisfaction, and boost operational performance and effectiveness.	If internal controls are insufficient and result in personal data leakage, the company will face penalties from competent authorities as well as customer complaints, damaging the company's reputation and customer relationships, which in turn will increase operating costs and reduce revenue.	Moderate	Sustainable finance	▲		★			★
Talent attraction and retention	401 Employment 405 Diversity and Equal Opportunity 406 Non-discrimination	Provide a market-competitive compensation system and diverse welfare measures to attract and retain core talent, thereby stabilizing organizational operations and human resource allocation.	If compensation and benefits are lower than those of industry peers, it will result in the loss of key talent, increase turnover rates, and raise costs associated with the replacement and training of human resources.	High	Employee care	▲					
Talent cultivation and career development	404 Training and education	Plan competency-oriented education, training, and promotion systems to assist employees in strengthening their professional skills and career development, thereby enhancing work performance and loyalty.	The absence of talent development and promotion mechanisms will adversely affect employee growth momentum and the organization's long-term operational effectiveness.	High		▲					
Financial innovation	3-3 Management of material topics 203 Indirect economic impacts	Integrate digital technology with financial services to promote online and automated processes, increase transaction efficiency, reduce paper-based carbon emissions, and expand the digital customer base.	If traditional services fail to undergo digital transformation, they will be replaced by technology platforms and face operational challenges including increased information security risks and higher compliance costs.	High	Sustainable finance	▲	●	★	●	●	★
Sustainable finance	201 Economic performance	Incorporate ESG factors into credit evaluation and product design, promote green finance and sustainability-linked loans, create sustainable business opportunities and reputational value, and increase the Bank's operational performance.	If ESG is not integrated into core financial operations, green business opportunities and market competitiveness will be lost, affecting external evaluations and brand image.	Moderate	Sustainable finance Environmental Sustainability	▲	●	★	●	●	★

3.6 Strategies, Objectives, and Achievement Status of Material Topics

Topic	Management strategies	Performance indicators	2024 Achievements	Short-term goals (by 2026)	Medium to long-term goals (until 2031)
Corporate gov-ernance	To enhance the supervisory effectiveness and corporate governance of the Board of Directors, Union Bank has implemented a Board of Directors performance evaluation system and a member diversity policy, and established a post-meeting review mechanism for the Board of Directors to improve decision-making quality and shareholder participation transparency.	<ul style="list-style-type: none"><li>• Board of Directors performance evalua-tion</li><li>• Corporate Governance Evaluation</li></ul>	<ul style="list-style-type: none"><li>• The performance evaluation results of the Board of Directors and the functional committees both “exceed standards”</li><li>• In the 11th “Corporate Governance Appraisal”, the Bank was named in the top 6%~20% among public listed companies.</li></ul>	<ul style="list-style-type: none"><li>• Conduct individual evaluations of di-rectors, the Board of Directors, and the performance assessments of internal and external directors of functional com-mittees.</li><li>• Increase corporate governance perfor-mance. (If participating in the evaluation)</li></ul>	<ul style="list-style-type: none"><li>• Continuously conduct performance eval-uations and implement improvements and enhancements based on the results and recommendations of the perfor-mance evaluations.</li><li>• Increase corporate governance perfor-mance. (If participating in the evaluation)</li></ul>
Ethical manage-ment	To reduce the risk of employees engaging in dishonest behavior, the Bank has not only established ethical management but also implemented regular training programs and a whistleblowing mecha-nism. Additionally, a dedicated unit has been set up to handle violation cases, thereby strengthening the culture of integrity and self-discipline.	<ul style="list-style-type: none"><li>• Senior Management Responsibility Statement</li><li>• Responsible Mapping System</li><li>• Whistleblowing system</li></ul>	<ul style="list-style-type: none"><li>• 100% signing rate</li><li>• Establish the “UBOT Responsible Mapping System.”</li><li>• No incident of unethical conduct.</li></ul>	<ul style="list-style-type: none"><li>• 100% signing rate</li><li>• Strengthen the education and training promotion of legal education and ethical management.</li></ul>	<ul style="list-style-type: none"><li>• 100% signing rate</li><li>• Strengthen the education and training promotion of legal education and ethical management.</li></ul>
Legal Compli-ance	To strengthen compliance risk management in the financial industry, the Bank has established a legal compliance system integrated with the three-de-fense-line structure. This system encompasses the identification of regulatory obligations in advance, self-audit during events, and post-event audit ver-ification, aiming to effectively prevent violations and maintain operational stability and regulatory credi-bility.	<ul style="list-style-type: none"><li>• Self-assessment and spot inspection for legal compliance</li><li>• Training rate and training hours for on-the-job training of compliance officers of the Legal Compliance Department.</li></ul>	<ul style="list-style-type: none"><li>• The self-assessment of legal compliance for all units of the Bank was conducted on May 13 and November 12 for the first and second halves of the year, respectively. Additionally, spot checks were carried out from the end of August to early Octo-ber.</li><li>• Training rate and training hours for on-the-job training of com-pliance officers of the Legal Compliance Department.</li></ul>	<ul style="list-style-type: none"><li>• Conduct biannual self-assessment oper-ations on legal compliance for all depart-ments across the Bank, as well as one random inspection operation each year.</li><li>• 100% training rate for on-the-job training of compliance officers of the Legal Com-pliance Department.</li></ul>	<ul style="list-style-type: none"><li>• Conduct biannual self-assessment oper-ations on legal compliance for all depart-ments across the Bank, as well as one random inspection operation each year.</li><li>• 100% training rate for on-the-job training of compliance officers of the Legal Com-pliance Department.</li></ul>
Information se-curity	To reduce information security risks and protect customer data security, the Bank promotes inter-national information security management systems such as ISO 27001 and 27701, implements a ze-ro-trust architecture, and continuously maintains certification validity to ensure uninterrupted oper-ations and compliance with information security regulations.	<ul style="list-style-type: none"><li>• Internationally recognized information security ISO 27001</li><li>• Cyber security incidents classified as “material incidents”</li></ul>	<ul style="list-style-type: none"><li>• Obtained ISO 27001 certification to realize institutionalization and standardization of information operations.</li><li>• No cyber security incidents classified as “material incidents” occurred.</li></ul>	<ul style="list-style-type: none"><li>• Conduct an annual review for ISO 27001 to ensure the validity of the certification.</li><li>• The Information Technology Department plans to introduce ISO 27701 Privacy In-formation Management in 2025, with the certification expected to be obtained in 2026.</li><li>• Gradually implement mechanisms relat-ed to the zero-trust architecture.</li></ul>	<ul style="list-style-type: none"><li>• Continue to maintain and enhance the versions and effectiveness of ISO 27001 and ISO 27701 information security management and privacy information management.</li><li>• Introduce mechanisms related to the ze-ro-trust architecture</li></ul>
Money launder-ing prevention	To address the risks of money laundering and terrorist financing, the Bank and its subsidiaries maintain fully consistent policies. Through intensive training and internal control mechanisms, we implement anti-money laundering measures and compliance requirements to prevent operational and reputational losses.	<ul style="list-style-type: none"><li>• No significant deficiencies in anti-mon-ey laundering controls were identified</li><li>• Degree of consistency of anti-money laundering and counter-terrorism financ-ing policies between the Bank and its subsidiaries</li><li>• Training completion rate and training hours of directors, general managers, dedicated supervisors, dedicated per-sonnel, and unit supervisors for an-ti-money laundering and counter-terror-ism financing, and business personnel for anti-money laundering, fraud preven-tion, and counter-terrorism education</li></ul>	<ul style="list-style-type: none"><li>• There were no major penalties imposed during the current fis-cal year.</li><li>• 100% policy synchronization rate (the Bank and its subsidiar-ies do not accept virtual asset service providers and third-par-ty payment service operators as clients unless they have com-pleted anti-money laundering registration)</li><li>• 100% employee training completion rate, with a total of 14,796 training hours</li><li>• The training completion rate for dedicated supervisors, ded-icated personnel, and unit supervisors responsible for an-ti-money laundering and counter-terrorism financing oversight was 100%, with a total of 4,528 training hours</li><li>• 100% training completion rate for directors and general man-agers, a total of 10 training hours</li></ul>	<ul style="list-style-type: none"><li>• No major penalties.</li><li>• 100% policy synchronization rate</li><li>• 100% employee training completion rate</li></ul>	<ul style="list-style-type: none"><li>• No major penalties.</li><li>• 100% policy synchronization rate</li><li>• 100% employee training completion rate</li></ul>
Risk Manage-ment	To enhance risk resilience and financial stability, the Bank focuses on capital adequacy, strength-ening Tier 1 capital ratio and common equity ratio to ensure sufficient loss absorption capacity when facing operational risks.	<ul style="list-style-type: none"><li>• Tier 1 capital ratio</li><li>• Common equity ratio</li><li>• Capital adequacy ratio</li></ul>	<ul style="list-style-type: none"><li>• The self-reported common equity ratio, tier 1 capital ratio, and capital adequacy ratio were 10.76%, 13.22%, and 15.33%, re-spectively, all exceeding the Bank’s internally set management objective monitoring indicators of 10%, 11.5%, and 13.5%.</li></ul>	<ul style="list-style-type: none"><li>• Continue to maintain the common equity ratio, tier 1 capital ratio, and capital ad-equacy ratio at the monitoring indicators of 10%, 11.5%, and 13.5% and above.</li></ul>	<ul style="list-style-type: none"><li>• Continue to increase the common equity ratio, tier 1 ratio, and capital adequacy ratio.</li></ul>



Topic	Management strategies	Performance indicators	2024 Achievements	Short-term goals (by 2026)	Medium to long-term goals (until 2031)
Customer privacy and rights	The Bank has established a fair hospitality system and a personal data protection audit mechanism to enhance the protection of customer privacy and the transparency of complaint handling, thereby strengthening customer trust and maintaining the quality of financial services and customer loyalty.	<ul style="list-style-type: none"> <li>Customer Satisfaction</li> <li>Engage an accountant to conduct a personal data protection project audit to verify the appropriateness of personal data management procedures and measures.</li> <li>Regularly convene the Fair Hospitality Management Committee and report to the Board of Directors</li> <li>Fair hospitality training.</li> </ul>	<ul style="list-style-type: none"> <li>On-site inspections of bank employees' service attitudes all resulted in scores above 97 points. (Assessed by the Head Office)</li> <li>Engaged accountants to conduct a special audit on personal data protection, covering a total of 13 head office units and 3 business units. The audit results did not reveal any significant abnormalities.</li> <li>Convene the Fair Hospitality Management Committee quarterly and report to the Board of Directors.</li> <li>The training completion rate for fair hospitality training was 100%, with a total training duration of 13,055 hours.</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction reached 80%. (Evaluated by the customers)</li> <li>Conduct an annual special audit by CPAs on personal data protection to address deficiencies identified in the previous audit.</li> <li>Regularly convene the Fair Hospitality Management Committee, report to the Board of Directors, and continue to refine relevant measures.</li> <li>100% training completion rate for fair hospitality training</li> </ul>	<ul style="list-style-type: none"> <li>Maintain customer satisfaction at 80%</li> <li>Conduct an annual special audit by CPAs on personal data protection.</li> <li>Regularly convene the Fair Hospitality Management Committee, report to the Board of Directors, and continue to refine relevant measures.</li> <li>100% training completion rate for fair hospitality training.</li> </ul>
Talent attraction and retention	To stabilize the talent structure and strengthen employee cohesion, the Bank has implemented a retention incentive system, staff shareholding trust, and a job satisfaction survey to enhance workforce stability and organizational performance.	<ul style="list-style-type: none"> <li>Job satisfaction survey</li> <li>Retention rate</li> <li>Participation rate in shareholding trusts</li> </ul>	<ul style="list-style-type: none"> <li>98% on job satisfaction survey</li> <li>99% retention rate</li> <li>Participation rate of 82% in shareholding trusts</li> </ul>	<ul style="list-style-type: none"> <li>Maintain above 90%</li> <li>Maintain above 90%</li> <li>Maintain above 80%</li> </ul>	<ul style="list-style-type: none"> <li>Maintain above 90%</li> <li>Maintain above 90%</li> <li>Maintain above 80%</li> </ul>
Talent cultivation and career development	To strengthen employee professionalism and talent retention mechanisms, the Bank promotes training courses and certification systems, and encourages participation in external competency training and sustainability professional certification, aiming to cultivate dual-track talents in finance and sustainability.	<ul style="list-style-type: none"> <li>Acquisition rate of life insurance/trust/internal control and internal audit licenses</li> <li>Average training hours among employees</li> </ul>	<ul style="list-style-type: none"> <li>The ratio of employees obtaining personal insurance representative licenses reached 78%.</li> <li>The ratio of employees obtaining trust insurance representative licenses reached 77%.</li> <li>The proportion of employees obtaining the Bank's internal control and internal audit certification reached 79%.</li> <li>The average number of work hours for each employee is more than 50 hours.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a certification rate of over 70% for life insurance agents, trust business personnel, and internal control and internal audit staff within banks.</li> <li>The average number of work hours for each employee is more than 50 hours.</li> <li>Encourage employees to obtain the "Sustainable Development Basic Competency Test" certification.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a certification rate of over 70% for life insurance agents, trust business personnel, and internal control and internal audit staff within banks.</li> <li>The average number of work hours for each employee is more than 50 hours.</li> </ul>
Financial innovation	The Bank is developing digital financial service platforms, such as New New Bank and personal/mobile banking, continuously enhancing user experience and digital penetration, thereby creating new revenue streams and operational efficiency.	<ul style="list-style-type: none"> <li>Number of new New New Bank accounts</li> <li>Number of new accounts with e-banking features</li> <li>Number of accounts applying for personal online/mobile banking</li> </ul>	<ul style="list-style-type: none"> <li>The New New Bank's newly opened online digital accounts totaled 62,852.</li> <li>A total of 2,359 new accounts with e-banking features.</li> <li>A total of 193,274 accounts applying for personal online/mobile banking.</li> </ul>	<ul style="list-style-type: none"> <li>New New Bank's online digital customers increase by more than 83,000.</li> <li>A total of 2,400 new accounts with e-banking features.</li> <li>A total of 12,000 accounts apply for online/mobile banking.</li> </ul>	<ul style="list-style-type: none"> <li>Continuousness to optimize overall digital financial services to enhance operational volume, digital innovation, and customer satisfaction with the digital experience.</li> </ul>
Sustainable finance	To promote the industry's net-zero transition, the Bank guides enterprises and individuals to invest in low-carbon development through green credit and sustainability-linked loans, thereby expanding the scope of sustainable finance business.	<ul style="list-style-type: none"> <li>Corporate green credit balance Individual green credit balance 1.Supports approximately 66 households in purchasing green building residences to enhance energy efficiency and residential health. 2.Provide financial support purchases of over 1,175 electric vehicles, reducing urban air pollution and transportation-related carbon emissions.</li> <li>Number of sustainability-linked loans, guiding enterprises to set and achieve carbon emission reduction or energy efficiency improvement targets.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate green credit balance was NT\$21.65 billion. (Including Union Leasing of NT\$7.05 billion)</li> <li>The total balance of green credit in the financial sector amounts to NT\$2.61 billion, of which the balance of green building mortgage credit is approximately NT\$930 million, representing an increase of NT\$330 million or 55% compared to 2023. The balance of electric vehicle credit is approximately NT\$1.68 billion, an increase of about NT\$740 million or 80% compared to 2023. To date, the environmental benefits have resulted in a reduction of 15,275 tons of CO2e, equivalent to approximately NT\$4,582,500.</li> <li>A total of two sustainability-linked loans were approved</li> </ul>	<ul style="list-style-type: none"> <li>Corporate green credit balance increase to NT\$23.57 billion. (Including Union Leasing increase of NT\$7.35 billion)</li> <li>The target individual green credit balance is NT\$8 billion.</li> <li>Approve a total of four sustainability-linked loans.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate green credit balance increase to NT\$28.37 billion. (Including Union Leasing increase of NT\$7.85 billion)</li> <li>The target individual green credit balance is NT\$10.5 billion.</li> <li>Approve a total of nine sustainability-linked loans.</li> </ul>
Social welfare	The Bank integrates financial expertise with local culture and public welfare initiatives, conducting financial education, arts sponsorship, and support for disadvantaged groups. This approach fulfills corporate social responsibility and strengthens brand image and social trust.	<ul style="list-style-type: none"> <li>Project sessions</li> <li>Number of people reached</li> </ul>	<ul style="list-style-type: none"> <li>Financial Education: A total of 258 events were conducted, reaching approximately 11,569 participants. Of these, 138 sessions focused on financial fraud prevention, with around 6,040 participants. Assuming that improving financial knowledge helps each individual avoid an average potential financial loss of NT\$36,000 (such as from fraud or debt default), the overall estimated positive social value is approximately NT\$2.1744 billion.</li> <li>Cultural and Artistic Sponsorship: A total of 8 events were conducted, sponsoring 11 touring exhibitions by the Union Culture and Education Foundation, reaching an estimated audience of at least 207.4 million people.</li> <li>Social Care: A total of 21 activities were conducted, reaching at least 94,687 people.</li> <li>Charitable Donation: A total of 22 activities were conducted, reaching at least 18,127 people.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Education: At least 200 activities.</li> <li>Cultural and Artistic Sponsorship: At least 6 activities.</li> <li>Social Care: At least 8 activities.</li> <li>Charitable Donation: At least 6 activities.</li> <li>Green Initiatives: At least 4 activities.</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. Continue to sponsor social welfare organizations or underprivileged groups, and donate microinsurance in line with government policies.</li> </ul>

# 4 Corporate Governance

The Bank takes sustainable management as the principle of establishment, while a good corporate governance is the foundation for sustainable management of a company. The Bank has a sound corporate governance system. The Board of Shareholders is responsible for deliberating major matters or decisions such as dividend distribution, the company's Articles of Incorporation and important regulations, and the selection of directors. Under the Board of Shareholders is the Board of Directors, which serves as the highest governance body of the company. 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.

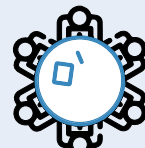
In addition to complying with governmental orders and regulations, the "Code of Practice on Corporate Governance" was formulated and the following principles observed:



Observing laws and improving internal management



Guaranteeing shareholders' Rights and Interests



Enhancing functions of the Board of Directors



Exerting functions of various functional committees under the Board of Directors



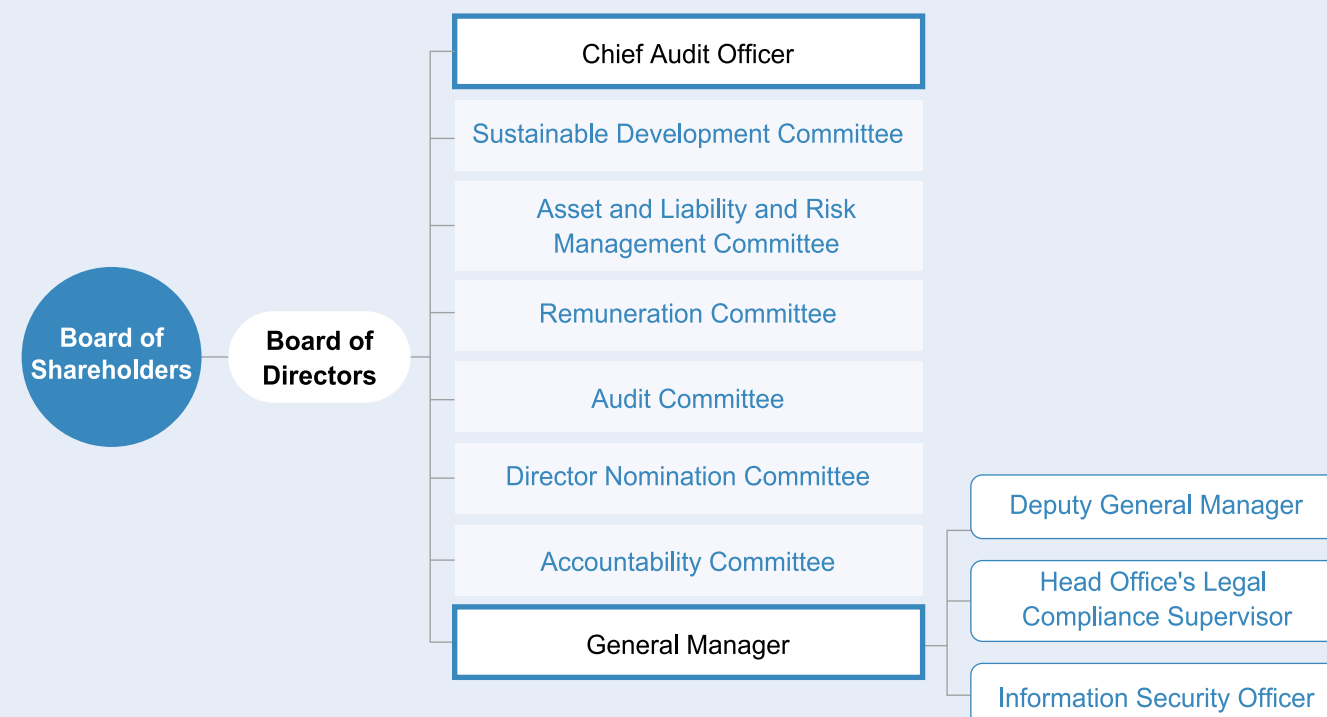
Respecting rights and interests of stakeholders



Improving information transparency

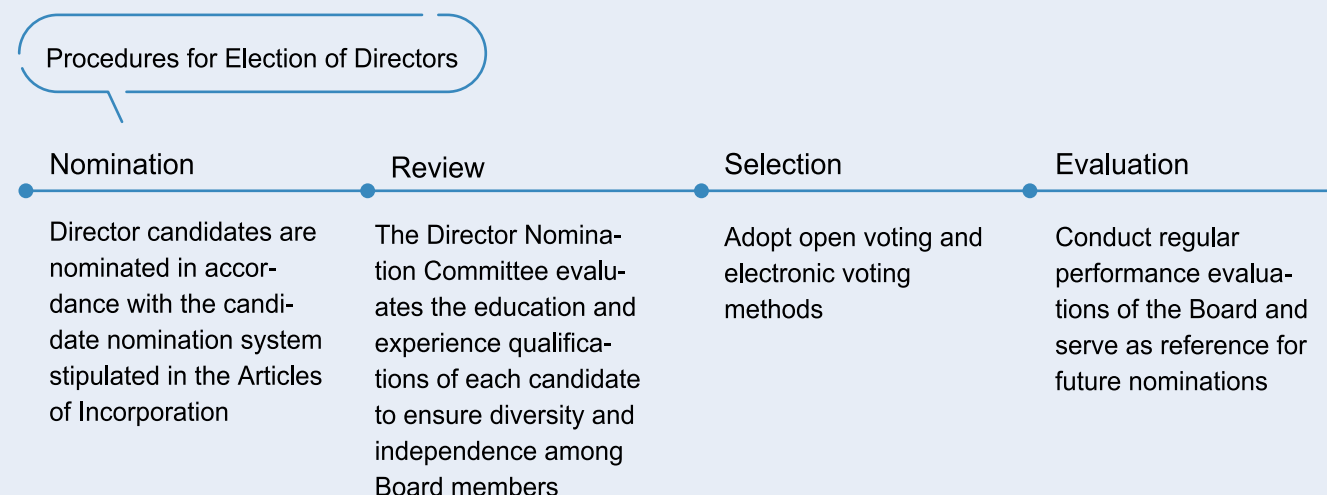
In addition, the Bank reviews its corporate governance effect annually in accordance with the "Corporate Governance Appraisal Result", and puts forward matters of enhancement in priority and measures to enhance the Bank's implementation of corporate governance and to jointly improve the corporate governance level in capital market of our country.

## 4.1 Governance Structure



### 4.1.1 Board of Directors Appointment

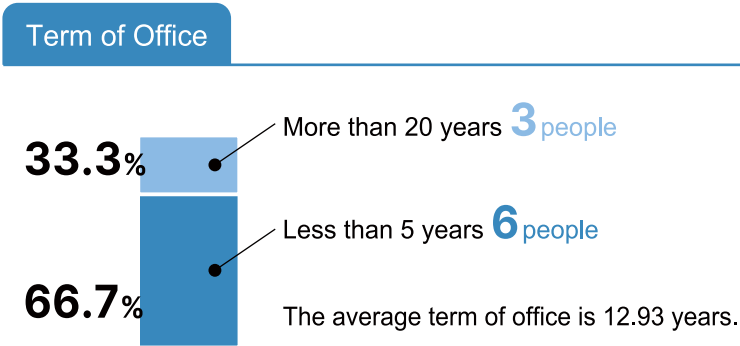
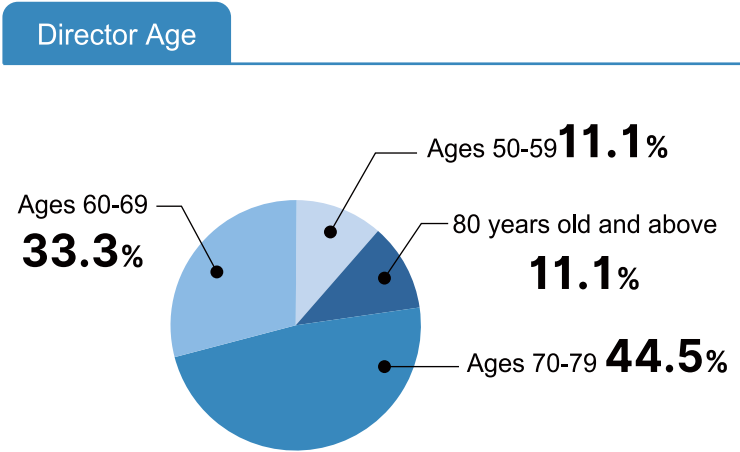
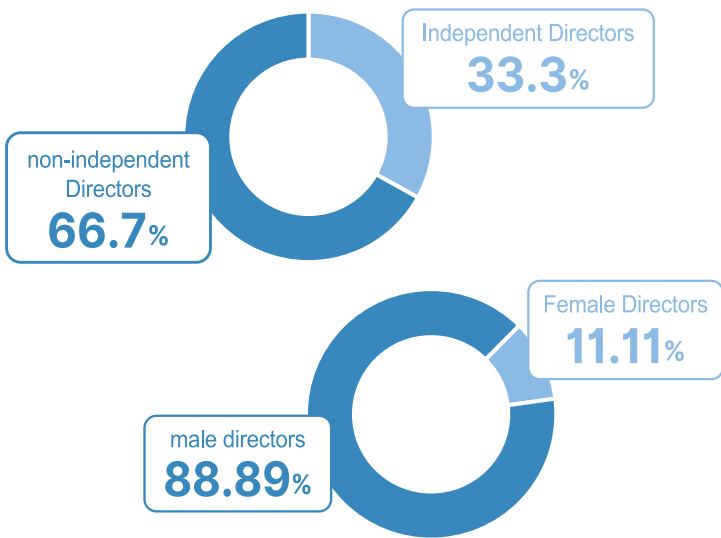
The Bank's highest governing body is the Board of Directors, comprised of nine Directors, each of whom serves a three-year term and is eligible for re-election. The Bank's nomination and selection of the Board of Directors were performed as stipulated in the Articles of Association, using candidate nomination. 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.





4.1.2 Board of Directors Diversity

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:



Title	Name of Director	Gender	Length of Service	Diversified Core Projects (Note 1)	Independence of External Directors	Work Background According to GICS	Work Experience
Chairman	Hong- Lien Lin	Male	33	Operation Judgment, Operation Management, Accounting and Finance, Industry Knowledge, International Market View, Leadership Decision, Risk Management	√	Finance	Director of Union Bank Deputy General Manager of Union Bank General Manager of Union Bank
Managing Director	Zhen-Xong Jiang	Male	33	Operation Judgment, Operation Management, Industry Knowledge, International Market View, Leadership Decision	√	Healthcare	Physician Council Chairman of Rotary International, Taipei 7th Branch Supervisor of Union Bills Finance Corporation Managing Director of Union Optronics Corp
Independent Managing Director	Yao-Hsien Li	Male	0.6	Operation Judgment, Operation Management, Accounting and Finance, Industry Knowledge, International Market View, Leadership Decision, Risk Management	√	Finance	Manager of Union Bills Finance Corporation Manager of UBOT Bills Finance Department
Independent Director	Tzung-Hang Lee	Male	3.5	Operation Judgment, Industry Knowledge, International Market View, Leadership Decision	√	Information Technology	Examiners' Committee Member of Examination Yuan Visiting Scholar to University of Manchester Professor, Department of Mechanical and Mechatronic Engineering, Tamkang University
Independent Director	Lin-Yu Fan	Female	3.5	Operation Judgment, Operation Management, Industry Knowledge, International Market View, Leadership Decision, Risk Management	√	Finance	Deputy General Manager of Fuhwa Securities Executive Chairman of Jin Fu-Hwa Securities Investment Trust Stationed Director of Union Insurance Co., Ltd. General Manager of Union Securities Investment Trust
Director	Han-Ming Hsieh	Male	0.6	Operation Judgment, Operation Management, Industry Knowledge, International Market View, Leadership Decision, Risk Management	√	Information Technology	General Manager of Union Optronics Corp. Director of Union Optronics Corp. Executive Director of the Taiwan Technology Laser Application Association
Director	Si-Yong Lin	Male	33	Operation Judgment, Operation Management, Accounting and Finance, Accounting Industry, Accounting and Finance, International Market View, Leadership Decision	√	Real Estate	Director of Hon Bung Construction Enterprise Co., Ltd. Director of Union Optronics Corp
Director	Wen-Ming Li	Male	3.5	Operation Judgment, Operation Management, Industry Knowledge, International Market View, Leadership Decision	√	Raw Materials	Specialist at Formosa Chemicals & Fibre Corporation Senior Specialist at Union Enterprise Construction Co., Ltd. Managing Director of Cosmos Foreign Exchange Intl. Co., Ltd.
Director	Herman Tu	Male	3.5	Operation Judgment, Operation Management, Accounting and Finance, Industry Knowledge, International Market View, Leadership Decision, Risk Management	√	Finance	Deputy General Manager of Union Bank Senior Deputy General Manager of Union Bank Director of Union Securities Investment Trust Co., Ltd. Supervisor of Union International Leasing Co., Ltd.

Note 1:The diversified core projects comprise the following: Operation Judgment, Operation Management, Accounting and Finance, Industry Knowledge, International Market View, Leadership Decision, and Risk Management.

Note 2:For detailed biographies, professional qualifications, and independence status of each Director, please refer to pages 3-9 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.

The dimensions, complementarity, and implementation of director diversification: in the future, the diversification policy will be revised and supplemented based on the Board of Directors' operation, business model, and development needs. This includes, but is not limited to, standards in two major aspects: basic qualifications and values, as well as professional knowledge and skills, to ensure that members of the Board of Directors generally possess the necessary knowledge, skills, and qualities to perform their duties.

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

Based on the characteristics of independent directors performing their duties in a neutral manner, the Bank has stipulated in the Articles of Incorporation that the number of independent directors shall not be less than one-third of the total board seats. Additionally, the Corporate Governance Best Practice Principles specify that independent directors shall not exceed three consecutive terms to prevent a decline in their independence due to prolonged service. Currently, two incumbent independent directors have been reappointed for two terms, and one independent director was newly appointed in June 2024. None of the independent directors have served more than 9 years. The Bank places great emphasis on the independence of its directors. The positions of Chairman and General Manager are not held by the same individual, nor are they spouses or first-degree relatives. Additionally, there are no spousal or second-degree kinship relationships among the directors. The independent directors possess independence as specified by the competent authority, do not concurrently serve as independent directors of other publicly listed companies, and fully comply with the Bank's Guidelines on Areas of Responsibility for Independent Directors.

#### 4.1.4 Director professionalism and continuing training

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 (Impact Investing and the Implementation of SDGs)" and the "Corporate Governance Lecture (Alignment with IFRS Sustainability Disclosure Standards S1 and S2)." Furthermore, under the Financial Information Security Action Plan 2.0, Directors also completed a 2-hour training on information security awareness to better assess security risks in business decisions. Additionally, to promote financial friendly services, in accordance with the "Banking Industry Financial Friendly Service Guidelines," a financial-friendly educational training session (1.4 hours) for directors was conducted to enhance their understanding of persons with disabilities.

#### 4.1.5 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, and that the Bank's directors shall abide by such Rules in deed. The Bank has set a target of over 80% for the actual average attendance rate of the entire Board of Directors and the actual attendance rate of individual directors at Board meetings. In 2024, the Bank held eight board meetings with an average attendance rate of all directors reaching 93%, fulfilling their supervisory responsibilities diligently.

For information on Board meeting attendance and Directors' recusal of interest-related proposals, please refer to pages 54-56 of the Bank's Annual Report

#### 4.1.6



#### Important decision matters of the Board of Directors in 2024

#### 4.1.7 Performance evaluation and remuneration of Board 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.

Internal performance evaluation results and most recent external evaluation results of the Board of Directors of 2024 conducted by the Bank



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 51-53 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.



4.1.8 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.

When the Bank's managers take leave or the positions are vacant, they appoint the Deputy General Manager or other suitable candidates as acting officers in accordance with the Bank's "Implementation Guidelines for Duty Proxy System During Employee Leave." Managers also complete the leave-taking handover checklist and duty proxy work report as required to ensure the normal operation of business and achieve internal control objectives.

The annual total remuneration of the highest paid individual at the Bank is 8.14 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 2.69 times the median increase rate of all employees (excluding the highest paid individual).

The annual total remuneration for the Bank's General Manager is NT\$5,824 thousand; the General Manager's annual total compensation is 6.43 times the median annual total compensation of all employees (excluding the General Manager); the General Manager's annual total compensation is 5.43 times the average annual total compensation of all employees (excluding the General Manager).

The proposal for the 2023 distribution of managerial remuneration, paid in 2024, was calculated based on the number of shares issued multiplied by the closing price on the day before the Board of Directors' resolution on remuneration distribution, divided by salary to determine the equivalent salary multiple. The General Manager's multiple is 0.68, while the average for other managers is 0.63.

Remuneration policy for General Manager and Deputy General Manager

The Bank's General Manager and Deputy General Manager have their fixed salaries determined according to the managerial salary scale. To ensure the sustainable operation and development of the company, a variable compensation linked closely to various performance indicators of the company's management has been established. Variable compensation is divided into short-term and long-term incentives. Short-term incentives are paid in cash, while long-term incentives are granted in the form of stock linked 100% to performance.

(1) Short-term incentive compensation

Item	Indicators for calculation	Weight
Annual performance bonus	Financial indicators (net profit after tax, earnings per share after tax, return on assets, net profit margin)	40%
	Compliance and internal control indicators	25%
	Material topic indicators (Top three material topics of the current year; if overlapping with other indicators, defer to the next in sequence)	15%
	Risk management indicators (credit risk, market risk, climate change and environmental sustainability risk)	10%
	Financial sustainability implementation status indicators	10%

\*Calculations adjusted based on individual performance

The Bank's policy stipulates that the General Manager and Deputy General Manager should hold shares in the Bank valued at more than twice their fixed annual salary within five years of assuming office. However, this requirement applies within five years after the first announcement of the policy.

(2) Long-term incentive compensation

Item	Indicators for calculation
Distribution of employee stock bonuses	Pre-tax earnings
	Performance appraisal results from past two years

4-1-9 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 2024, 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 59-64 of the Bank's Annual Report

2 Remuneration Committee [Human Resources Department]

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 2024 and the average attendance rate of all member was 83%.

For information on the operation of the Remuneration Committee and content of proposals, please refer to pages 78-80 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", "Sustainable Development Committee," "Accountability Committee," "Smart Finance Development Committee," "Investment and Credit Review Committee", "Overdue Credit, Collection and Bad Debt Committee", "Trust Property Review 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 Ethical Management

### 4.2.1 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.

### 4.2.2 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 of Ethical Management and Behavioral Guidelines, which was then implemented upon resolution by the Board of Directors and reported to the Board of Shareholders. The scope of application includes the Bank and its subsidiaries. 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 Sexual Harassment Prevention and Complaints and Disciplinary Measures”, 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 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.
- 4 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.

### 4.2.3 Establishment of whistleblowing channel

The Bank has established implementation measures for the whistleblowing system and guidelines for the whistleblowing system and whistleblowers. Additionally, the Bank’s personnel management regulations and work rules include operational procedures, codes of conduct, disciplinary actions for violations, and an appeal system. The Bank continuously conducts legal education as well as training related to the whistleblowing system for its employees. In 2024, a total of five sessions were held, with 8,006 participants trained. Stakeholders can report dishonest behavior via mail, telephone, or website. In 2024, there were a total of seven reported cases. Among these, one case was verified through investigation to have indeed violated internal operational regulations and was handled by the bank’s Personnel Review Committee. Three cases were found to have no illegal circumstances after investigation. The remaining three cases did not fall under the whistleblowing category or scope: two cases involved customer complaints regarding service demands and attitude, which were properly addressed and referred to the relevant business management departments; one case involved an employee of a dispatch company, which was referred to the dispatch company for handling.

The Bank has commissioned Deloitte Taiwan to establish an independent external whistleblowing channel through the Conduct Watch reporting center. Entrusted with handling whistleblowing cases, the center implements access control, encryption, and information security measures for complaint data. Upon completion of a report, the system automatically generates a case number, and the whistleblower sets a case password independently to ensure the confidentiality of the case. The reporting platform accepts reports that are fully named, partially named, or anonymous, and will not proactively disclose the identity of the whistleblower, thereby ensuring the confidentiality of the reporter’s identity.

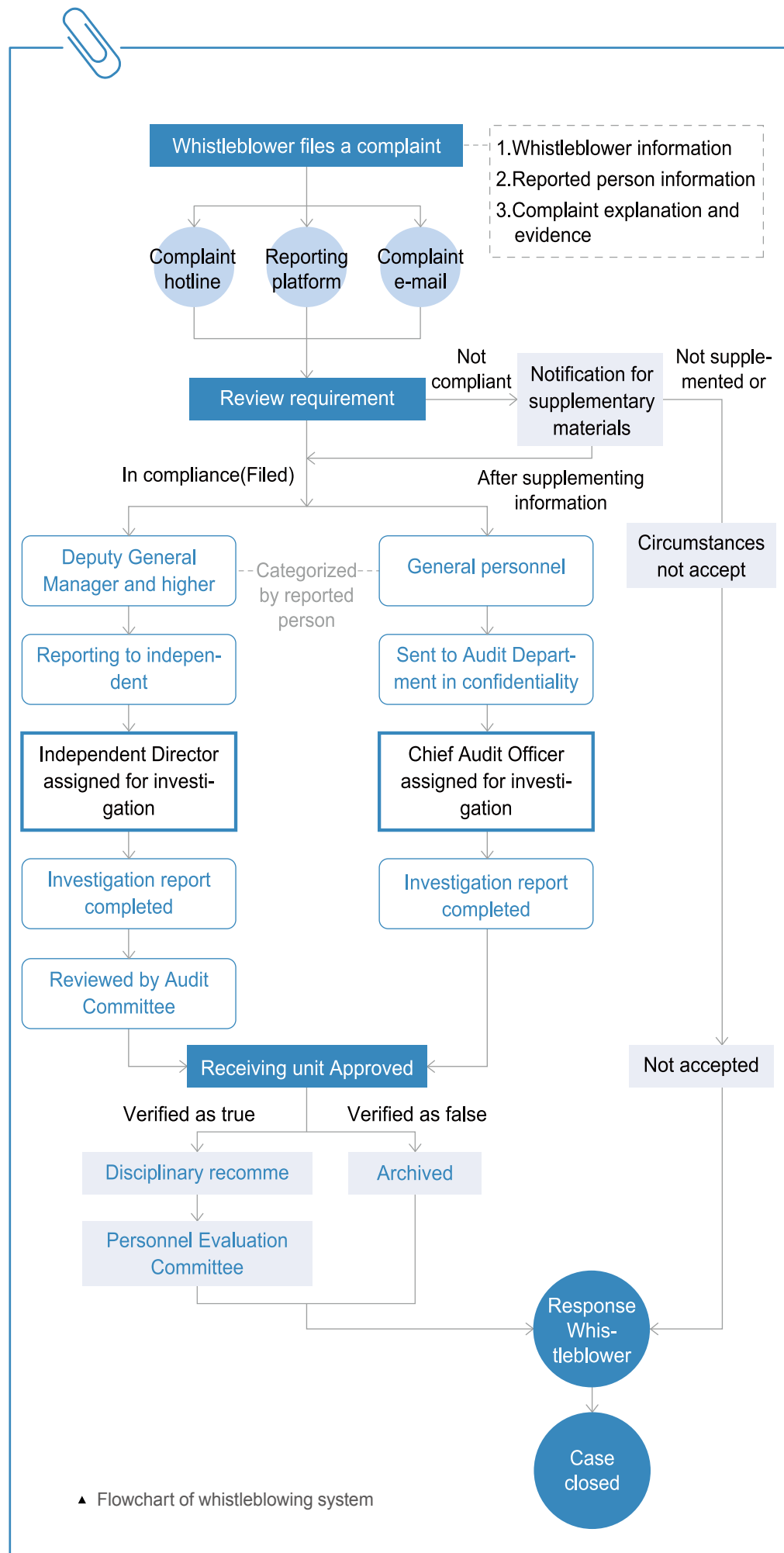
E-mail: [ubot@conductwatch.com.tw](mailto:ubot@conductwatch.com.tw)

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.





#### 4.2.4 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.

In 2024, both the Bank conducted integrity risk assessments, and the overall execution was deemed appropriate. The Audit Department, in accordance with the Bank's Ethical Corporate Management Best Practice Principles and based on the results of integrity risk assessments, strengthens audits to prevent misconduct. It also uses the internal audit system and self-audit system to evaluate the effectiveness of internal control design and execution.

### 4.3 Legal Compliance

#### 4.3.1 System and Structure of Legal Compliance

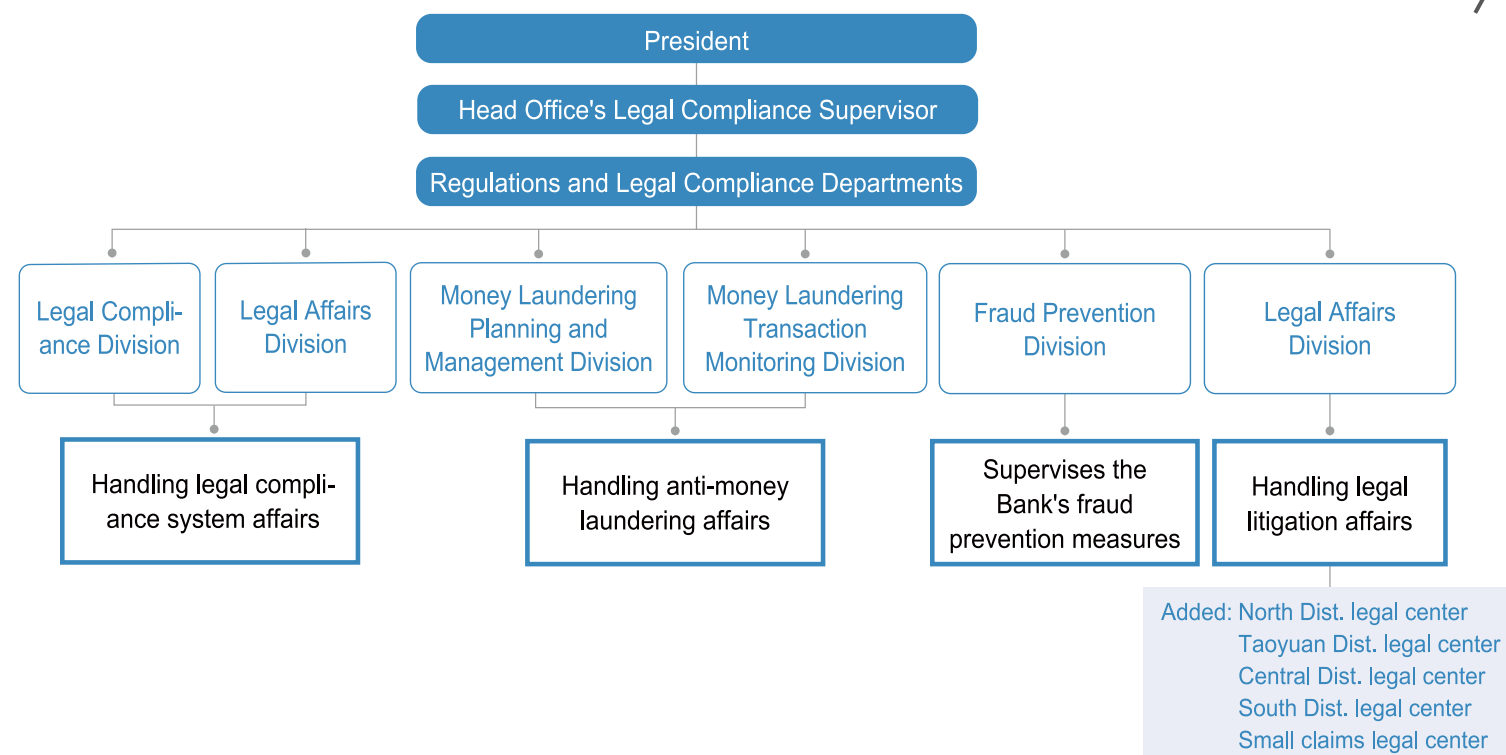
- 1 The Bank has established a legal compliance system to form three defense lines together with self-audit, risk management and internal audit, and maintained effective and proper operation of the internal control system via pre-event planning, in-process monitoring and post-event verification.
- 2 The Bank's Legal Affair & Compliance Department, which reports directly to the General Manager, serves as the Head Office's legal compliance unit. It is subdivided into the Legal Affairs Division, Legal Compliance Division, Money Laundering Planning and Management Division, Money Laundering Transaction Monitoring Division, Fraud Prevention Division, and Legal Affairs Division. The Legal Affairs Division also has several legal centers and small claims legal centers. 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. This supervisor leads the personnel of the Legal Compliance Division in jointly managing, planning, and executing the Bank's compliance system. This supervisor also concurrently holds the positions of Chief Legal Officer, Anti-Money Laundering and Counter-Terrorism Financing Officer, and Fraud Prevention Officer. Prior to the Bank launching various new goods, services and applying to the competent authority for handling new businesses, this officer affixes their signature as the responsible person.

The Bank conducts regular internal promotions to emphasize the significance of ethical conduct and anti-corruption to directors, employees, and trustees. In 2024, 114 education and training sessions on integrity management were conducted, totaling 3,636 attendances.

▼ Statistics on Internal Violations and Disciplinary Cases

Category	Number of violations in 2024		
	Number of cases	Processing	Completed
Corruption or bribery	0	0	0
Discrimination or harassment	1	0	1
Customer privacy	1	0	1
Conflicts of interest	0	0	0
Money laundering or insider trading	1	0	1

- 3 The Head Office's legal compliance units and each domestic unit assigned a total of 114 personnel conforming to legal qualifications to act as their legal compliance supervisor and to be responsible for executing legal compliance matters. They also set a total of 217 assistant legal compliance supervisors in various units (including the Head Office's branches and various business centers stationed in the branches) to assist the legal compliance supervisors in handling legal compliance matters so as to convey and advocate laws effectively.
- 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. In 2024, the legal compliance unit submitted amendments to the legal compliance policy and proposed a legal compliance plan for the new year to the Board of Directors once. Additionally, it reported on the implementation of compliance matters twice to both the Board of Directors and the Audit Committee, ensuring that management effectively and promptly addresses compliance issues with the assistance of compliance measures.



#### 4.3.2 Overview and operation condition of legal compliance

##### 1 Drafting and promotion of the legal compliance system

- (1) The existing legal compliance policy was designed in accordance with supervising and guidance of the competent authority. These regulations are implemented to formulate the Bank's legal compliance system, which includes risk control mechanisms for customer, transaction, and personnel aspects. The Bank has strengthened due diligence on customers, utilizes financial technology to analyze and provide early warning of abnormal transactions, and establishes a mechanism for checking conflicts of interest among personnel. Based on internal and external audit results, the Bank also reviews the appropriateness and effectiveness of control measures in a timely manner, thereby establishing an effective risk management mechanism.
- (2) The legal compliance unit, in addition to conveying current or newly revised regulations to all bank personnel through prior training and promotion, reviews whether internal management standards comply with the newly revised regulations. It also references deficiencies and improvement suggestions identified by the internal audit units during subsequent compliance inspections, taking appropriate measures to ensure the effective and proper operation of the legal compliance system.

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

- (1) The legal compliance units would collect the latest legal regulations on finance every week, and then convey to various units effectively upon summary and arrangement so as to enable the staff to figure out their doubts toward the laws and regulations quickly. They would also assist with various departments in confirming that all operation and management regulations are updated appropriately in cooperation with relevant laws, and supervise the implementation, establishment, and enforcement of internal regulations by legal compliance officers of each unit, thus making the Bank's operation activities conform to legal regulations and strengthening the legal understanding of Bank personnel.

- (2) In addition to including external regulatory documents applicable to various business operations of the Bank, the financial regulations database also contains internal rules and electronic official documents established by the Bank's head office units. The content of the financial regulations database is regularly updated for use by all bank employees, thereby strengthening the Bank's legal compliance function through legal compliance technology.

##### 3 Review of new products, services, and business types

- (1) Before launching new products, services, and business types, the legal compliance units assists in reviewing the new business and new financial product planning reports, operational regulations, and related agreements submitted by the product planning unit. This review focuses on compliance with laws and regulations, as well as risks related to money laundering and terrorist financing, providing opinions on their legality, conformity with regulatory systems, and related interests.
- (2) 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 comply with laws and decrees. In 2024, the legal compliance units reviewed applications for seven new products, services, and business types through the Bank's joint approval system procedure to ensure their compliance with laws and internal regulations.

##### 4 Legal Compliance Appraisal System and Self-assessment, Spot Inspection and Appraisal System

- (1) Based on the scope of the previous audit items, the latest revised laws and regulations, laws involved in litigation or major customer complaint disputes, opinions or suggestions from competent authorities or internal and external units, and items recommended or designated by the compliance unit were referenced. A risk-based approach was used to assess legal risks, and necessary audit measures were taken for higher-risk areas. A self-assessment of legal compliance is conducted every six months, and the compliance unit performs annual spot checks on legal compliance to promptly monitor the Bank's legal risk. The compliance status of each unit is evaluated, and the appraisal results are reported to the Board of Directors and the Audit Committee.
- (2) In 2024, the entire bank conducted two self-assessment operations on regulatory compliance, reviewing 24 head office units and 90 business units to verify whether their operations complied with regulations and to supervise the completion of necessary improvements. Additionally, one annual regulatory compliance spot check was carried out, which included spot checks of 3 head office units and 90 business units, to examine the regulatory compliance status of the units under inspection.
- (3) To continue to monitor the implementation of sustainable development policies, the Bank incorporated sustainability-related issues in 2024, including the Code of Practice for Sustainable Development of Listed and Sustainable Development Action Plans for TWSE- and TPEX-listed Companies, into the compliance self-assessment items for verification. The verification results showed no deficiencies. This year, the scope of the compliance self-assessment for the first half of the year also included the "Guidelines for Preventing Greenwashing for Financial Institutions" and the "Guidelines on Carbon Reduction Target Setting and Strategy Planning for the Financial Sector."



5 Complete legal compliance training and education

- (1) 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 2024, 132 people completed the training for a total of 1,980 training hours.
- (2) In 2024, regarding new staff, on-the-job staff, senior supervisors and the above-mentioned legal compliance supervisors and staff, the Bank introduced the following legal compliance courses and communicated and promoted any updates or amendments to regulations at all times, so as to enable all units to grasp the latest standards and comply with regulations:
  - a. According to Article 14, Paragraph 3 of the Regulations Governing Foreign Exchange Business of Banking Enterprises, the Head Office's Legal Compliance Supervisor and personnel belonging to the legal compliance unit participated in a 12-hour derivatives education and training course. The course content covered an introduction to derivative-related business. A total of 23 individuals completed the course, accumulating a total of 276 training hours.
  - b. In coordination with the Human Resources Department's new employee initial training program, a lecture on basic legal compliance was conducted. This course was delivered both in-person and online to new employees within one year or less of entering the company. The curriculum covered the laws and regulations that must be followed in banking operations, as well as other legally mandated educational training (including legal education for bank employees). Upon completion of the course, participants were tested. A total of 529 individuals completed the training, accumulating a total of 2,837 training hours.
  - c. Four online on-the-job training courses on legal compliance were conducted for all employees, focusing on the following topics: personal data protection and the whistleblowing system, employee legal education and the whistleblowing system, the principle of fair hospitality, and common deficiencies in business operations and amendments to relevant laws and regulations. Upon completion of the courses, an online test was administered to confirm employees' understanding of laws and regulations. A total of 14,963 employees completed the training, accumulating a total of 52,415 training hours.
- (3) To strengthen employees' compliance with service regulations and enhance the correct understanding of legal concepts among employees at all levels, in addition to focusing on promoting risk awareness regarding ethical conduct for senior personnel during manager meetings, the aforementioned physical and online educational courses for newly recruited employees were also incorporated, as well as an online educational course for on-the-job training in legal compliance. A total of 4,291 participants attended these courses, accumulating a total of 15,717 training hours.

6 Establishing a Reporting and Control Mechanism for Material Non-compliance Violations

- (1) If any of the Bank's legal compliance supervisors discover violations of financial regulations, actions subject to corrective actions by the FSC, orders for improvement within a specified period, fines or other penalties imposed by the FSC, or if there are compliance-related significant deficiencies with repeated occurrences or that are related to regulatory systems, supervisors must promptly report to the legal compliance unit and notify the Audit Department, Risk Management Department, and the relevant business supervisory units.
- (2) When the legal compliance unit proactively discovers or becomes aware of the aforementioned situations, it also analyzes the causes and potential impacts of each case individually, proposes legal compliance improvement recommendations, supervises and tracks the improvement schedule, and reports the analysis results to the Board of Directors and the Audit Committee.
- (3) In 2024, the Bank's compliance with laws and regulations across all units did not result in any major penalties. However, there were two rectification cases involving inquiries into joint credit information without obtaining the consent of the parties involved, as well as maintaining custody of passbooks, seals, and financial cards on behalf of customers. Compliance recommendations have been provided for these cases and have been included in the scope of the legal compliance affairs reports submitted to the Board of Directors and the Audit Committee.

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 former manager of the Bank's Tonghwa Mini Branch violated internal regulations by safeguarding passbooks, seals, and ATM cards on behalf of customers, which involved deficiencies that may hinder sound business operations. According to Article 61-1, Paragraph 1 of the Banking Act, the FSC requires the issue be resolved.	The Bank has reiterated the strict prohibition against personnel at all levels from privately safeguarding customers' passbooks, seals, financial cards, or application documents. Any violations will result in joint liability, and the involved personnel will be reported to the Personnel Evaluation Committee for disciplinary action.
The Bank's Fengyuan Branch conducted unauthorized inquiries into credit information at the Joint Credit Information Center, which involves deficiencies that may hinder sound business operations. In accordance with Article 61-1, Paragraph 1 of the Banking Act, the Financial Supervisory Commission requires the issue to be resolved.	The Bank has revised its Guidelines for Control of Union Bank's Credit Report Inquiries and has carried out procedures in accordance with relevant regulations to implement the control requirements for credit information inquiry operations by the Joint Credit Information Center.

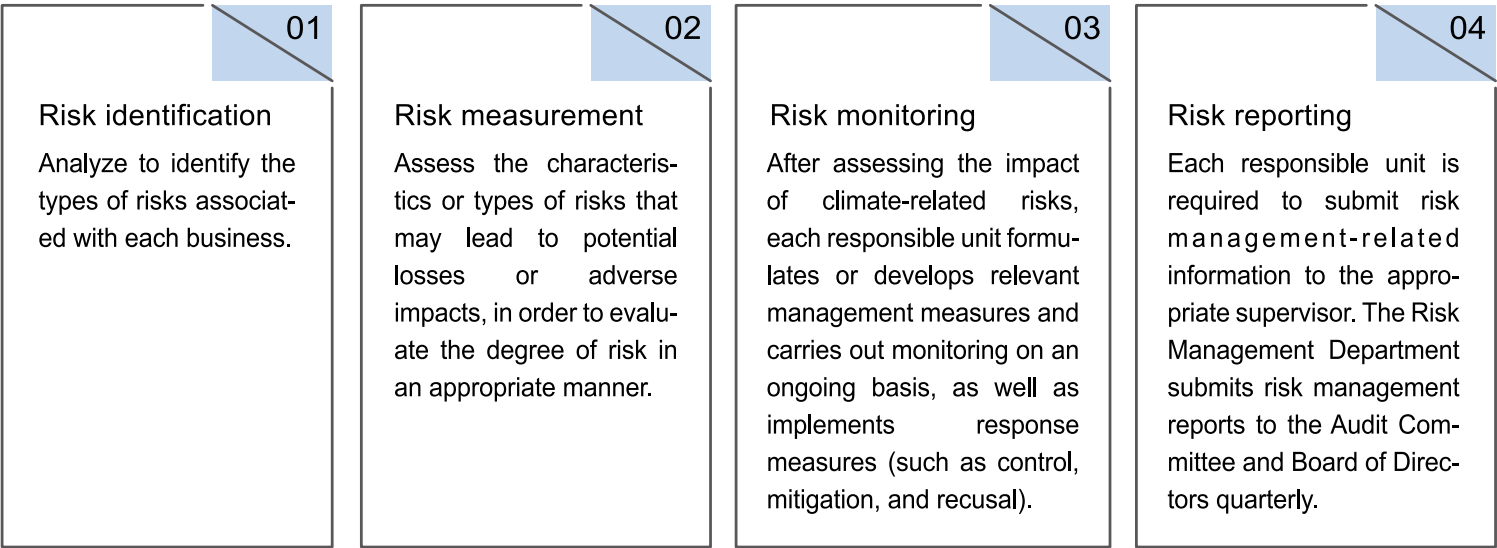
4.4 Risk Management

4.4.1 Risk Management Policy and Procedure

- 1 The Bank formulated its Risk Management Policy in August 2005, which was irregularly revised. The most recent revision was passed by the 12th Board of Directors in the 2nd board meeting on July 8, 2024 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 our business status, risk management procedures were formulated and appropriate risk report mechanisms were established. 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 report to the Asset and Liability Management & Risk Management Committee, the Audit Committee, and the Board of Directors regularly.

4.4.2 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 It has been 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 effectively manage risks and achieve the goal of reasonable risks and remuneration.
- 3 The risk management process includes the following steps:



- 4 Relevant risk limits have been set 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 as-

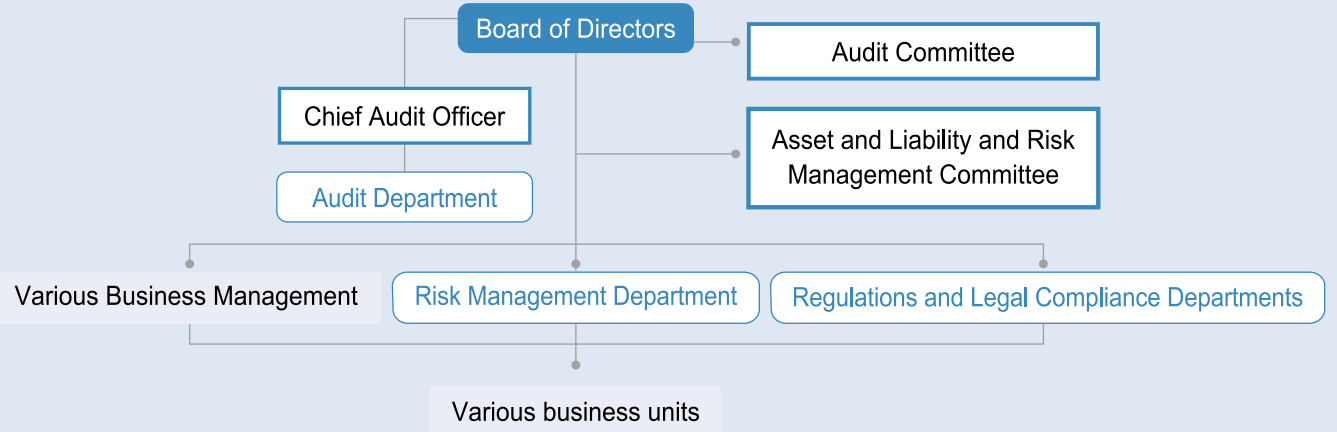
sessments are conducted on investments in financial products to evaluate potential gains and losses. Depending on the nature of each product, there are also limits on positions, stop-losses, and interest rate sensitivity.

- 5 To address operational risk management, the “Operation Risk Data Collection Guidelines” were developed and an internal reporting system implemented 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, the “Operation Risk Indicator Monitoring Guidelines” have also been established to raise awareness on warning criteria and effectively manage and regularly monitor various aspects.

4.4.3 Risk Management Organization Structure

Authority and responsibilities:

- 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 Audit Committee: Responsible for assisting the Board of Directors in reviewing the Bank’s risk management policies, examining risk control-related reports, and supervising the implementation of risk management.
- 3 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.
- 4 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.
- 5 Various business management units: They are responsible for formulating and supervising the business units to implement various management regulations, processes and control mechanisms.
- 6 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.





4.4.4 Major Risk Management

The Bank uses the proportion of risk-weighted assets as a reference for prioritizing the significance of risk scales and probabilities. Taking the end of 2024 as the base period, major risks are ranked as follows: credit risk (accounting for 88.6%) and market risk (accounting for 5.9%). The Bank sets risk appetite levels based on the degree of risk exposure it can bear for each business line and implements mitigation measures and response strategies to manage these risks.

Risk items	Credit risk	Market risk
Risk appetite (Risk tolerance)	Each responsible unit of the Bank establishes a risk appetite limit based on acceptable levels of risk tolerance. Limits are set for the same individual, the same corporate group, the same industry, and by country, in order to control concentration risk. Additionally, the credit business has established limits specifically for the concentration of real estate loans (such as real estate collateral loans and real estate industry categories) and types of collateral (such as listed stocks) in order to manage credit risk.	Each responsible unit within the Bank establishes a risk appetite threshold based on acceptable levels of risk tolerance. For different product categories, position limits, stop-loss limits, and DV01 limits are set. Additionally, position and stop-loss limits are also established for traders to control market risk.
Mitigation measures/response strategies	<div>1 The Bank has established the “Principle for Credit Risk Management,” which include the organizational structure and risk management processes (comprising risk identification, measurement, monitoring, reporting, and offsetting).</div> <div>2 Regarding concentration limits, regularly or irregularly review and revise various limits, and periodically monitor control conditions.</div> <div>3 Established regulations concerning collateral specify the types of collateral to be collected, valuation methods, and the procedures for setting up pledge/mortgage rights, to ensure that the Bank can effectively recover funds in the event of borrower default; alternatively, risk can be fully or partially transferred or offset through measures such as transferring to the Credit Guarantee Fund for guarantees and establishing deposit offset agreements.</div> <div>4. n the event of exceeding the limit, the Risk Management Department will submit an over-limit report and concurrently notify the relevant business units to propose countermeasures for approval by the General Manager.</div> <div>5 The Risk Management Department reports quarterly to the Audit Committee and the Board of Directors on the business volume, overdue status, concentration overview, and implementation of control measures for each credit business category.</div>	<div>1 The Bank has established the “Principle for Market Risk Management,” which include the organizational structure and risk management processes (comprising risk identification, measurement, monitoring, reporting, and offsetting).</div> <div>2 The “Operational Guidelines for Market Risk Management” have been established to regulate the operational procedures for each product category (such as bonds, bills, equity securities, foreign exchange, derivatives, and securitized products). These guidelines ensure the proper implementation of market price evaluation mechanisms and the monitoring of all positions and stop-loss limit thresholds.</div> <div>3 In the event of exceeding the limit, the Risk Management Department shall submit an over-limit report and concurrently notify the relevant business units for submission to the General Manager for approval. If the business units intend to implement risk offset measures, they may adopt methods including, but not limited to, stop-loss settlement, suspension of new transactions, position adjustments, portfolio adjustments, or hedging transactions.</div> <div>4 The Risk Management Department reports quarterly on the investment product positions, profit and loss, and limit monitoring status to the Audit Committee and the Board of Directors.</div>

4.4.5 Emerging Risk Management

The Bank uses the proportion of risk-weighted assets as a reference for prioritizing the significance of risk scales and probabilities. Taking the end of 2024 as the base period, major risks are ranked as follows: credit risk (accounting for 88.6%) and market risk (accounting for 5.9%). The Bank sets risk appetite levels based on the degree of risk exposure it can bear for each business line and implements mitigation measures and response strategies to manage these risks.

Emerging risk issues	Misinformation and disinformation	Regional conflicts and confrontations
Type of risk	Technological risk	Geopolitical risk
Impact period	More than 3 years	More than 3 years
Description	When illicit organizations use generative AI to produce large-scale false or misleading content, it makes it increasingly difficult for recipients to discern accurate information. This will lead to the spread of misinformation, resulting in more financial crime issues and information security threats, as well as causing losses to corporate and customer assets.	The world is currently facing escalating geopolitical tensions, with increased competition and conflicts among major powers. A competitive advantage can be gained by adopting strategies such as restricting technology, goods, or capital flows. Risks include the ongoing China-U.S. trade war, the Russia-Ukraine conflict, and the market volatility caused by conflicts in the Middle East region.
Potential operational impact	The maturation of Artificial Intelligence (AI) and Machine Learning (ML) technologies has accelerated the development of deepfake technology. When employed to generate and disseminate false information, this complicates the identification and prevention of phishing emails, counterfeit websites, fraudulent transactions, and scam techniques. Failure to promptly detect and intercept such activities may lead internal personnel or customers to use and spread them, resulting in the theft of personal data, leakage of sensitive internal company information, financial losses, and an increased likelihood of potential customer complaints. This could pose risks to the company’s business operations, financial standing, or reputation.	Geopolitical conflicts may lead to volatility in financial markets and increased risk exposure in overseas positions. Additionally, various industries face rising operational costs, which impact customer operations and profitability, thereby increasing default risk.
Mitigation measures/response strategies	<div>1 Continuously deepen information security advocacy to strengthen employees’ cybersecurity awareness and prevent the dissemination of erroneous messages and false information.</div> <div>2 Regularly conduct email social engineering drills to increase employees’ awareness of email security; and provide personal data protection education and training to prevent the occurrence of personal data leakage.</div> <div>3 Establish digital channel monitoring, removal, and alert mechanisms, including counterfeit websites, counterfeit applications, and counterfeit social media.</div> <div>4 Implement an information security management system and establish an information security monitoring center. Additionally, introduce emerging information security protection technologies to enhance the information security defense mechanisms and strengthen personal data protection management.</div> <div>5 Continue to participate in exchanges with the Financial Information Sharing and Analysis Center (F-ISAC) to share industry intelligence and deepen the financial cybersecurity joint defense system.</div> <div>6 By establishing communication and complaint channels, we continuously monitor the information provided by customers to safeguard their rights and protect the company’s critical operational information.</div>	Monitor changes in the global political and economic landscape, establish national risk limits categorized by credit ratings, set industry-specific limits and single enterprise limits, and regularly monitor changes in risk exposure. In response to fluctuations in the financial market, changes in the holdings of invested financial products are regularly monitored. Stop-loss limits are established, and investment positions are adjusted in a timely manner.

4.4.6 Shaping a Culture of Risk Management

The Bank conveys the importance of implementing risk management through education and training, risk reporting and self-assessment, business and product risk management, as well as internal management evaluation mechanisms, thereby establishing a culture that values risk management:

1 Educational Training

To implement sound corporate governance, sustainable operations, and risk management, and to enhance the full awareness of directors and senior executives regarding the importance of risk management for the stable operation of financial institutions, relevant educational training is arranged annually for all directors in addition to establishing risk management policies. In 2024, two sustainability-related courses were conducted for directors, supervisors, and senior executives: “Impact Investing and the Implementation of SDGs” and “Alignment with IFRS Sustainability Disclosure Standards S1 and S2,” with a total of 28 participants completing the training. To establish a systematic and comprehensive training framework for employees, an annual “Employee Training Plan” is formulated each year. Based on different job positions and seniority, various internal and external training courses are planned and conducted as follows, promoting an effective risk culture through diversified educational training:

- (1) New Employees: Arrange general education and training on common banking regulations and management rules.
- (2) Professional Competencies: The curriculum includes corporate credit assessment, financial product trading, foreign exchange, deposit and remittance, wealth management, financial legal affairs, and regulatory compliance, among others, to enhance the professional knowledge of bank employees.
- (3) Management Functions: Different training programs are planned for supervisors at various levels, such as the Financial Operations Supervisor Training Course, Deposit and Remittance Operations Supervisor Training Course, and the Union Bank Academy Advanced Management Talent Program.

In addition, to increase understanding of laws and regulations related to anti-money laundering and combating the financing of terrorism, as well as to strengthen and improve employees’ awareness of information security risks, we continuously promote policies and conduct annual online information security training sessions to establish an overall culture of risk management.

2 Risk Reporting and Self-Assessment

- (1) The bank has established a reporting procedure for material incidents. When a material incident occurs, each unit should immediately notify the relevant business units, report to the Audit Department, and, in accordance with the operational risk incident reporting procedure, report to the Risk Management Department. This is to ensure the timeliness of significant risk reporting and facilitate the implementation of appropriate response measures.
- (2) The Bank has established the “Operational Risk Data Collection Guidelines,” which clearly define the reporting process for operational risk incidents. A database has been created for online reporting by each unit, detailing the incidents and subsequent handling or improvement measures. The Risk Management Department regularly reports to the Asset and Liability and Risk Management Committee, the Audit Committee, and the Board of Directors. Additionally, an annual compilation of relevant operational risk cases is provided for reference by all units, aiming to comprehensively enhance the operational risk management capabilities of all employees from top to bottom.

- (3) The Bank conducts an annual Risk and Control Self-Assessment (RCSA). Each management unit at the Head Office selects the risk scenarios to be self-assessed, confirms the control measures, and evaluates the inherent risk (likelihood of occurrence and impact severity). Senior personnel familiar with the business in each unit then assess the residual risk after controls and provide relevant explanations or recommendations. For risk scenarios assessed as having higher risk, each management unit, referencing the explanations or recommendations from the assessment units, formulates corresponding action plans to strengthen management of the related risks.

3 Business and Product Risk Management

- (1) The Bank has established regulations on evaluation and key points of operation for handling new business and new financial goods, which stipulates that before introducing new business types and financial products, the Bank shall, in accordance with risk control principles, establish corresponding risk management measures.
- (2) The Wealth Management Business has established the Product Review Committee Operational Guidelines to review and discuss key aspects of proposed products for listing. These aspects include the financial and operational soundness of the issuing or guaranteeing institutions, product attributes and risk classification, risk-return and reasonableness, accuracy of manual content, and adequacy of information disclosure. The purpose is to prudently assess the soundness and reasonableness of the products and to protect consumer rights.

4 Internal Management Evaluation Mechanism and Links to Compensation

The Bank has established internal management evaluation measures for its business units. Evaluation items are set according to different business groups, and these items include risk-related evaluation indicators (such as credit business credit application management, non-performing credit management, compliance system management, anti-money laundering and counter-terrorism financing management operations, etc.). Based on the evaluation results, the annual performance bonuses of outstanding and underperforming units are affected, thereby aiming to encourage business units to actively implement risk management measures.

4.4.7 2024 Operation condition of risk management

- 1 The Bank would submit quarterly risk control reports to the Board of Directors and the Audit Committee, which include 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. (Submitted to the Audit Committee starting from Q3 2024)
- 2 Monitored operation risks 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 Revised the “Risk Management Policy,” “Principle for Credit Risk Management,” “Principle for Operation Risk Management,” “Principle for Market Risk Management,” “Principle for Capital Adequacy Management,” “Policy for Liquidity Risk Management” and “Policy for Interest Rate Risk in the Banking Book Management.” Established a new Audit Committee under the risk management organization, responsible for assisting the Board of Directors in reviewing matters related to risk management. Additionally, amended the “Criteria for Management of Climatic Change and Environmental Sustainability Risks” within the “Risk Management Policy” as well as risk management procedures. Procedures and indicators for detecting operational risks were added.
- 5 Formulated the “Sustainable Credit and Investment Policy,” which mandates that the Bank (including subsidiaries) incorporate ESG principles into business decision-making and process evaluation factors according to the scope of operations. Established business promotion and management principles, high-risk industry and enterprise management mechanisms, and engagement policies to ensure compliance across all units.

4.4.8 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.

01

First line of defense

Each unit within the Bank, according to its functions and business scope, assumes the risks arising from its daily operations and serves as the first line of defense. It is responsible for identifying and managing risks, and for designing and implementing effective internal control procedures tailored to the characteristics of those risks to cover all related operational activities.

02

Second line of defense

Departments including Business Management, Legal Compliance, Risk Management, and Information Security. The function of the second line of defense is to establish overall policies and management systems, assist and supervise the first line of defense in managing risks and conducting self-assessments, identify and measure risks, define risk management roles and responsibilities, provide a risk management framework, and regularly report risk management outcomes to senior management.

03

Third line of defense

The internal audit unit is subordinate to the Board of Directors and has established a chief audit officer system to oversee audit operations. It executes audit tasks with an independent and objective spirit, assisting the Board of Directors (or Supervisors) and senior management in auditing and evaluating the effectiveness of risk management and internal control systems. This includes assessing the effectiveness of the first and second lines of defense in conducting risk monitoring, and providing timely improvement recommendations to reasonably ensure the continuous and effective implementation of internal control systems, as well as serving as a basis for reviewing and revising internal control systems.



- 2 The Audit Department conducts on-site audits of domestic and international units as well as subsidiaries in accordance with the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries.” These audits are incorporated into the annual audit plan. For domestic business, finance, asset custody, and information units, at least one general audit and one special audit must be conducted annually. For risk management and other management units, at least one special audit must be conducted annually. The Chief Auditor reports the audit activities to the Board of Directors and the Audit Committee every six months to assist the Board and management in understanding the operation of the internal control system. Additionally, every six months, a review meeting on the internal control system is held with the Independent Directors to communicate and review deficiencies in the internal control system with internal audit personnel, and records of these meetings are maintained. Additionally, the Audit Department supervises each unit in conducting self-audit operations. Except for the months in which the self-audit units are subject to general business audits conducted by the Audit Department, general business inspections conducted by financial regulatory authorities, or self-assessments of legal compliance matters—during which special project self-audits may be exempted—each unit is required to conduct at least one general self-audit every six months and at least one special project self-audit every month. Furthermore, annual audit training is provided to personnel responsible for self-audits.
- 3 After implementing the risk-oriented audit system, the risk-based approach (RBA) is planned for introduction as the standard. Audit frequency will be determined based on the results of risk assessments, with increased audit frequency for high-risk items.
- 4 The company strictly adheres to the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries,” establishing an internal control system and implementing risk management. The Audit Department conducts inspections and reviews the execution of internal controls annually to ensure the design and implementation of the internal control system remain continuously effective. Furthermore, the company issues an internal control system statement approved by the Board of Directors and discloses the statement on the company’s website and the Market Observation Post System in accordance with regulations.
- 5 In addition to conducting risk assessments related to environmental, social, and corporate governance issues associated with operations, the Audit Department establishes relevant risk management policies and strategies, and includes the management of sustainability information as a key audit focus. Based on the inspection results, they provide the business department with directions for review and improvement, and offer recommendations for review and correction as appropriate.

## 4.5 Business Continuity Plan

### 4.5.1 Abnormal Incident Reporting and Response Mechanism

To enhance the Bank's operational risk management system and strengthen our capability for immediate response to abnormal events or emergencies, the Bank has established comprehensive reporting procedures and handling protocols. In the event that any unit encounters operational abnormalities, information security incidents, disasters, or other emergencies, they shall promptly report them according to the "Abnormal Incident Reporting Procedure." The Head Office shall coordinate and manage the response in accordance with the "Abnormal Incident Handling Operational Guidelines."

The Bank's handling mechanism encompasses cross-departmental collaboration, real-time risk assessment, reporting level, and subsequent follow-up management to ensure that incidents are promptly isolated and effectively controlled. This minimizes the impact on operational disruption, customer interests, and reputational risk.

### 4.5.2 Disaster Response Management and Operation Crisis Response Mechanism

To strengthen the Bank's disaster prevention and response capabilities and to establish a sound business continuity management system, the Bank has formulated the "Key Points for Disaster Emergency Response Operation" in accordance with the regulations set forth in the "Disaster Emergency Response Manual of Financial Institutions" issued by the Ministry of Finance. Additionally, a Crisis Management Team and an emergency contact and reporting mechanism have been established. Through a proactive approach and institutionalized management, we increase our preparedness capabilities for disaster prevention, response, and financial resource mobilization. In the event of a major disaster, the goal is to provide rapid support to affected households, stabilize financial operations, and assist in the swift restoration of social and economic order. Due to the unique characteristics of financial operations, separate "Operation Crisis Response Measures" were established, creating standardized procedures to address sudden operational risk events, thereby protecting the rights of depositors and maintaining market order.

### 4.5.3 Security Maintenance Management Mechanism

To strengthen the overall security maintenance operations of the entire bank, the Bank has established a "Security Maintenance and Supervision Group," chaired by the Deputy General Manager, to coordinate and oversee the implementation and enforcement of security management measures. The team holds quarterly "Safety Maintenance Meetings" to deliberate on directions for work, review implementation status, promptly propose suggestions for improvement, and submit results to the Board of Directors. Each business unit, in accordance with the "Code for Security Maintenance Operation" and the "Implementation Plan of Security Prevention and Drilling," continuously conducts educational training, on-site drills, and regular inspections of safety equipment (at least twice annually) to ensure the proper functioning of all facilities.

### 4.5.4 Information Backup and Resilient Infrastructure of Systems

To ensure uninterrupted operation of the information system, the Bank has established a second data center at a location separate from the main server room to serve as an off-site backup center. Off-site backup drills are regularly conducted to enhance the Bank's operational continuity capabilities in the event of major cybersecurity incidents or facility damage.

## 4.6 Anti-Money Laundering and Countering the Financing of Terrorism

### 4.6.1 System and Structure

1 The Bank recognizes the importance of compliance with laws related to anti-money laundering and combating the financing of terrorism. We are committed to preventing our institution from becoming a source of money laundering and terrorist financing. Accordingly, we have established internal regulations including the "Precautions of Union Bank for Money Laundering Control and Combating Terrorist Financing," "Union Bank's Evaluation of Money Laundering and Terrorist Financing Risks and Formulation of Prevention Plan Policy," and the "Union Bank Comprehensive Risk Assessment and Management Measures for Money Laundering and Terrorist Financing." These measures aim to establish a comprehensive anti-money laundering system to prevent the misuse of money laundering and terrorist financing activities.

2 The Bank allocates adequate personnel and resources dedicated to anti-money laundering and counter-terrorism financing according to its scale and risk profile. Under the Head Office's legal compliance unit, independent specialized units have been established, including the Money Laundering Planning and Management Division, the Money Laundering Transaction Monitoring Division, and the Fraud Prevention Division. The Head Office's Legal Compliance Supervisor serves as the dedicated supervisor, vested with full authority to coordinate and oversee anti-money laundering and counter-terrorism financing efforts.

3 Internal control and internal audit regulations for compliance with anti-money laundering laws:

- (1) The business units and the Head Office business management units serve as the first line of defense in anti-money laundering efforts, specifically implementing controls related to anti-money laundering and combating the financing of terrorism. Senior management personnel should be appointed as supervisory officers, responsible for overseeing the execution of anti-money laundering and counter-terrorism financing measures within their respective units, as well as managing the self-evaluation process.
- (2) The primary responsibilities of the dedicated unit are to supervise the prevention of money laundering and the combating of terrorist financing, to identify and assess the risks of money laundering and terrorist financing, and to monitor the planning and implementation of policies and procedures.
- (3) The Audit unit conducts inspections of management systems and execution deficiencies in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." It also regularly reports to the Chief Auditor and the Deputy Director responsible for anti-money laundering and counter-terrorism financing.

### 4.6.2 Work Overview, Operational Status, and Concrete Achievements

#### 1 Customer Due Diligence

In addition to conducting identity verification, name checks, and risk assessments through the business unit's customer relationship establishment procedures, customer data is also subjected to daily batch scanning via the Anti-Money Laundering (AML) system. Furthermore, relevant regulations have been established to enhance the accuracy of manual verification.

(1) Name Verification:

- a. During the implementation of the Anti-Money Laundering - Know Your Customer (AML-KYC) system for customer data registration, the system scans customer names by linking to external vendor databases. Additionally, the system's control mechanisms ensure that all customers, including their related accounts, undergo name verification.



- b. The Name Verification and Matching System utilizes the anti-money laundering system (AML system) provided by the external vendor Tun Yang. The name verification database sources include Dow Jones and lists collected daily by dedicated personnel of the Bank through publicly available information. A specialized unit monitors and verifies the status of list updates on a daily basis.
  - c. Assign designated personnel to conduct regular audits of cases identified by each unit as politically exposed persons (PEPs), and promptly correct any units that have made identification errors to ensure accurate assessment of customer risk.
- (2) Beneficial Owner: The “Union Bank Guidelines for Identifying and Verifying Beneficial Owners” have been established. These guidelines regulate that business units handling the opening of Taiwan Dollar or foreign currency accounts for corporate clients with more than one layer of shareholding must refer the case to a dedicated unit to assist in identifying the beneficial owner.
- (3) Customer Identity Verification and Data Validation: The dedicated unit cooperates with regulations to periodically optimize the Bank’s Anti-Money Laundering - Know Your Customer (AML-KYC System). Verification and matching operations are conducted based on the contact information retained by customers, such as email matching and verification functions, and mobile phone matching and verification functions. These processes not only confirm the validity of customer data but also provide business units with judgment support through the identification of anomalies or verification failures, thereby enhancing vigilance toward abnormal customers.
- (4) List Database Verification:
- a. To comply with the competent authority’s requirement to monitor the watchlist, the Bank completed the establishment of the “Watchlist Customer Database” in 2024. Enhanced review or rejection procedures are conducted when applying for specific business operations.
  - b. Compiled lists accounts requiring attention from both internal and external sources to establish a “Risk Account Database.” Implement alerts, care measures, or corresponding control operations when executing specific transactions.
- (5) In addition to conducting enhanced due diligence based on customer risk levels, performing periodic due diligence at frequencies set according to risk levels, and executing trigger event due diligence upon specific triggering conditions, the Bank has also designed measures for customers in certain high-risk money laundering industries. The Bank has established clear regulations defining identification and verification methods, as well as the enhanced due diligence measures to be implemented. Furthermore, it is stipulated that business units must obtain approval from the head office management unit before establishing business relationships, initiating new transactions, or opening additional accounts with such customers.

## 2. Suspicious Transactions Monitoring

Regarding transaction monitoring for existing customers, an Anti-Money Laundering (AML) system has been implemented. This system is utilized to detect abnormal transactions involving customers and accounts. Monitoring effectiveness and intensity have been enhanced through strengthened regulations and the integration of technological applications.

- (1) Standards have been established based on the characteristics of each business sector of the Bank or in accordance with the latest external suspected money laundering or terrorist financing patterns, developing monitoring scenarios tailored to the Bank’s own operations. Additionally, the consistency, accuracy, and appropriateness of the system’s detection results are regularly reviewed.
- (2) Implement Robotic Process Automation (RPA) to conduct customer and transaction data searches, replacing manual repetitive query operations. After integrating the files, the information will be provided for review by dedicated personnel to enhance the efficiency and accuracy of data retrieval and record retention. The system is expected to be launched by the end of May 2025.

## 3 Reporting of Large-value and Suspicious Transactions

In response to alert cases generated by the AI early warning system and suspicious abnormal transaction behaviors identified by business units in customers suspected of money laundering, the Bank’s suspicious transaction reporting operations have been fully centralized. Dedicated personnel are responsible for conducting customer background investigations, confirming abnormal behaviors, and reporting cases, with the aim of improving the quality of reported cases and reducing omissions in reporting:

- (1) Reporting Large-value Transactions: Currency transactions exceeding a specific amount are reported according to the format prescribed by the Ministry of Justice Investigation Bureau, using media methods. Relevant records are maintained, and dedicated personnel verify the accuracy of the reported data on a daily basis.
- (2) Reporting Suspicious Transactions: When dedicated personnel investigate cases, they verify the customer’s background, the source and purpose of funds, the reasonableness of the transaction’s objective, and whether the transaction pattern deviates from past behavior in order to determine whether the transaction activity is suspicious. In cases deemed suspicious, the relevant information shall be uploaded to the Ministry of Justice Investigation Bureau via media. In addition to adhering to confidentiality principles, the execution process shall be documented and preserved for the prescribed retention period.
- (3) In 2024, the suspicious transaction cases reported to the Ministry of Justice Investigation Bureau achieved a utilization rate of 65.8%. Individual cases also received commendation letters from the Ministry of Justice Investigation Bureau.

## 4 Fraud Prevention

- (1) In response to the increasing emphasis by competent authorities on anti-fraud measures within financial institutions, the Bank established an interdepartmental Fraud Identification Task Force in 2024, chaired by the General Manager. This task force convenes weekly project meetings focused on optimizing fraud identification and prevention workflows. During these meetings, in addition to continuously monitoring the progress of various optimization topics, adjustments are made dynamically to fraud prevention-related issues to enhance the effectiveness of suspicious account monitoring alerts and improve interception accuracy. Furthermore, to support the crackdown on fraud crimes through professional, organized, and sustained efforts, the Bank established the “Fraud Prevention Division” within the Legal and Compliance Department in the first quarter of 2025. This division is responsible for overseeing all fraud crime prevention matters across the bank. Concurrently, the task force was renamed the “Union Bank Financial Fraud Prevention Task Force.”

(2) The task force is primarily composed of members from the Bank’s Fraud Prevention Division (dedicated unit) and business units related to fraud prevention operations. The task force convenes weekly meetings to oversee and manage the Bank’s fraud crime prevention measures, track the progress of projects related to fraud crime prevention, and coordinate the responsibilities of various units concerning fraud crime prevention operations. The agenda topics include:

- ✓ Continued optimization of the Fraud Early Warning (FEW) system model;
- ✓ Rolling reviews and adjustments to the effectiveness of control measures for account opening;
- ✓ Continued monitoring of abnormal account cash flows;
- ✓ Analysis of abnormal patterns in warning accounts, alert accounts, or other watchlist categories;
- ✓ Discussion of abnormal cases.

(3) An AI early warning model is implemented for transaction monitoring to provide advance alerts for suspicious accounts exhibiting abnormal activities. A dedicated unit will collaborate with the AI model to conduct account reviews and transaction controls, preventing the continued transfer of abnormal funds through the Bank’s accounts. After the model went live in May 2024, the pre-control rate of alert accounts reached 60%, and the reduction rate of alert accounts reached 10%.

4.6.3 Educational Training

Regarding the training and education of personnel in anti-money laundering and counter-terrorism financing, the Bank continues to enhance employees’ professional knowledge in anti-money laundering, fraud prevention, and counter-terrorism financing. The specific implementation results for 2024 are as follows:

- 1 The Head Office management unit plans for a 100% training completion rate in the annual anti-money laundering education courses for its affiliated business personnel.
- 2 The dedicated personnel and managers responsible for money laundering prevention, with the consent of the dedicated supervisors, participated in on-the-job education and training provided by external training units for a total of 12 hours. The training attendance rate was 100%.
- 3 The attendance rate for the “Anti-Money Laundering and Counter-Terrorism Financing On-the-Job Training Course” conducted for directors and senior management was 100%.
- 4 The dedicated unit conducts a quarterly “Anti-Money Laundering - Know Your Customer” workshop. The course content includes explanations of various customer due diligence procedures, name verification, and methods for identifying and verifying beneficial owners and Politically Exposed Persons (PEPs). In 2024, a total of eight in-person courses were held across the northern, central, and southern regions, with a total of 228 participants attending.
- 5 The Bank enhanced the professional knowledge of all employees through online courses in regulations related to anti-money laundering and anti-fraud measures, as well as the improvement of identified deficiencies. In 2024, a total of 3,674 employees completed the training.

4.7 Cyber Security Management

4.7.1 Cyber Security Risk Management Structure

1 Enterprise Information Security Governance Organization

The Bank’s Board of Directors is responsible for verifying the Company’s “Information 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

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 informa-

3 Personal Data Protection Committee

The Bank has an established “Personal Data Management Committee” with the General Manager as the convener, with committee members coming from specific business units, the Legal Affair & Compliance Department, Information Technology Department, and Risk Management Department. At least one independent director and Chief Audit Officer are invited to at-

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.

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.

tion 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.

tend without voting rights. 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.



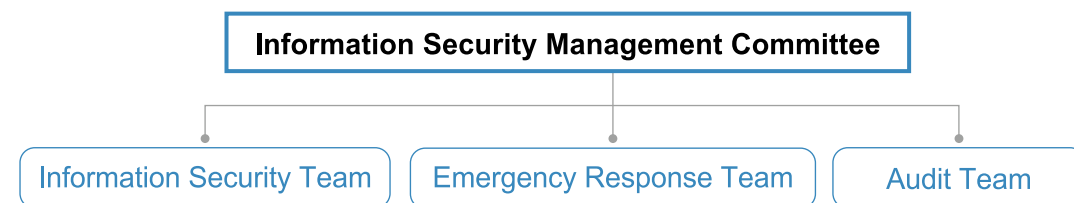
## 4.7.2 Information Security Policy

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

#### A. Implementation of International Information Security Management System

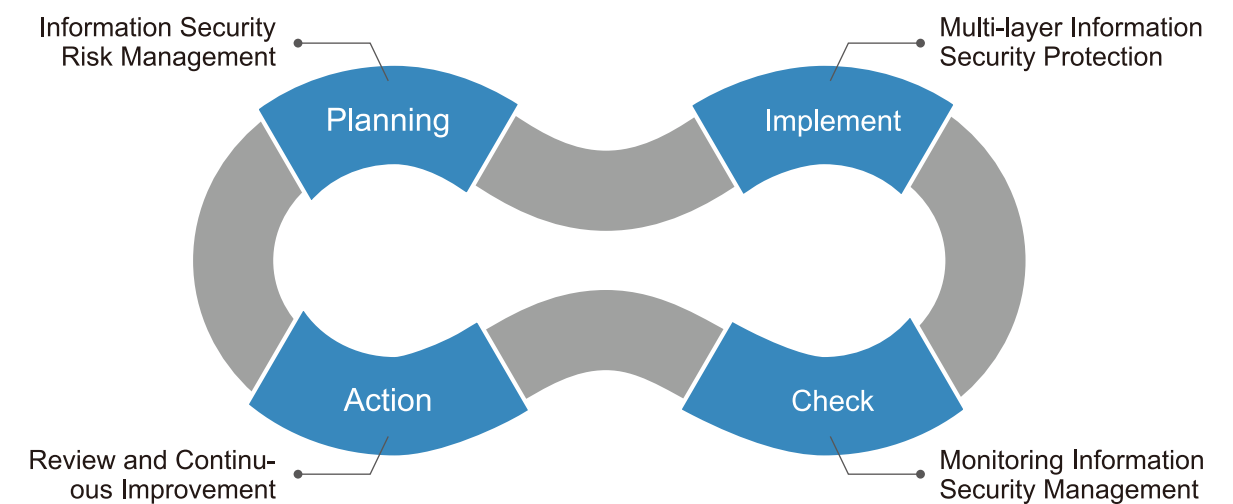
The ISMS Information Security Management System was implemented and ISO/IEC 27001 certification was obtained, accounting for 85.88% of consolidated net income. To effectively enforce international standards for information security, the following information security management organizations were established in accordance with the "Regulations for Organizational Information Security Implementation and Management."



#### B. Implementation of Information Security Management System

According to the "Information Security Policy" and the "ISMS Information Security Management System," a comprehensive protection environment for information and communication systems and network security was planned and established. This includes secure organizational structure and responsibilities, asset classification and control, personnel security management, physical and environmental security management, communication and operational security management, secure access control of information resources, system development and maintenance, disaster recovery management, and compliance with relevant laws and regulations. Additionally, information security management standards and related measures were formulated. Regular implementation of security audits, network monitoring, and personnel security management mechanisms are conducted to enhance the overall information security protection capability and reduce security threats and disaster losses. 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



### 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", 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

Real-time detection and defense, monitoring, management and early warning, etc., are executed, and a 24h information security monitoring mechanism to enhance in-depth protection of information security, thus guaranteeing network and data security. It also uses an information security event management platform to enhance analysis of information security warning information as well as notice and respond 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.

### 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

Relevant defense mechanisms have been deployed, external professional institutions entrusted in performing tests and drilling jointly to inspect the defense efficiency and event response ability, and made vulnerability detection and repair measures to guarantee use security of the system.

Various information security drills are conducted 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. In 2024, two social engineering drills were conducted, involving a total of 3,865 accounts. Following the drills, educational courses on social engineering were provided to personnel who did not pass the drills. Specifically, 165 individuals completed the courses and 59 individuals passed the tests. As a result, 98.5% of employees have developed security awareness regarding social engineering emails.

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

In 2024, all information security personnel have completed over 15 hours of professional information security courses or training sessions, totaling 318 hours for 7 individuals. Moreover, all employees are required to participate in a 3-hour online information security awareness course and pass the test, totaling 3,854 participants. However, due to various reasons, 13 individuals were unable to attend or complete the training or left the Company, resulting in a total of 3,841 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 195 people from various units completing the course. In 2024, the entire company achieved a 100% participation and pass rate in the information security assessment.

### 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 operational principles related to “Management Guidelines for External Units of Information,” and 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.

### I. Measures to Support the Implementation of the Financial Cybersecurity Action Plan

To align with the FSC’s initiative to advance financial cybersecurity, the Bank actively participates in and implements execution measures outlined in the action plan for financial institutions. This effort aims to establish an organizational culture that prioritizes cybersecurity throughout the bank, enhance cybersecurity governance capabilities and standards, ensure continuous system operation and data security, and thereby improve operational continuity management capacity.

### J. Implementing International Standards for Information Security

The Information Department of Union Bank has completed the implementation of the ISO/IEC 27001 Information Security Management System and obtained ISO/IEC 27001 certification. Subsequently, the scope was expanded to include insurance agency business verification. The validity period of the certificate is from June 7, 2024, to June 6, 2027. Additionally, the insurance agency business has implemented the ISO/IEC 27701 Privacy Information Management System and regularly obtains ISO/IEC 27701 certification. The current certificate is valid from June 7, 2024, to June 6, 2027.

## 4. Effectiveness evaluation of Cyber security

Every year, audit and information security experts from professional institutions are invited 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 2024, the 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.



# 5 Sustainable finance

Union Bank and its subsidiaries are committed to promoting sustainable development. We actively integrate Environmental, Social, and Governance (ESG) concepts into our financial business operations and risk assessment processes, leveraging financial influence to achieve the goal of sustainable management.

In practical operations, ESG principles are incorporated into business decision-making and process evaluation factors, with reference to relevant domestic and international regulations and guidelines. These include the Principles for Responsible Banking (PRB), the Equator Principles (EPs), the Task Force on Climate-related Financial Disclosures (TCFD), the Task-force on Nature-related Financial Disclosures (TNFD), the Credit Guidelines of the Bankers Association, and the “Reference Guidelines for the Identification of Sustainable Economic Activities.” These serve as important bases for promoting sustainable finance.

Simultaneously, the Bank actively promotes inclusive finance by enhancing the accessibility of financial services, popularizing digital finance, and designing diverse products. This approach assists different groups in obtaining financial resources and reduces social financial disparities. Furthermore, the protection of customer rights is integrated into daily operations as a core principle to create a safe, trustworthy, and inclusive financial environment.

The Bank adheres to the principles of ethical management, transparency, and regulatory compliance. Through a diverse stakeholder communication mechanism, we ensure the quality and completeness of ESG information disclosure. We actively fulfill our corporate social responsibility and steadily advance toward the vision of sustainable financial development.

## 5.1 Responsible Credit

### 5.1.1 Credit Approval Process and ESG Risk Management

Preliminary review	<p>To fulfill the environmental protection responsibility of financial institutions, after accepting corporate credit cases, an ESG due diligence investigation is conducted during the credit review process:</p> <ol style="list-style-type: none"> <li>1 Engagement with industries or countries with high ESG risks is prohibited.</li> <li>2 Strengthen control over the coal and unconventional oil and gas-related industries, and cease accepting new cases.</li> <li>3 Focus on enterprises with high pollution levels that do not comply with environmental regulations (involving major penalties for environmental pollution) <ul style="list-style-type: none"> <li>• Communicate and negotiate with clients, propose recommended measures, and encourage clients to improve issues.</li> <li>• Provide sustainable products such as green credit and sustainability-linked loans as positive financial guidance.</li> <li>• Require the submission of an improvement plan at the time of credit limit application, and review the progress of improvements during credit limit renewal.</li> </ul> </li> </ol>
Post-loan management	<p>To effectively control credit risk, after the approval of credit cases, cases shall be handled in accordance with the Bank's post-loan management regulations.</p> <ol style="list-style-type: none"> <li>1 Regularly review whether credit customers have committed significant environmental violations. If there are major changes involving credit customers, a comprehensive assessment shall be conducted regarding the impact on the Bank's claims and subsequent corrective actions. Depending on the severity of the situation, credit terms will be adjusted as necessary.</li> <li>2 If the environmental pollution issues related to credit customers cannot be improved over the long term, a prudent assessment should be made regarding whether to continue business relations, in order to fulfill the financial industry's social responsibility.</li> </ol>

### 5.1.2 Engagement Process and Effectiveness

To further leverage financial influence and encourage or assist clients in prioritizing ESG issues, initiating ESG actions, undertaking low-carbon transitions, setting net-zero emission targets before 2050, and establishing carbon reduction pathways to enhance sustainability performance, the Bank has established a negotiation mechanism with enterprises. This mechanism aims to drive industries toward sustainable development collectively. The approaches include, but are not limited to, in-person visits, telephone interviews, emails, and surveys; participation in or organization of physical/online interviews, meetings, lectures, training sessions; and attending shareholders' meetings or investor conferences of negotiation targets to speak or exercise voting rights.

Results of Negotiations with Corporate Credit Customers in 2024:

ESG dimensions	Engagement Methods	Targets	Number of companies	Explanation
Environmental Protection (E)	Online forum	High-emitting industry clients	205 companies	Organized the “UBOT - Online Forum for ESG and Low-Carbon Transition Strategies,” inviting the Bank's credit customers from high-emitting industries to participate and gain an understanding of Taiwan's ESG policies and future carbon fee issues, while providing project loan assistance for net-zero transition efforts.
Environmental Protection (E)	Individual negotiation	Targets for national carbon fee collection	2 companies	When customers apply for loans, the sales personnel communicate with the management team to handle sustainability-linked credit. The credit terms are appropriately linked with ESG indicator improvements to encourage customers to implement relevant mitigation measures to reduce climate-related risks.

### 5.1.3 Reference Guidelines for the Identification of Sustainable Economic Activities

1 To encourage the financial industry to channel funds into sustainable economic activities, promote corporate sustainable development, and facilitate an orderly carbon reduction transition, as well as to assist enterprises and the financial sector in identifying what constitutes sustainable activities, the Financial Supervisory Commission, together with the Ministry of the Environment, Ministry of Economic Affairs, Ministry of Transportation, Ministry of the Interior, and Ministry of Agriculture jointly announced the second edition of the “Reference Guidelines for the Identification of Sustainable Economic Activities” on December 31, 2024. The financial industry was also encouraged to collect relevant corporate information when considering investing in or financing enterprises within the industries covered by the guidelines, using this information as a reference for investment and financing decisions.

2 In alignment with the government’s promotion of the Green Finance Action Plan 3.0, enterprises are encouraged to complete the “Corporate ESG Information and Sustainable Economic Activity Self-Assessment Questionnaire” when applying for loans. The purpose is to assist enterprises in understanding their current status of sustainable economic activities, to drive corporate sustainable development and carbon reduction transformation, and to serve as a guiding framework for the financial industry to channel funds towards sustainable economic activities. This aims to promote corporate sustainable development and carbon reduction transformation. The questionnaire includes corporate ESG data, such as basic corporate information, greenhouse gas emissions over the past year, energy management, environmental protection, social responsibility, and corporate governance status. It also includes a self-assessment by the enterprise on whether their “operational economic activities” or “individual project items” are applicable to or comply with the recognition criteria for sustainable economic activities.

Guidelines referenced to calculate the sustainable proportion of loans compliant with/applicable to sustainable economic activities at the end of 2024:

Targets	Proportion of economic activities applicable to guidelines	Proportion of economic activities compliant with guidelines	Proportion of economic activities applicable to/compliant with guidelines
Corporate	Online forum	0.02%	0.12%

Simultaneously, for corporate clients whose economic activities have not yet met the sustainability level defined as “compliant” in the “Reference Guidelines for the Identification of Sustainable Economic Activities,” the Bank actively engages in negotiations with these clients to guide them toward gradually fulfilling the required conditions. The actual cases are as follows:

Negotiation target	OO Construction Co., Ltd.
Negotiation dimensions	Environment
Reason for negotiation	In alignment with government ESG policies and sustainable economic activities, recent construction projects have adopted measures such as reducing carbon emissions, using green building materials, green energy, and smart technologies to obtain green building certification. However, they have not yet obtained the building energy efficiency label, thus the sustainability level is currently a work in progress.
Engagement Methods	<p>1 After discussions with the client, apply for a sustainability-linked credit loan.</p> <p>(1) Reduce electricity, water consumption, or greenhouse gas emissions.</p> <p>(2) Continue to receive sustainability awards and obtain green building certificates at the Gold level or above.</p> <p>2 Guide customers in obtaining the building energy efficiency label.</p> <p>Since 2023, Taiwan's government has gradually required that new public and private buildings applying for the Green Building label must also apply for a building energy efficiency assessment. Public buildings are to take the lead in this initiative, with the application scope progressively expanding in stages.</p> <p>The client in this case primarily focuses on the construction of residential and commercial office properties. The client has been guided to follow the Reference Guidelines for the Identification of Sustainable Economic Activities to enhance green energy efficiency in buildings as well as to apply for a building energy efficiency assessment, aiming to achieve at least a Level 1 rating in building energy efficiency labeling, with the goal of gradually meeting the sustainability conditions set forth in the reference guidelines.</p>



5.2 Responsible Investment

5.2.1 Investment Process and ESG Risk Management

To strengthen the accountability mechanism, the Bank has incorporated the ESG scores of investment targets into the investment decision evaluation factors. Furthermore, based on different ESG score ranges, we adjust the maximum investment limits to ensure that capital flows toward targets with potential sustainable value. After the investment, regular tracking and reviewing of ESG score changes are continuously conducted as a basis for subsequent holding or adjustment of positions, thereby implementing dynamic management.

For high-emitting industries, the Bank has established a position limit management mechanism to control the level of carbon risk exposure. Additionally, we have set an annual growth target for ESG investments to gradually increase the proportion of sustainable investment assets.

In terms of equity investment, the consideration of “increasing positive social or environmental impact” has been incorporated into investment decision-making and the selection of investment targets. Through the Bank’s ESG due diligence checklist, pre-investment evaluations are conducted in accordance with the Bank’s “Union Bank Securities Investment Project Team Investment Guidelines.” Monitoring and negotiation are continued post-investment, and the evaluation procedure is as follows:

ESG evaluation method	Selection criteria	Information source
1 Whether the target has been rated by an external agency	(1) The ESG score primarily uses the Sustainalytics rating as the main indicator. The risk score of the invested company must be 50 points or below (inclusive). If there is no Sustainalytics rating, the Taiwan Corporate Governance Appraisal Result is used as a supplementary indicator. The evaluation result must be within the top 50% (inclusive).  (2) If the investee companies fail to meet any of the aforementioned evaluation indicators or fall below the threshold, the investment cost for that particular case shall not exceed 5% of the total investment position cost recorded in the accounts. The reasons must be explicitly stated in a separate written report.	Corporate Investor Relations Platform (ESG IR Platform)
2. Whether the target has sustainability-related initiatives and carbon reduction plans	(1) Whether TCFD was disclosed, participation in the Science Based Targets initiative (SBTi), establishment of specific carbon reduction targets, formulation of a low-carbon transition plan, disclosure of sustainable economic activities, and link to Sustainable Development Goals (SDGs)  (2) Based on the aforementioned investigation results, negotiations will be conducted with the investee company with continued follow-up after. If negotiations fail, the position will be evaluated for reduction or investment will be withheld.  (3) Investment positions in the accounts that are not linked to the SDGs shall not exceed 15% of the total positions. If negotiations with the invested company fail, the position will be evaluated for reduction or investment will be withheld.	Sustainability reports, company annual reports, and the official SBTi website of the investee companies
3. Whether the target is in an industry prohibited for investment, as defined by the Bank	No investment will be made in the industries related to fur trade, pornography, illegal weapons manufacturing, tropical rainforest logging, asbestos cement tiles or other asbestos products, drift net fishing, and drugs or radioactive substances (excluding medical use)	Business Registration Public Information System of the Ministry of Economic Affairs
4. Whether the target involves disputes and penalty records related to Environmental, Social, and Corporate Governance (ESG) issues	For investee companies involved in significant controversial incidents and penalties, if no concrete improvements are made, the position will be evaluated for reduction or investment will be withheld.	Information Disclosure Platforms of the Ministry of Environment and the Ministry of Labor

In terms of fund investment, a higher investment limit is set for funds with ESG certification. The investment limit for a single ESG fund is 10% of the statutory limit, which is double that of regular funds, demonstrating concrete actions to support sustainable asset allocation.

As of the end of 2024, the Bank has invested a total of NT\$800 million in green bonds, an increase of NT\$300 million compared to the previous year. At the same time, the total amount invested in ESG-certified funds reached US\$1.3 million, accounting for 19% of the total fund investment balance, an increase of 3% from the previous year. This demonstrates the Bank’s continued efforts to increase the proportion of sustainable investments, advancing towards the goal of achieving long-term stability and responsible finance.

5.2.2 Engagement Process and Effectiveness

In the area of stock investment, in 2024, the Bank engaged in negotiations with 27 long-term invested enterprises through communication channels such as letters and investor conferences. Monitoring continued following these negotiations, and we worked collaboratively to advance the industry toward sustainable development goals, thereby jointly promoting the deepening and soundness of Taiwan’s sustainable financial system. The results of the meeting are as follows:

Results/negotiations	Disclosure of ESG rating	Gender diversity of Board of Directors	Link to SDGs	SBTi carbon reduction target verification	Disclosure of sustainable economic activities
The company has already implemented concrete measures regarding the discussed issues.	0	1	0	2	1
The company has acknowledged the issue and is currently conducting an evaluation	0	0	0	3	4
Negotiations not yet successful	1	0	5	14	12
Total	1	1	5	19	17

5.2.3 Implementation Status of Diligent Governance

UBOT finalized the signing of the “Stewardship Principles for Institutional Investors” and, 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.

Due diligence governance is disclosed annually 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 have been reviewed by the Bank’s Audit Department and Legal Affairs & Compliance Department, and approved by the Board of Directors, whereas due diligence reports are verified by management. The Bank has fully complied with due diligence governance principles without any instances of non-compliance, in accordance with relevant legal regulations.

Communication and meetings with the invested companies are conducted 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. The aim of these interactions is to safeguard shareholders’ rights while exhibiting the spirit of diligent governance. In this spirit, voting records and meeting minutes are disclosed on the official website.

To prevent conflicts of interest, relevant policies and regulations have been established to govern the conduct of the Bank’s personnel. Employees are prohibited from exploiting their positions to obtain improper benefits for themselves or third parties, or to harm the Bank’s interests. As of 2024, the Bank has not encountered any conflicts of interest related to investments.



Please refer to the Bank’s website for more information on due diligence governance



5.2.4 Review of Wealth Management Products

To promote environmental sustainability and social responsibility, the Bank incorporates ESG-related ratings from third-party sources into a comprehensive evaluation process before listing financial products. The ESG ratings for funds are sourced from ESG funds on the TDCC’s Fund Clear website. In the future, the UBOT official website will establish an ESG-themed webpage to not only promote the concept of ESG investing but also provide listed ESG financial products as a reference for investor purchases. The Bank also plans to implement preferential measures for ESG financial products, such as offering discounts for customers purchasing ESG funds, to encourage investor participation in sustainable finance principles. Partners are managed by evaluating and reviewing their ESG implementation and assessing whether there are any significant negative ESG disputes, to serve as a basis for collaboration deliberations.



5.3 Sustainable Products

5.3.1 UBOT

ESG Product Category		Name	Explanation	Year-end balance (NT\$ millions)/Number of cards in circulation	Percentage %
Corporate Finance	Corporate	Green credit loan (Including loans related to the green industry)	To encourage corporate clients to prioritize climate change, promote a corporate focus on sustainable development, and guide enterprises to allocate funds toward green expenditures, the “Green Credit Loan Program” was established. This program is formulated with reference to the Green Loan Principles (GLP) jointly issued by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA).	14,610	7.17%
	Loan	Sustainability-linked loan	In response to the government’s active promotion of corporate governance, the Green Finance Action Plan, and other related policy guidelines, the Bank aims to guide capital investment into sustainable development through market mechanisms. This encourages enterprises to actively focus on sustainability issues. The Bank referenced the international Sustainability-Linked Loan Principles (SLLP) to establish key points for sustainability-linked credit business. Enterprises are encouraged to jointly set ESG targets with the Bank (such as greenhouse gas emissions, water usage, electricity consumption, and corporate governance indicators). If enterprises achieve the relevant ESG performance indicators, they can reduce their financing costs. At the same time, UBOT incorporates the performance of sustainability-linked loans into the operational key performance indicators (KPIs) of its business units, using incentives to guide business units and sales personnel in assisting enterprises with promoting green transformation.	1,965	0.97%
	Loan	Loans to six core strategic industries	In alignment with government policies and to assist the transformation and upgrading of Taiwan’s industries, credit services are actively provided to sectors including “information and digital technology,” “cybersecurity,” “medical technology and precision health,” “national defense and strategy,” “green and renewable energy,” and “strategic stockpile.” Through efforts in information security, national defense, health, and livelihood protection, the welfare of the people is safeguarded, generating social benefits and assisting the green energy industry in the mitigation of and adaptation to climate change, thereby achieving environmental sustainability.	62,903 (Among them, 1,537 clients are in the green energy and renewable energy industries, with a credit balance of NT\$18.853 billion)	30.15%
	Loan	Loans to 12 key strategic industries	In response to the 2050 net-zero emissions target, the National Development Council’s “Taiwan’s Pathway to Net-Zero Emissions in 2050” promotes four major transition strategies: “energy transition,” “industrial transition,” “lifestyle transition,” and “social transition.” It also establishes two governance foundations: “technology R&D” and “climate legislation.” Supplemented by “12 key strategies,” the plan launches action plans to integrate resources across ministries and agencies to realize the long-term vision and goals of the 2050 net-zero transition. UBOT, in alignment with government policies, provides green credit loans to related industry clients for their operational funding needs, assisting enterprises in their low-carbon transitions.	2,680 (546 for wind/solar power, 138 for energy conservation, 936 for vehicle electrification and zero-carbon, 727 for resource recycling and zero waste, and 333 for net-zero green living)	1.30%
Consumer Finance	Loan	Electric vehicle purchase loan	Promote energy conservation, carbon reduction, and environmental protection through the purchase of electric-powered vehicles. Offer preferential interest rates to encourage the public to acquire and use low-carbon, energy-efficient vehicles.	1,870	7%
	Loan	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, customers are encouraged to purchase eco-friendly buildings.	931	0.35%
	Credit card	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 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.	76,277 cards	2.8%
	Credit card	“EasyCard Green Points Double Rewards” campaign	The UB Credit Card actively supports the Ministry of Environment’s initiative to promote a net-zero carbon, green lifestyle. In collaboration with ESG partner iPASS Corporation to leverage the iPASS Green Points system, where points can be redeemed for transportation fares and utility payments, the Bank is promoting an easy way to earn green points. The Bank has become the first to integrate the iPASS Green Points with credit card rewards. Through this initiative, we aim to encourage cardholders to develop positive habits that drive low-carbon transportation, facilitate lifestyle transformation, and mitigate the impacts of transportation, such as carbon emissions and environmental pollution. This program allows consumers to contribute to protecting the environment with every purchase.	A total of 42,000 participants made 419,000 trips using public transportation. This resulted in a carbon reduction of approximately 338 metric tons. Based on a social cost of carbon estimated at NT\$3,000 per metric ton of CO2e, the event generated a social benefit valued at approximately NT\$1,014,000. (Note)	
	Wealth management	Financial products	By the end of 2024, a total of 70 ESG products (including funds, overseas ETFs, and overseas stocks) were launched, with assets under management (AUM) of NT\$1.68 billion. The AUM for all wealth management products of the Bank amounted to NT\$52.769 billion, with ESG products accounting for 3.18%.	1,680	3.18%

Note: The calculation method for carbon reduction references the explanations for iPASS carbon reduction inquiries. It is based on comparisons between the average carbon reduction achieved by using the more frequently used MRT and bus services and using a car, with an average reduction of approximately 0.8 kg per trip.

【iPASSMONEY Card Binding Campaign】 As of March 20, 2025, the total number of participants reached 25,000, with a total of 573,000 reward points distributed.

5.3.2 Union Leasing

ESG Product Category	Name	Explanation	Number of users at year-end/principal balance (NT\$ billion)	Percentage %
Financing	Financial lease	As part of the “2025 Nuclear-Free Homeland Plan,” the government has been actively promoting green energy; UBTO has also made significant investments in solar power plant financing	103 users/ 7,050	76.99%

Short-term and long-term targets have been established, aiming for the principal balance of solar power plant financing to reach NT\$7.35 billion by 2026 and NT\$7.85 billion by 2031, respectively.

5.3.3 Union Securities Investment Trust Co., Ltd.

ESG Product Category	Name	Explanation	Year-end balance (NT\$ millions)	Percentage %
Fund	Union Low Carbon Target Multiple Asset Fund	The goal is to drive a positive cycle within the sustainable finance sector by leveraging the role and influence of financial institutions within the investment industry chain to create a win-win-win situation for finance, physical industries, and environmental protection.	324	1.6%
Fund	Two private equity funds established by the wholly-owned subsidiary, Union Private Equity Co., Ltd.	A focus on solar energy investments, including a recent merger with a 37.8MW plant producing 52.1 million kWh annually. With more plants in development projected to add 166MW and 210 million kWh yearly, carbon emissions from grid connection could be cut by 129,000 tons annually.	-	-

5.3.4 Principles for Sustainable Product Disclosure

The Bank adheres to the “Guidelines for Preventing Greenwashing for Financial Institutions” issued by the Financial Supervisory Commission. When launching “sustainable” or “green” financial products or services, all external promotional materials, advertisements, or any form of statements are prohibited from providing information that is unclear or excessively exaggerated, selectively disclosing only positive impacts, or information lacking evidence to support its sustainability characteristics, thereby misleading financial consumers. In addition to designing the “Green or Sustainable Financial Products and Services Anti-Greenwashing Checklist” and the “Advertising Compliance Confirmation Form” to ensure that advertising content does not violate relevant laws and complies with consumer protection regulations, the Customer Care Team under the Sustainable Development Committee regularly reviews whether the content of their “green” or “sustainable” claims regarding products or services aligns with actual conditions. Furthermore, each business unit is required to incorporate ESG considerations into operational and risk management decision-making processes, allocate sufficient personnel, and provide necessary training to staff.

5.4 Inclusive Finance and Services

In response to the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, the Bank formulated the “Inclusive Finance Statement,” which comprises seven major commitments. We will provide suitable financial services to specific groups such as micro-enterprises, disadvantaged populations, and the elderly, thereby improving their financial accessibility. The Bank will develop a friendly financial service environment based on the needs of these groups, and provide financial education and consulting services to assist disadvantaged populations in improving financial literacy and enhancing financial well-being.

5.4.1 Products for Specific and Disadvantaged Groups

Product Type	Service Recipient	Product Content	User number	2024 Year-end Balance (NT\$ millions)
Loan	Youth	Policy-oriented inclusive financial loans: The loans for youth entrepreneurship and startups respond to the government's initiative to create a favorable environment for youth entrepreneurship. It supports young entrepreneurs by assisting them in obtaining the necessary funds for starting and operating their businesses, overcoming financing difficulties such as insufficient credit history or lack of collateral.	292	215
Loan	Cultural and creative youth	Policy-oriented inclusive financial loans: Loans for youth entrepreneurship and startups in cultural and creative industries support the Ministry of Culture in creating a favorable environment for youth entrepreneurship in cultural and creative industries, assisting young entrepreneurs in obtaining the necessary funds for starting and operating their businesses and overcoming financing difficulties such as insufficient credit history or lack of collateral.	12	7
Loan	Sports industry	Policy-oriented inclusive financial loans: The Ministry of Education Sports Development Fund's Small and Medium-Sized Sports Industry Loan supports the Ministry of Education in reducing the operating costs for sports talent running sports services, promoting the development of the sports industry, and overcoming financing difficulties such as insufficient credit records or lack of collateral.	3	5.5
Loan	Economically disadvantaged groups	A preferential loan program for lottery retailers is available to address the specific needs of individuals with disabilities, indigenous peoples, and low-income households operating lottery shops. Compared to general customers who find it difficult to obtain loan funds, this program assists disadvantaged groups in achieving self-reliance and alleviates the financial burden of business operations. It offers short-term revolving financing loans to help resolve issues such as low credit ratings, unstable income, or lack of collateral.	239	406
Loan	Economically disadvantaged groups	To assist disadvantaged groups such as individuals with physical and mental disabilities, indigenous peoples, low-income households, and the elderly, the Bank offers policy-based preferential loans. Specifically, the Bank maintains the Preferential Youth Home Loan Program, which provides a 0% interest rate on home purchase loans for the first two years, as well as housing purchase and renovation loans in cooperation with the Ministry of the Interior.	863	1,135
Loan	Post-Pandemic Revitalization Project for Small and Medium-Sized Enterprises	To support the Ministry of Economic Affairs in assisting small and medium-sized enterprises (SMEs) with post-pandemic revitalization, the “Post-Pandemic Revitalization Project” measures have been established. These measures aim to help SMEs affected by the pandemic and facing operational difficulties to restore their business prosperity and enhance their competitiveness.	975	4,886
Trust	Middle-aged and elderly individuals or individuals with physical and mental disabilities	The Elder Care Trust project provides services for senior citizens and individuals with physical and mental disabilities, as well as a pre-opened elder care trust for clients to plan for property management, elderly care, and medical benefits.	19	85.54



5.4.2 Creating a Friendly Financial Environment for individuals with Disabilities

To promote financial-friendly services, all branch entrances are equipped with “service bells” at appropriate locations to assist individuals with physical and mental disabilities in obtaining suitable financial services. Branch business premises feature accessible ramps and accessible service counters, providing a convenient environment for persons with disabilities. Starting from November 2024, a “Friendly Service Counter” will be added, staffed by the branch manager or colleagues in the lobby to provide timely assistance and support, guiding customers to the designated area to complete their transactions. When opening accounts for customers with intellectual disabilities, staff may use easy-to-read pictorial cards or the Bank’s specially designed “Easy-to-Read Manual for Deposit and Withdrawal Services” to effectively explain the account opening process, important considerations, and fraud prevention measures and assist in customer understanding. In collaboration with the Taiwanese Association of Sign Language Interpreters, the Bank offers online sign language video translation services to facilitate effective communication and message transmission.

As of the end of 2024, a total of 424 ATMs both within and outside the bank comply with wheelchair accessibility and voice guidance for the visually impaired. Among these, 354 ATMs, or 83%, are wheelchair accessible, and 353 ATMs, also 83%, provide voice guidance for the visually impaired. The “Friendly Financial Network Service” has obtained an A-level or above rating in the National Communications Commission’s Accessible Web Development Guidelines. This service allows users to access digital financial services such as exchange rates, interest rates, account transfers, and transaction modifications, as well as voice reading services for QR codes related to various business contracts. Additionally, users can download the Union Bank accessible mobile app, which features a user-friendly interface to assist visually impaired individuals in completing required services. The service also offers text-based customer support and message board services to assist hearing-impaired individuals in consulting about various business matters through online text communication.

5.4.3 Caring for the Elderly Population

For services like deposits, credit, trust, wealth management, and securities, elderly clients’ states and the impact on their banking needs are assessed using a care evaluation form in order to protect their assets. A dementia-friendly questionnaire is also used as a basis for identification, enabling staff to take appropriate countermeasures. Elderly clients must also pass a cognitive test to conduct wealth management transactions. In addition, a priority response service for the elderly is available 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.

In response to the trend of an aging society and the Trust 2.0 “All-round Trust” policy, in addition to launching the “Elder Care Trust - Pleasure for Youth Program” and the “Pre-signed Elder Care Trust” (i.e., pre-opened elder care trust) to help clients properly plan their retirement life, we have further introduced the “US Dollar Insurance Trust.” This product combines trust and insurance systems to enhance the rights of beneficiaries and effectively ensure the purpose of protecting the future lives of family members. Furthermore, to meet the daily living needs of the elderly and individuals with disabilities, through cross-industry alliances, we can provide our customers with more resources and discounts for food, clothing, housing and transportation, so that both the Bank and our partners can improve service levels and jointly fulfill social welfare responsibilities.

5.4.4 Caring for Financially Disadvantaged Groups

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 2024, there are 23,490 accounts of Happiness Passbooks opened with UBOT, 707 of which are new accounts.

To cater to foreign visitors, an English version of the official website has been established. In addition, the Bank’s business units offer English versions of commonly used financial service application forms and bilingual queuing system services. Nationally, there are 90 bilingual branches available, and UBOT is actively enhancing the English proficiency and conversational skills of clerks 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.

To promote the development of public facilities and soil and water conservation on indigenous reserved lands, or to revitalize land use, enhance agricultural operations, improve economic efficiency, or meet the operational or investment needs of the holders themselves, thereby increasing income and safeguarding the livelihoods of indigenous peoples, the Bank offers the “Indigenous Reserved Land Guaranteed Loan” to landowners of indigenous reserved lands, individuals or entities actually engaged in agricultural operations within the scope of indigenous reserved lands, or natural persons or legal entities with legal land use rights.

5.4.5 Promote the development of industries and domestic SMEs

1. The Bank has established a Key Performance Indicator (KPI) target for small enterprise loan amounts, which is incorporated into branch performance evaluation, in order to promote inclusive finance, assist small and micro enterprises in obtaining operating funds, and foster economic development.

KPI target for 「small enterprise loan amount」 :  
2024 loan amount increase: NT\$5.4 billion

2. To encourage branches to actively expand credit services for small and micro enterprises, a quarterly incentive program was established in May 2024. The evaluation targets for each quarter are as follows:

Target for contributions to loan balance: NT\$10 million  
Target for contribution to number of loan accounts: 3

3. To support small and medium-sized enterprises and encourage business units to strengthen implementation of the “Project for Strengthening Domestic Bank Lending to SMEs,” targets for loan balance and growth in the number of accounts have been established and incorporated into branch performance evaluations. The execution results are as follows.

「Project for Strengthening Domestic Bank Lending to SMEs」 :  
In 2024, the outstanding balance of loans to small and medium-sized enterprises increased by NT\$1.8 billion.

「New SME loan accounts and contracted volume」 :  
In 2024, the number of accounts increased by 396 accounts, and contracted volume increased by NT\$15.8 billion

4. 2024 SME Loans of the Bank

Product Type	Service Recipient	Product Content	Number of cases	Balance (NT\$ millions)
Loan	SMEs (including those considered SMEs)	To assist small and medium-sized enterprises (SMEs) (defined by the Ministry of Economic Affairs' Standards for Identifying Small and Medium-sized Enterprises, including small-scale businesses that meet the requirements of Article 5 of the Business Registration Act and are guaranteed by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan) in successfully obtaining funds for their operational turnover or capital financing.	17,909	149,805
Green loan	SME - green credit loans (including loans for green-related Industries)	To assist SMEs in engaging in green transformation development, developing green technologies, and increasing the installation, operation, and expansion of green energy usage, financing loans are provided.	2,228	11,497
Loan	Small and micro-enterprise	To assist small and micro-enterprises in successfully obtaining loan funds, resources from the Credit Guarantee Fund are combined to provide revolving financing loan programs.	6,079	9,186

Note1: Small and micro-enterprises are included within the SME category.  
Note2: At the end of 2014, the balance of loans to small and medium-sized enterprises was RMB149.8 billion, accounting for 88.53% of the total balance of loans to corporate banks of RMB169.2 billion.

5.4.6 Implementation of Credit Forgiveness Program

To mitigate the public’s short-term financial difficulties caused by the pandemic, disasters, or emergencies, the Bank provides essential financial support through relief programs. We adopt a lenient approach to help customers resolve payment challenges and stabilize their basic living conditions. In addition to continuously processing customer-initiated relief applications, we actively support various government relief loan programs. For example, during the pandemic and the 2024 Hualien earthquake, we approved debt extensions for a total of 8,258 accounts amounting to NT\$7.8419 billion. We also facilitated debt negotiations and repayment arrangements for 714 accounts totaling NT\$3.4238 billion. Furthermore, individual cases were assessed for waivers of penalty fees and late interest charges to assist customers in overcoming financial hardships.

5.5 Diverse innovation

5.5.1 Digital financial service platform

With customer needs as the core design concept, we have established e-banking service platforms such as Personal Internet Banking, Corporate Internet Banking, Union Mobile Banking, and digital banking “New New Bank” 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 2024, approximately 1,279,017 people had applied for our e-banking services, approximately 26,909 people for corporate e-banking, and approximately 838,998 for the digital “New New Bank” account.

5.5.2 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	2024
1,180,581	1,220,652	1,457,421	1,583,287

5.5.3 Promotion of Mobile Payment

Mobile payment load and the amount of debit are continuing to develop positively. In addition, the Bank remains one of the few banks in the market that can load all NFC sensing payment and scan mobile payment, which makes the Bank in the mobile payment promotion and use of a leading position. Statistics by the end of 2024 show that the number of loaded inductive mobile payments has reached 790,000, an increase of 5% compared to the previous year. In 2024, the amount of sign-up payments (including inductive and scanning-code mobile payments) reached NT\$39.9 billion, up 12.4% from the previous year. The Bank has a leading position and excellent experience in both the introduction and use of mobile payments.

5.5.4 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 24/7 online trading. UBOT also provides 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 optimizes 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. UBOT also sells “Elite Insurance” and “Baby Insurance” to meet the insurance needs of the younger generation.

5.6 Protection of Customer Rights and Interests

5.6.1 Customer Data Confidentiality | Strict Compliance with the Personal Data Protection Act and Other Relevant Regulations

1 Personal data protection policy and standards

- (1) Legal compliance

Strict compliance with the Personal Data Protection Act, the “Regulations Governing Security and Maintenance of Personal Data Files of Non-government Agencies,” and “Confidentiality of Customer Data by the Banking Industry” to fulfill the responsibility of maintaining the customer data confidentiality.
- (2) Internal regulations

The following regulations were formulated to ensure the safety and proper management of all personal data at the Bank: precautions for personal data protection, personal data file security maintenance plan and a 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.
- (3) Collection, processing, 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 the customer is proactively informed. In the collection, processing, and use of customers’ personal data, except as otherwise stipulated by law, prior consent from the customer is always obtained. To respect customers’ autonomy over their personal data, the Bank will only use their personal information for cross-marketing among different business units after obtaining their consent. If customers do not agree to this use, they may request the Bank to add a notation to refuse the cross-use of their data. The Bank will then manage the data through its system accordingly.
- (4) Management of personal data outsourcing

When the Bank’s suppliers or outsourced service providers are entrusted by the Bank to collect, process, and utilize customers’ personal data, the Bank will exercise appropriate supervision over them. Furthermore, the entrustment contract or related documents will explicitly stipulate and confirm that they have implemented appropriate security maintenance measures. As of the end of 2024, a total of 37 vendors entrusted by the Bank to collect, process, and use customers’ personal data have all disclosed the relevant information on the official website.
- (5) Confidentiality obligations of Bank employees

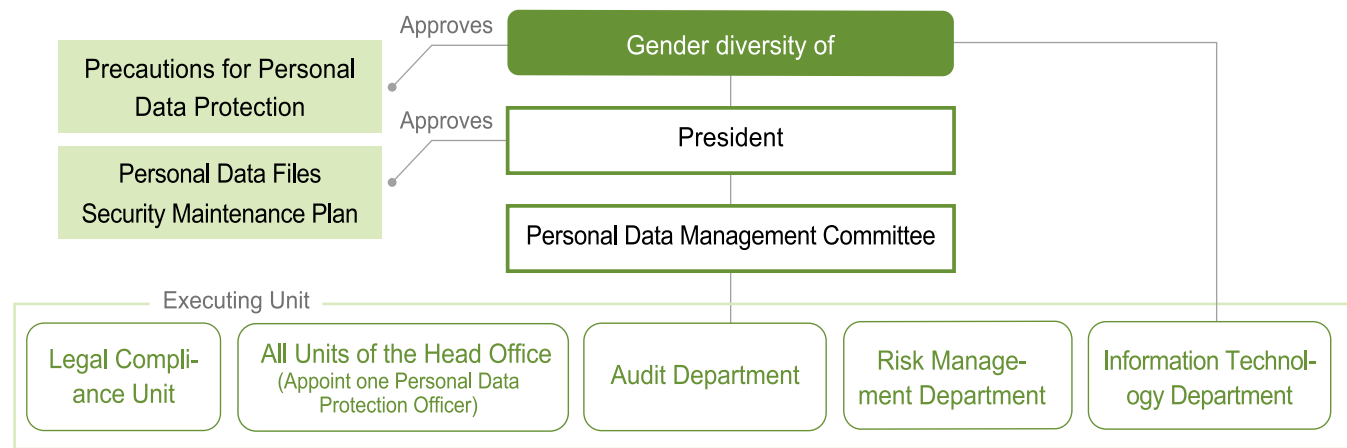
Employees of the Bank are required to sign a confidentiality agreement upon commencement of their employment. In the event of a breach of confidentiality obligations, the Bank may terminate the employment (or appointment) relationship. Additionally, such employees shall be liable for damages and bear criminal responsibility for the disclosure of confidential information.



2 Personal data management system

(1) Personal data management framework

In accordance with the Bank’s precautions for personal data protection, a Personal Data Management Committee has been established as the organizational body responsible for managing personal data protection. This committee regularly reviews matters related to personal data protection. Furthermore, the legal compliance units, various units of the head office, the Information Technology Department, the Audit Department, and the Risk Management Department serve as the executing units for personal data protection affairs. The organizational chart is as follows:



(2) Personal Data Files Security Maintenance Plan

A personal data file security maintenance plan has been established to comprehensively regulate the organizational structure and responsibilities of units executing personal data file security maintenance, the management of personal data, self-assessment, security audit mechanisms, communication of laws and regulations and educational promotion, preventive and response measures, methods for handling personal data after the termination of business operations, and the exercise of the rights of the parties involved.

(3) Personal data inventory and risk assessment

The risk management of customer personal data is conducted based on a risk-based approach. Each year, in accordance with the regulations set by the competent authorities, an inventory of retained personal data files is conducted, and a file inventory is established. The potential personal data risks arising from business activities involving personal data are also assessed. Furthermore, an annual self-assessment of personal data security protection is regularly performed, and the assessment results are incorporated into the internal control self-check report. Based on the aforementioned risk assessment and self-assessment results, the appropriateness of various personal data management measures and regulations can be reviewed to establish or revise relevant internal regulations, thereby reducing the risk of personal data leakage and the resulting damages.

(4) Personal data security notification and contingency measures

To mitigate the potential impact of personal data security incidents on customers and company operations in the future, “Personal Data Security Incident Contingency Measures” have been established to create a notification and response mechanism in the event of an incident. At least one personal data accident drill is conducted annually to verify the feasibility of the notification and response mechanism, and the implementation results are reported to the Personal Data Management Committee.

(5) Enhance staff awareness and ability of personal data protection

In addition to establishing a “Personal Data Protection Act and Confidentiality Education Zone” within the internal system, the regulations related to personal data protection have also been incorporated into the teaching scope of the Bank-wide legal compliance education and training. In 2024, a total of 8,134 participants attended the training sessions.

(6) Internal and external audits of personal data protection

In addition to the audit team incorporating the status of personal data protection operations into internal audit items during business inspections of various units, the Bank also commissions CPAs annually to conduct a special audit on personal data protection for the previous year. Through both internal and external audits, the Bank strengthens compliance with and implementation of relevant personal data protection regulations.

3 Implementation of personal data protection

(1) Personal data protection designated as a key area of regulatory compliance

Based on the requirements of the competent authorities to strengthen the security management of personal data files in the financial industry, the management of personal data file security is listed 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.

(2) Disclosure of personal data protection information

The purposes for the collection, processing, and use of customer data, the retention period, and the exercise of related rights are all stated in the “UBOT Notice on the Collection, Processing, and Use of Customer Personal Data” and its appendices, which are included in the communication documents for customers. The Bank will also disclose the statement on customer data confidentiality measures on the homepage of the Bank’s official website (URL: [https://www.ubot.com.tw/data\\_confidentiality](https://www.ubot.com.tw/data_confidentiality)).

(3) Personal Data Security Incidents and Customer Complaints Involving Personal Data Protection

In 2024, the Bank experienced zero incidents of information leakage. The proportion of information leakage incidents related to personal data was 0%. The number of customers affected by the aforementioned information leakage incidents was zero. Although there was one incident in which a business unit within the Bank lost an internal document containing the personal information of two customers, the Bank handled the matter with due diligence in accordance with the Bank’s personal data security incident reporting and response measures. After investigation, there was no evidence indicating that the aforementioned document had been leaked, nor was there any impact on the customers’ rights. The Bank has obtained the understanding of the parties involved regarding this incident. To prevent similar incidents from occurring in the future, the Bank has improved operational procedures as well as strengthened awareness promotion and staff training. In 2024, there were a few isolated customer complaint cases involving personal data protection. Upon investigation, no evidence was found of any customer privacy or personal data breaches. Nevertheless, the Bank will continue to require responsible units to strictly supervise staff to ensure compliance with relevant procedures.

#### (4) Secondary Use of Personal Data

According to the proviso of Paragraph 1, Article 20 of the Personal Data Protection Act and the regulations of the competent authority's "Guidelines on Data Sharing among Financial Institutions," after obtaining customer consent, the personal data of customers is provided to three designated cooperative partners for the purpose of jointly conducting telephone marketing. The data is used twice, with the number of records provided in 2024 accounting for approximately 12.8%, 10.94%, and 0.23% respectively of the total customer base.

### 5.6.2 Consumer Rights Protection | Compliance with the Financial Consumer Protection Act

#### 1 Implement financial consumer protection

- (1) Emphasize strengthening financial consumer protection measures by incorporating financial consumer protection into monitoring priorities. This includes customer identification, suitability assessment, a culture of financial friendliness and inclusive finance measures, fair treatment of customers, rights of elderly clients, personal data protection, and internal control measures to prevent financial advisors from misappropriating customer funds.
- (2) The Legal Compliance Section conducts educational training and business audits. On-the-job online training in legal compliance teaches common deficiencies in financial consumer protection and emphasizes areas requiring improvement. Inspections during compliance self-assessments and spot inspections are also strengthened to ensure adherence to relevant laws and regulations.
- (3) Prior to entering into a contract with customers regarding financial products or services, in addition to thoroughly understanding customer information to ensure the suitability of products or services for them, all important terms of the contract shall be fully explained to customers, and the associated risks disclosed. Customers shall also be given a reasonable review period to ensure they have fully understood the agreed terms of the contract. After the transaction, account statements are sent to customers for their verification.
- (4) For 2024, based on the handling of customer complaint cases and review incidents, clearly define the assessment criteria and increase the points deducted to encourage business units to comply with relevant regulations, thereby protecting the rights and interests of financial consumers.

#### 2 Review and revision of adhesion contracts

- (1) The adhesion contracts for each business 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 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.
- (2) An internal consumer protection self-assessment form is established for each business to conduct self-examination in revision of adhesion contracts and design and marketing of new types of business, incorporating the self-assessment check items for legal compliance of relevant business units.
- (3) In 2024, the Bank reviewed the appropriateness of adhesion contracts and advertising language. If terms such as "lifetime" or "permanent" were used, sufficient performance capability and comprehensive safeguards were required to be in place. The review found no deficiencies.

- (4) A comprehensive review was conducted to assess whether business operators collaborating with the Bank in prepaid transactions and deferred delivery products have provided sufficient performance guarantees. For such business activities, the Bank also verified whether relevant consumer rights information was properly disclosed in accordance with regulations. Following the review, it was confirmed that the Bank currently does not engage in such business activities. Any future involvement will be handled in compliance with applicable regulations.

#### 5.6.3 Follow the principle of fair hospitality

- 1 The Bank has established a corporate culture with "fair hospitality" at its core. A Fair Hospitality Management Committee 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 General Manager as the convener. Independent directors are invited to attend regular meetings to provide guidance, and meeting materials, key discussion points, and resolutions are reported to the Board of Directors. 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. These are reviewed and revised regularly to ensure that the Bank treats customers fairly in the rendering of financial products or services. 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 2024, the Fair Hospitality Management Committee convened four times.
- 2 To continue to deepen the emphasis and understanding of the fair hospitality principle, in addition to the ongoing fair hospitality education and training courses for directors, senior management, and general staff, a series of online and offline fair hospitality courses were successively launched in 2024. A total of 12,519 participants attended for a total of 39,201 training hours. The course content covered analysis of the Financial Consumer Protection Act, the Convention on the Rights of Persons with Disabilities (CRPD), protection of the rights and interests of elderly policyholders, corporate integrity risk management and the responsible mapping system, collaborative fraud prevention to safeguard public property, and case studies on customer complaints or disputes. Through educational promotion, the awareness and professional knowledge of staff regarding legal compliance and fair and reasonable treatment of customers were enhanced. This ensures the implementation of fair and reasonable customer treatment in business operations, bringing customers a sense of the Bank's care and intentions for them, and enhancing customer confidence in the Bank.

#### 5.6.4 Fraud Prevention

- 1 To enhance financial-friendly services and prevent fraud and unauthorized withdrawals involving elderly customers, warning messages are displayed on the teller's transaction screen during counter transactions such as cash withdrawals, transfers, online banking applications, or account transfer authorizations. These alerts serve to remind staff to provide attentive service to customers at the counter, thereby helping to avoid incidents of fraud or unauthorized withdrawals.
- 2 The Bank has publicly joined the "Eagle Eye Fraud Detection Alliance," jointly established by competent authorities and industry peers. We regularly exchange information on fraud cases and anti-fraud methods with other industry members, and cooperate with competent authorities in conducting anti-fraud promotional activities to raise public awareness of fraud prevention. Internally, we have implemented an AI early warning model for transaction monitoring, incorporating common fraud patterns into the model. This system automatically interprets and provides alerts on irregular accounts, boosting fraud prevention efficacy.



A dedicated unit works alongside the AI model to conduct manual reviews and transaction controls on each irregular account, preventing continued transfer of suspicious funds through the Bank's accounts and achieving effective fraud deterrence. From the launch of the model in May 2024 until December 2024, the Bank's pre-control rate of alert accounts reached 60%, and the reduction rate of alert accounts reached 10%.

3 As the first line of defense against fraud, financial institutions implement attentive service at the counter to effectively prevent customers from suffering financial losses due to fraud. They regularly update their internal systems with successful and unsuccessful fraud prevention cases provided by the National Police Agency for reference by all business units. These cases are used as educational training materials and are announced at least once during weekly morning meetings. In addition to providing general financial services, frontline personnel frequently monitor, show concern for, and inquire about various irregular situations involving customers. When necessary, they contact local police officers to jointly assist the customers. Although this approach sometimes causes public dissatisfaction, the vigilance and dedicated management of the bank staff have prevented many individuals from becoming victims. According to statistics, in 2024, a total of 118 fraud cases were intercepted through the implementation of in-person counter care, amounting to NT\$112,384,388. Beyond in-person counter care, the Bank continuously enhances its information systems by utilizing AI technology to provide early warnings for irregular accounts and analyze patterns of fraudulent fund flows. These reports are provided to business units to assess account abnormalities and promptly block suspicious fund flows. The amount of funds blocked through information system pre-control of accounts reached NT\$9,650,000. In 2024, the Bank successfully intercepted fraud and prevented customers from financial losses totaling NT\$122,034,388. To encourage business units to strengthen customer care and implement attentive inquiry practices, the Bank recognizes individuals who have contributed to crime prevention and assisted in investigations by reporting cases to police and judicial authorities. In accordance with reward policies, the Bank submits recommendations for commendation and awards for personnel who have made significant contributions.

4 To further enhance the public's ability to recognize fraud, in 2023, the Financial Supervisory Commission encouraged entry level financial personnel to be vigilant in preventing fraud. The Bankers Association organized the "National Financial Institutions' 368 Townships Fraud Prevention Campaign," during which financial institutions, in collaboration with local police authorities, conducted fraud prevention awareness activities across townships and urban districts nationwide, achieving remarkable results. In 2024, the Bank voluntarily encouraged all business units to hold seminars within their jurisdictions to strengthen connections with local residents and enhance their fraud recognition capabilities, thereby deeply cultivating relationships with local resident customers. As of the end of 2024, a total of 138 awareness activities have been held. To encourage and increase the willingness of branches to organize seminars, the number of seminars held by branches are included as a bonus item in the assessment of deposit and remittance supervisors. It is also recommended to incorporate anti-fraud awareness topics into customer briefings on wealth management to broaden the target audience and increase promotion frequency. The effectiveness of seminars held by branches is also tracked on a quarterly basis.

5 To establish financial fraud prevention awareness among student groups of different ages, six sessions of the "Little Financier - Child Detective Financial Literacy Camp" were held in 2024 with a total of approximately 300 participants. The Bankers Association organized the "Fraud Prevention Vanguard: Avoiding Pitfalls for Young People" campaign, promoting anti-fraud education and advocacy at the National Taiwan University of Arts and Wenzao Ursuline University of Languages. The campaign lasted a total of 150 min-

utes and reached 404 participants. The Bank also collaborated with Chien Hsin University of Science and Technology on teaching plans for "Career Programs", and with Aletheia University on a lecture course on "Bank Management Practices", incorporating these into anti-fraud legal education. These two events totaled 480 minutes.

6 "OTP Text Evolution for Credit Card Transactions! " UBOT leads the industry by a wide margin as the first financial institution to implement anti-fraud measures for Chinese currency denominations. It independently developed a measure for credit card transactions involving OTP verification SMS, adding English currency codes alongside the corresponding Chinese currency names. As the sole financial institution to implement consumer notification SMS with added currency code Chinese localization for anti-fraud purposes, it reminds cardholders to verify the accuracy of transaction amounts and currency denominations. This initiative has been commended and encouraged by the Bankers Association, which also requested the Bank to share its approach. Subsequently, financial peers were required to follow the Bank's example and complete the implementation of this anti-fraud measure.

7 Breaking the Deadlock on Fraud Prevention! Enhanced Dual Authentication Protection for Online Credit Card Transactions

Further strengthening OTP identity verification for online credit card transactions, cardholders are required to complete an additional verification step during online transactions. In addition to the original "password verification" item, a new "webpage identifier" verification item has been added to the OTP verification screen. Cardholders must select a "webpage identifier" that matches the one received via SMS on the online payment page before entering the "verification password." Both verification items must be correctly completed to finalize the transaction. This process helps to confirm the legitimacy of the OTP input page, ensuring it is not a phishing website. In the event that 0.01% of cardholders have their credit card information fraudulently obtained, this enhanced identification mechanism can improve the security of online transactions.

8 "Mobile Payments Are Safer!" Credit Card Binding Two-Factor Authentication Anti-Fraud Mechanism

Significantly leading the industry, as the second financial institution to promote the enhancement of identity verification during the binding of credit cards to mobile devices, UBOT implemented in 2023 a policy requiring the applicant's mobile phone number to match the number originally registered with the Bank in order to complete the binding process for international pay services (Apple Pay, Google Pay, and Samsung Pay). In cases of discrepancy, the cardholder must contact customer service for identity verification before the binding and activation can be completed.

9 New Defense Line for Credit Cards! Improved Mobile Number Consistency Verification for Merchant App Binding

A credit card binding identity verification mechanism is promoted for high-risk merchant apps. When a cardholder binds a credit card to a merchant app using mobile phone number verification, the phone number provided to the merchant will be compared with the phone number on record for the cardholder. Only if the phone numbers match will the verification be completed and subsequent transactions allowed, thereby strengthening the Bank's online transaction security measures for cardholders.

10 Breaking Through Traditional OTP! In collaboration with the National Credit Card Center of R.O.C., the Bank has taken the lead in the financial industry by adopting the "FIDO authentication for the National Credit Card Center's ACS platform", leaving no openings for fraud



In addition to verifying cardholder identity through OTP SMS authentication, to prevent fraud involving the theft of customer credit card information and OTP verification passwords via card transaction web pages, and to enhance credit card transaction security, continuous development and optimization of online transaction and credit card binding verification methods have been undertaken. Furthermore, FIDO authentication methods have been added, allowing cardholders to use the UBOT app to complete multi-factor authentication for credit card transactions through biometric recognition methods such as fingerprint, facial, and voice recognition. This eliminates concerns about OTP password leakage leading to unauthorized transactions, incorrect SMS code entry, or failure to receive verification codes while shopping abroad. Furthermore, UBOT is the first institution on the Joint Credit Information platform to implement the “FIDO authentication for the National Credit Card Center’s ACS platform.” The mobile app provided by the Bank, upon completing customer identity verification, transmits a fixed identifier to the UnionPay center. After confirming that the cardholder is indeed the authorized user, the app authorizes online transactions. The cardholder verification mechanism employs security designs that comply with message confidentiality, integrity, and source authentication, thereby meeting the highest security level of identity verification standards set by the FIDO Alliance.

#### 11 “A Shortened Wait!” Intelligent Customer Service Assists Clients in Quickly Resolving Issues

To prevent customers from waiting on the service hotline for an extended period, when the hotline is busy, they can leave a message via voice or the official website’s message board. A dedicated staff member will respond and handle the inquiry as soon as possible. The introduction of text-based smart customer service (“Smart Helper”) assists in diverting call volume, reducing wait times, and increasing service efficiency. Compared to the same period last year, the average daily total number of phone calls during the testing period decreased effectively by 7.3%, and service quality improved by 10%. A new response method for cardholders encountering fraud was also added to the text-based smart customer service (“Smart Helper”). If cardholders encounter fraud, they can quickly inquire about the handling procedures.

#### 12 “Always Stay Informed About Card Security”! The flexible credit card control feature has received unanimous praise from cardholders.

To enhance card security and ensure that consumers can enjoy transaction safety alongside convenience, the UBOT mobile banking app offers UBOT card management services. Cardholders can easily enable or disable specific credit card transaction functions with a single tap, based on their actual credit card usage. The management categories include physical cards, non-physical cards, and mobile payments, and are further divided into domestic and international transactions.

#### 13 A New, Secure Card Choice! Setting an Individual Transaction Limit to Prevent Fraud

Control over credit card transactions was strengthened by adding a “set domestic and international individual transaction limit” feature in the mobile banking app, allowing cardholders to use credit card transaction functions according to their own needs, thereby adding an additional security barrier to protect cardholders against phishing fraud.

The measures mentioned in the previous and current items have received public feedback expressing that “the design is excellent and can prevent unauthorized transactions, making it worth promoting.” Among the series of anti-fraud measures implemented by various financial institutions, these are the only ones that have been officially encouraged and promoted by the Banking Bureau of the FSC to all financial institutions.

#### 14 “Anti-Fraud Awareness Campaign Upgraded Again!” Anti-Fraud Alerts Strengthened on Credit Card Websites—Don’t Let Scams Succeed

- (1) On the official website for credit cards, a prominent pop-up message is displayed to clearly convey that the OTP verification code in SMS messages is important information for the authentication of cardholder identity. Its importance and confidentiality are equivalent to the PIN of a debit card, and it should be properly safeguarded and not provided to third parties or entered into unknown SMS messages or web advertisements containing links. This measure aims to help increase cardholders’ awareness of fraud prevention.
- (2) A reminder is posted at the bottom of the credit card homepage, advising cardholders not to enter their credit card information or SMS verification codes on unknown websites or emails, thereby preventing fraud and increasing cardholders’ awareness of fraud prevention.
- (3) In credit card statements, it is regularly emphasized that credit card information and OTP SMS verification passwords are crucial authentication details for cardholders’ identities and are as important as debit card PINs. Cardholders should properly safeguard these details, refrain from providing them to others, and avoid entering them on unknown SMS messages or web links. Additionally, attention should be paid to the purpose, currency, and amount stated in SMS messages to prevent fraud. UBOT thus provides timely reminders through these statements.

## 5.7 Enhance Information Security

### 1 App information security detection

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

### 2 Strengthen the information security incident response mechanism and drills

To improve the stability and security of the Bank’s information services, we have introduced the CDN (Content Delivery Network) monitoring incident response mechanism, cooperated with CDN service providers to clean up traffic and took other countermeasures.

### 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.

5.8 Customer Relationship Management

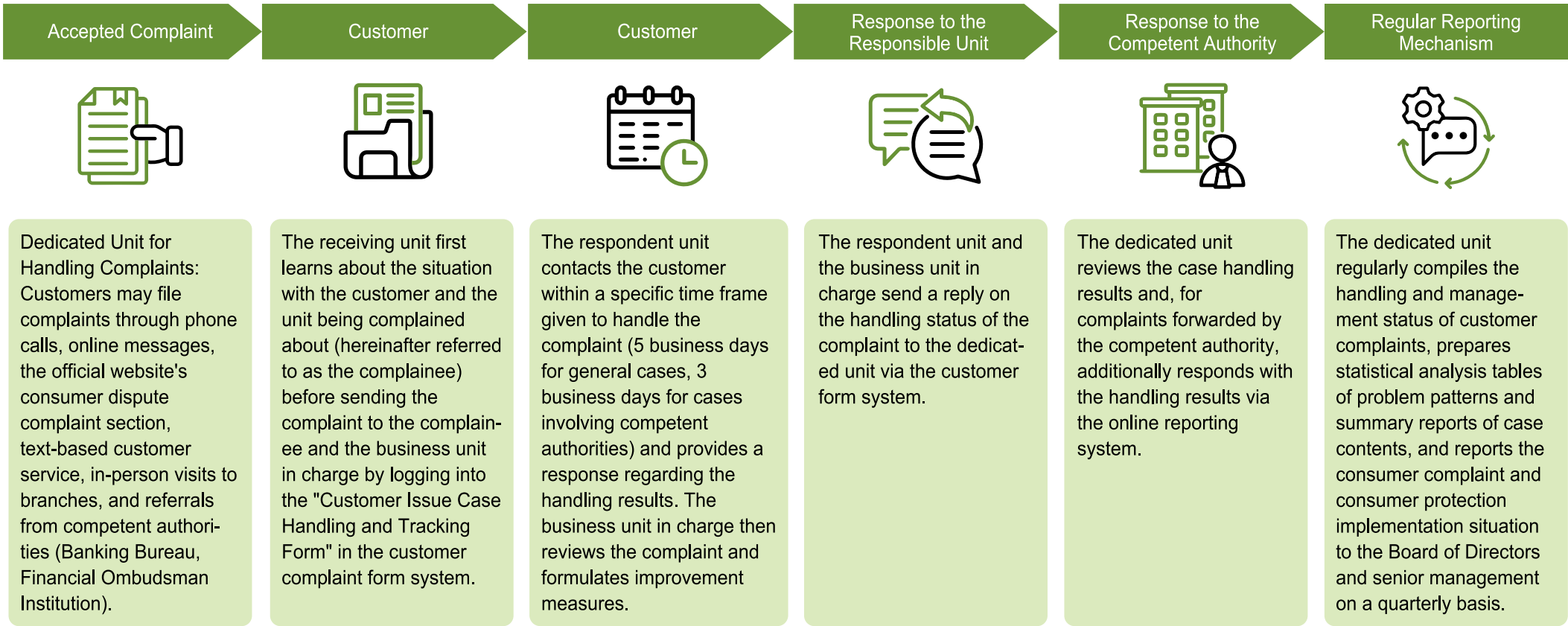
The Bank's customer service center accepts customer inquiries, handle complaints, and gives priority to protecting customer rights and interests, while complying with laws and regulations. In view of handling customer complaints, the Bank has formulated the "Consumer Dispute Handling System" and "Key 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.

5.8.1 Multiple Communication Channels

The Bank offers a consumer dispute complaint platform, email, message boards, a 24-hour service hotline, and online real-time text customer service year-round to resolve customer issues. A satisfaction survey is also conducted through the smart text-based customer service system, incorporating customer feedback into the system to better meet customer service needs. The Bank is continuing to improve service quality to protect customer rights and achieved a satisfaction rate of over 85% in 2024.

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.

5.8.2 Complaint Handling Process

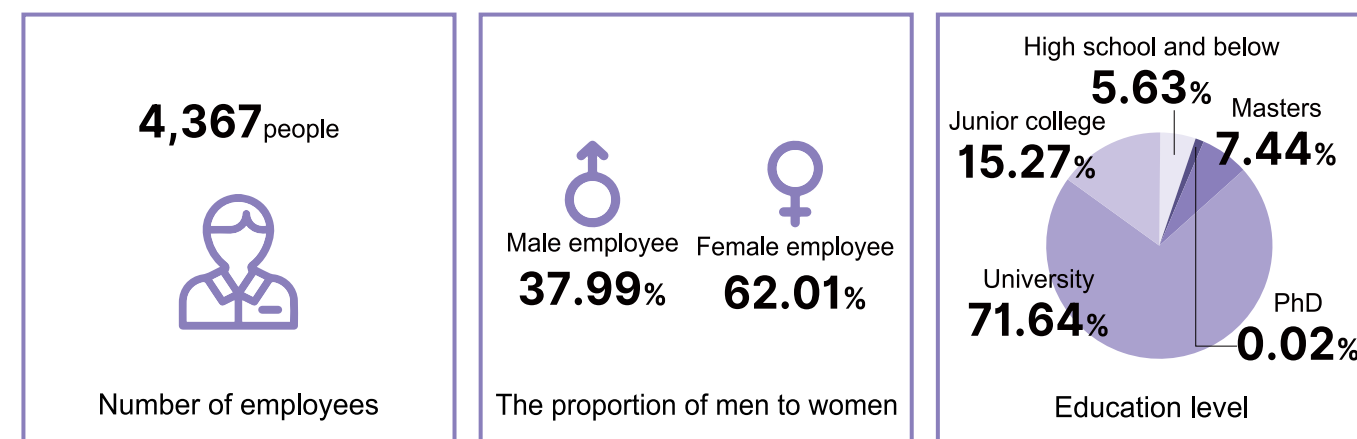


The Bank received a total of 363 complaints and problem cases in 2024, seeing a decrease of 19 cases compared to 382 cases in 2023. The majority of the complaints were related to consumer disputes, primarily due to credit card consumption disputes, with most disputes stemming from fraud and unauthorized transactions. The Bank has actively assisted in the dispute resolution process and implemented improvement measures that have successfully reduced the number of fraud-related disputes. Additionally, various communication channels such as IVR, the official website, billing statements, EDM, and SMS messages have been enhanced with warnings to remind cardholders to be vigilant against fraud. The official website features prominent pop-up messages promoting OTP verification SMS passwords as critical authentication information for cardholders. Furthermore, dedicated anti-fraud information sections have been added, including "Anti-Fraud Guidelines for Senior Citizens," "Common Fraud Tactics and Cases," and "Links to Further Information on Fraud Prevention Awareness," to strengthen customers' ability to recognize and prevent fraud.

# 6 Employee care

## 6.1 Employee Structure

As of the end of 2024, there were 4,367 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 62.01% were female and 37.99% were male. The relevant manpower structure is shown in the following tables:



Nationality		Number of trainees
Taiwan	Number of employees	4,366
	Percentage of total employees (%)	99.98%
	Number of supervisors	745
	Percentage of total supervisors (%)	99.87%
Vietnam	Number of employees	1
	Percentage of total employees (%)	0.02%
	Number of supervisors	1
	Percentage of total supervisors (%)	0.13%
Total		4,367

Region/Year		2024
Taiwan	Number of employees	4,363
	Percentage of total employees (%)	99.91%
	Percentage of supervisors among total managerial positions (%)	99.60%
overseas	Number of employees	4
	Percentage of total employees (%)	0.09%
	Percentage of supervisors among total managerial positions (%)	0.4%

### 6.1.1 Statistics on new employees, turnover and age in 2024

#### 1 Number of new employees

2024		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 trainees	124	46	15	182	95	10	472
	Percentage	26.27%	9.75%	3.18%	38.56%	20.12%	2.12%	100.00%
UBOT subsidiaries	Number of trainees	9	34	8	11	32	3	97
	Percentage	9.28%	35.05%	8.25%	11.34%	32.99%	3.09%	100.00%
Total		133	80	23	193	127	13	569

#### 2 Turnover

2024		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 trainees	72	74	25	128	131	26	456
	Percentage	15.79%	16.23%	5.48%	28.07%	28.73%	5.70%	100.00%
UBOT subsidiaries	Number of trainees	6	18	10	6	19	4	63
	Percentage	9.52%	28.57%	15.87%	9.52%	30.17%	6.35%	100.00%
Total		78	92	35	134	150	30	519

#### 3 Turnover rate

2024	Number of employees at the end of the year	Number of departures	Turnover rate	By Gender			
				Male	Percentage	Female	Percentage
UBOT	3,997	456	11.41	171	11.70%	285	11.24%
UBOT subsidiaries	370	63	17.03%	34	17.26%	29	16.76%

#### 4 Historical employee turnover rate

Category/Year	2021	2022	2023	2024
Number of employees at the end of the year	3,932	3,914	3,981	3,997
Employee turnover rate (%)	13.35	14.05	13.36	11.41
Voluntary turnover rate (%)	12.87	13.72	13.01	10.96



6.1.2 Structure of managerial and general staff in 2024

1 Analysis of managerial staff structure by gender and age

2024		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 trainees	0	69	247	0	124	235	675
	Percentage	0.00%	10.22%	36.59%	0.00%	18.37%	34.82%	100.00%
UBOT subsidiaries	Number of trainees	0	13	30	0	14	14	71
	Percentage	0.00%	18.31%	42.25%	0.00%	19.72%	19.72%	100.00%
Total		0	82	277	0	138	249	746

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

2024		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 trainees	364	612	170	669	1,275	232	3,322
	Percentage	10.96%	18.42%	5.12%	20.14%	38.38%	6.98%	100.00%
UBOT subsidiaries	Number of trainees	28	100	26	23	106	16	299
	Percentage	9.36%	33.44%	8.70%	7.69%	35.46%	5.35%	100.00%
Total		392	712	196	692	1,381	248	3,621

3 Number of employees

2024		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 trainees	364	681	417	669	1,399	467	3,997
	Percentage	9.11%	17.04%	10.43%	16.74%	35.00%	11.68%	100.00%
UBOT subsidiaries	Number of trainees	28	113	56	23	120	30	370
	Percentage	7.57%	30.54%	15.13%	6.22%	32.43%	8.11%	100.00%
Total		392	794	473	692	1,519	497	4,367

4 Distribution of female employees

Category	Percentage (%)	2030 target (%)
Percentage of women in the entire workforce	63	>50
Percentage of women in all management positions, including entry-level, mid-level, and senior roles	53	>45
Percentage of women in all entry-level management positions	58	>45
Percentage of women in top-level management positions	43	>45
Percentage of women holding management positions in revenue-generating departments relative to management positions of all departments	42	>50
Percentage of women in STEM-related (Science, Technology, Engineering, and Mathematics) positions	30	>50

5 Recruitment

Category/Year	2021	2022	2023	2024
Total number of newly hired employees	445	532	599	472
Internal vacancy fill rate (%)*	38.1	50.9	54.7	66.67
Average recruitment cost (Unit: NT\$ thousand)	763	3,263	3,798	4,090

\*Proportion of all publicly advertised job vacancies filled by internal employees

2024 filled internal vacancies	By Gender		By age		
	Male	Female	18 to 29 years old	30 to 49 years old	50 years old and above
Number of trainees	136	168	68	172	64

6.1.3 Number of non-employee workers

Year	Number of trainees
2023	223
2024	211

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

### 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 pension allocated by the Bank for 2024 was NT\$1,895,491,770.

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. On a monthly basis, 2.44% to 15% of the total salary of our employees under the old retirement system is contributed to their retirement fund. The net pension cost recognized by the Bank under the above pension plan for the year 2024 was NT\$59,380,798.

An actuarial company is appointed 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, the Bank estimates the amount of pension payable to workers who are eligible for retirement conditions in the next year, and if there is any difference, it will transfer the amount from the designated account to the account with the Bank of Taiwan.

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

To safeguard the rights and obligations of both workers and employees, and to improve UBOT’s operation and management system, UBOT has established a labor practice plan, with “Working Rules” that stipulate that employee salaries are determined based on job evaluation, market surveys, and job agreements. Furthermore, the remuneration for employees during regular working hours shall not be lower than the basic salary approved by the central competent authority. Adhering to the principle of equal pay for equal work, no discrimination or differential treatment shall be made on the grounds of gender, sexual orientation, race, class, age, marital status, language, ideology, religion, political affiliation, place of origin, place of birth, appearance, facial features, physical or mental disabilities, or previous union membership status. To prevent differential treatment or any form of discrimination, gender pay indicators are calculated regularly. A process has been established for employees to extend working hours to facilitate supervisors in managing employee work conditions. There are daily and monthly limits on extended working hours for employees, and prolonged working hours should be avoided. Employees who work extended hours may choose to receive overtime pay or apply for compensatory time off. Any unused compensatory time off hours at the end of the fiscal year or upon contract termination shall be fully compensated with salary. Employees who have continued working for a specified period are entitled to special paid leave. In addition to labor insurance and national health insurance, group insurance is provided for all employees, with the expenses borne by the Bank. An annual employee training plan is developed to facilitate talent cultivation. A “Labor-Management Meeting” composed of representatives from both labor and management was also established to engage in dialogue regarding working conditions and to discuss revisions to the work regulations. Members participating in the labor-management meetings 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.

### 3 Fair assessment and reward and punishment system

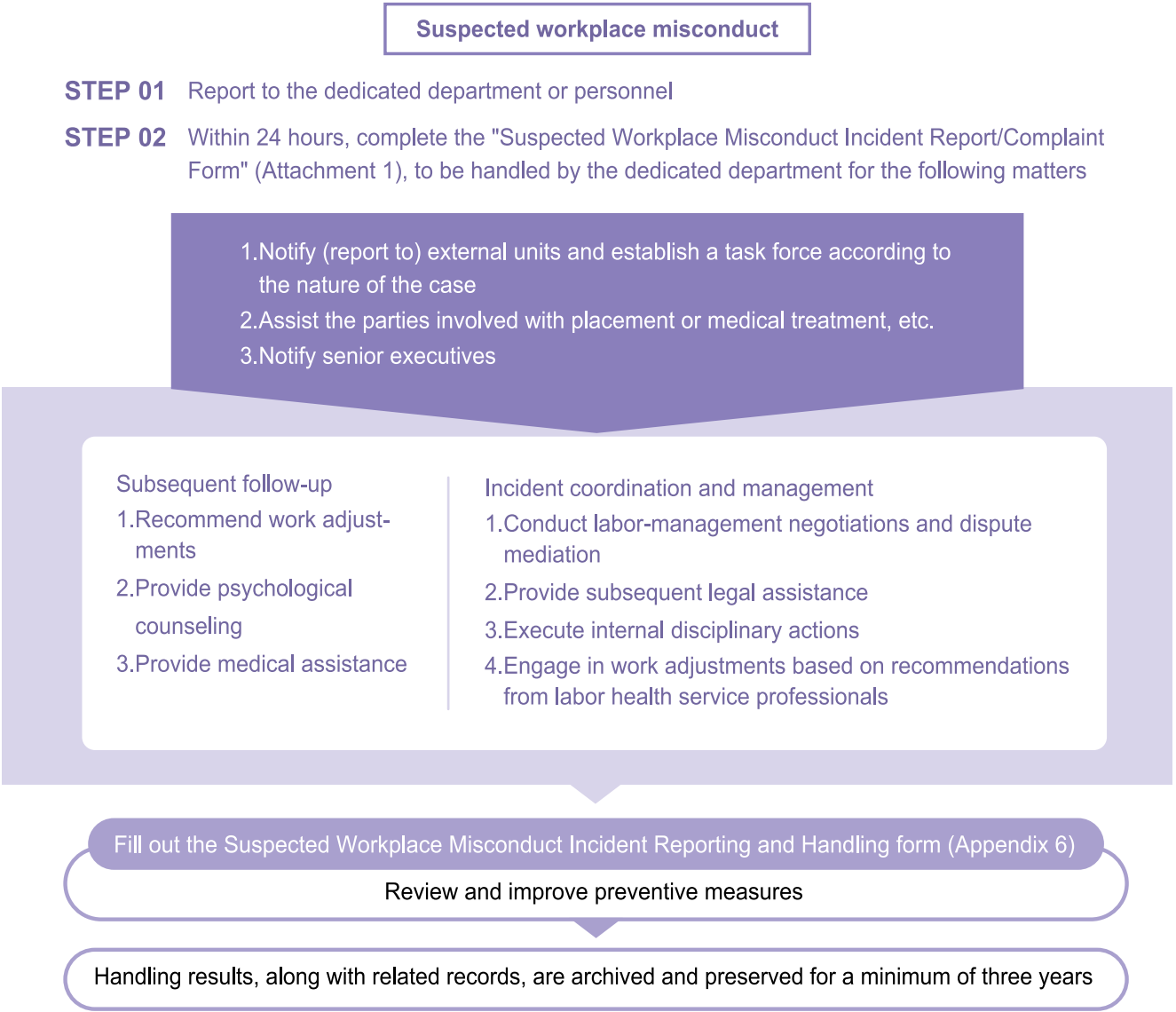
To treat employees fairly and protect the rights and interests of each employee, UBOT has formulated the “Employee Performance Appraisal Method” and “Employee Reward and punishment Case Handling Method” and other relevant rules to establish a fair evaluation and reward and punishment system and safeguard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

### 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. The “Unlawful Assault in the Performance of Duty Program” has also been established to provide employees with a channel to report physical, psychological, verbal violence, and sexual harassment in order to maintain a safe workplace environment. A written declaration publicly affirming the prevention of unlawful acts in the workplace is posted in all work locations. Supervisors of each unit are required to complete a “Self-Assessment of Unlawful Acts in the Workplace” annually to identify, through self-assessment, whether any behaviors constitute workplace misconduct.

Employees are encouraged to proactively report all incidents of attacks or threats. The Bank assists in tracking these incidents and ensures complete confidentiality of the rights and privacy of victims who file complaints or reports. Upon receiving a complaint, dedicated personnel are assigned to coordinate its handling. The dedicated personnel must commence the investigation within seven days of receiving the complaint or the transferred case and complete it within one month. If necessary, the investigation period may be extended by an additional month. The parties involved are provided with work adjustments, psychological counseling, and medical and legal assistance.





After the investigation is completed, the case is submitted to the Personnel Review Committee/Sexual Harassment Review Committee for deliberation and the implementation of relevant disciplinary actions. After the incident, a review is conducted focusing on a redesign of the work environment and position. If deficiencies are identified in hazard prevention or control measures, the implementation methods or priorities should be promptly adjusted to identify areas for improvement.

In 2024, a total of three complaints against unlawful acts were received. These cases were referred to the Personnel Review Committee, which issued warnings and reprimands as disciplinary actions.

(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 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 the protection of human rights in the workplace, health and safety in the workplace, support of the freedom of association, and protection of personal data and information security, so as to protect the basic human rights of all colleagues, customers and stakeholders.

A human rights due diligence process was established and appropriate measures were taken to mitigate the human rights impacts caused by business activities, thereby achieving sustainable talent development.





(3)A workplace diversity policy has been rolled out 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 2024, 63.4% of our employees and 53.1% of our managers were female. Of all employees at UBOT, 25.8% were under 30 years old; 52% were 30 to 49 years old; while 22.2% were 50 years old and above. On the other hand, in accordance with the People with Disabilities Rights Protection Act, UBOT also employed a total of 17 people with disabilities.

▼ Female-to-male salary ratio at different levels

Salary indicators	Salary ratio (female-to-male)
Salary of managerial staff	1.02:1
Remuneration of managerial staff	1.13:1
Salary of non-managerial staff	0.95:1
Remuneration of non-managerial staff	0.94:1

▼ Gender pay gap indicator

Salary indicators	Gender gap (%)
Difference in average salary	9.77%
Difference in median salary	7.89%
Difference in average bonus	11.60%
Difference in median bonus	11.32%

Note1: Salaries cover the period from January to December and include various allowances; bonuses encompass variable compensation such as perfect attendance bonuses, year-end bonuses, and performance bonuses; and remuneration is the sum of salaries and bonuses.

Note2: Gender wage gap = (male salary - female salary)/male salary; gender bonus gap = (male bonus - female bonus)/male bonus.

Year	2020	2021	2022	2023	2024
a) Total income	\$14,430,362	\$16,688,773	\$15,985,339	\$17,934,627	\$19,826,869
b) Total operating expenses	\$10,198,147	\$10,672,705	\$10,936,188	\$12,070,837	\$12,552,681
c) Total employee-related expenses (salaries and benefits)	\$3,965,882	\$4,301,694	\$4,298,695	\$4,682,035	\$5,220,579
Human capital ROI (a - (b-c)) / c	2.07	2.40	2.17	2.25	2.39



(4)Talent development is emphasized through the provision of comprehensive education and training as well as transparent promotion pathways, thereby fostering a harmonious workplace environment.

Given that 33% of our employees are middle-aged and senior staff, the Bank actively promotes workplace care measures friendly to this demographic. For example, a dedicated employee care task force has been established to regularly attend to the needs of middle-aged and senior employees. Annually, all such employees complete a musculo-skeletal questionnaire to address and improve poor posture. Blood pressure monitoring is conducted every six months for middle-aged and senior shift workers, accompanied by care consultations. Additionally, all lighting has been replaced with LED lights to reduce the incidence of cataracts and glare. The labor health inspection has been especially enhanced to include fundus photography and individual consultations with nurses for any abnormal findings during the health check. The Bank’s group insurance has been expanded to include coverage for employees’ immediate family members (including parents, spouses, and children), enhancing health protection and reducing medical expenses. To achieve harmonious collaboration across generations, in addition to organizing seminars for bridging generations, we have also cooperated with the Ministry of Labor’s Industry-Academia Collaboration Program by appointing middle-aged and senior colleagues as industry mentors. These mentors not only share their experience in business development and pass down knowledge, but also assist students in successfully securing future employment. We continue to promote friendly workplace care measures to create a work environment where the younger and older generations understand, appreciate, collaborate with, and include one another. We hope to plan more flexible management systems and job redesigns suitable for middle-aged and senior employees to increase employee cohesion and morale, thereby building a happy enterprise with sustainable talent, where employees can work in safety. The Bank has established a diverse and inclusive workplace that is friendly to all employees. In 2024, we were honored to receive the Taipei City Government’s Middle-aged and Elderly Friendly Enterprises certification.



## 6.3 Continuing Education and Training of Employees

### 6.3.1 Talent development

In response to financial environment changes, corporate business strategy, and employee needs, we have continued to strengthen employees' professional knowledge and skills. Annually, we regularly conduct various business lectures, seminars, professional training courses and send staff to participate in financial professional and enterprise operation and management training courses according to the Measures for Continuing Education and Training of Employees, Employee Development Plan, and Sustainable Development Best Practice Principles.



- In accordance with the relevant regulations of the competent authority, employees are encouraged to obtain designated financial-related certification. Pre-certification classes are conducted for employees to acquire the necessary qualifications for business development, thereby ensuring compliance with legal requirements.
- We have established 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. The online platform also features an employee message board area, enabling employees to leave anonymous messages and communicate freely.
- 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 with 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.
- A checklist for the internship assessment of newly recruited tellers has been designed, where senior employees will provide one-on-one guidance to new staff, offering clear directions to help them gradually understand operational procedures, facilitating workplace integration and bolstering professional skills. Employees share experiences during morning meetings, and regular district meetings and training sessions are held to share case studies and pass on expertise.
- To maintain a safe and healthy workplace, UBOT organized online and in-person education and training on topics such as physical and mental abuse at work, abnormal workload, human-related hazards, maternal health protection, and sexual harassment prevention.
- 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 95 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.



A friendly financial services plan was implemented where online education and training in financial friendliness for persons with disabilities was conducted annually. The curriculum covers financial friendliness and the rights of disadvantaged groups, including the Convention on the Rights of Persons with Disabilities (CRPD). In 2024, a total of 3,951 individuals completed the training, including all directors, responsible persons, and senior managers. The training participation rate among full-time employees reached 100%, enabling all staff to continuously enhance their service quality, prioritize customer rights, and provide barrier-free financial services, thereby fostering a friendly financial environment.

In response to the Green Finance Action Plan 3.0 and to progressively equip internal staff with the knowledge necessary to promote sustainable development, annual educational training on sustainable development is regularly conducted. In 2024, a total of 3,834 employees completed the “E-learning Course Series on Sustainable Finance”. Two sustainability-related courses were offered to directors and senior executives: “Impact Investment and SDGs Implementation” and “Alignment with IFRS Sustainability Disclosure Standards S1 and S2”, with 28 participants completing the training. Employees were encouraged to obtain the “Sustainable Development Basic Competency Test” certification, with a reward of NT\$1,300 provided. By the end of 2024, 456 employees had obtained the certification, representing a certification rate of 33% among senior executives.

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 the abilities of employees who have retired or terminated their employment relationship to continue their employment and plan their future career.

In summary, 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.



### Employee training and development course series

Target audience	Management associates	Middle management	New employees
Course	Advanced Training for Management Personnel	Lecture on Cross-Generation Communication and Leadership	New Employee Initial Training Program
Hours	168 hours	3 hours	256 hours
Number of trainees	23 participants	91 participants	188 participants

### Employee specialized course series

Category	Beginner class	Intermediate class	Digital learning
Target audience	Management personnel of each business unit	Personnel with certain level of seniority in each business unit	All personnel
Number of trainees	1,177 participants	327 participants	3,951 participants

### Average training hours among employees

Average education and training hours among employees in 2024		Male	Female	Total training hours	Average hours
Position	Management	72.78	87.78	54,425	80.75
	Non-management	67.53	67.24	223,698	67.34

### Number of employees trained and training expenses

Item	Internal training	External Training	Digital learning	Total
Number of trainees (person-times)	15,210	6,869	47,699	69,778
Training expense (Unit: NT\$ thousand)	9,600	5,377	569	15,546

### Statistics on employee education and training

2024					
Category	Nature	Classes	Total number of trainees	Total training hours	Average training hours per employee
Internal training	Specialized courses	236	50,805	192,867	3.80
	Initial training	7	363	2,834	7.81
	ESG	1	173	173	1.00
	Occupational safety and health	1	3,899	3,899	1.00
Subtotal		245	55,240	199,773	3.62
External Training	Specialized courses	465	10,360	60,901	5.88
	Corporate governance	7	62	186	3.00
	ESG	27	3,950	11,858	3.00
	Occupational safety and health	66	131	1,442	11.01
	Executive training	13	35	3,963	113.22
Subtotal		578	14,538	78,350	5.39
Total		823	69,778	278,123	3.99

### Professional certifications among employees

Categories of professional certifications	Quantity (number of certifications)
Financial expertise	23,169
Sustainable certification	456
Financial expertise	1,253
Language expertise	70
Total	24,948
Total number of employees	3,997
Average quantity held per person	6



Plan	Description	Effectiveness
Advanced Training for Management Personnel	<ol style="list-style-type: none"> <li>1 Diversity courses: Excellence development plan for new-generation managers, communication skills, corporate management and social responsibility, and talent management.</li> <li>2 Professional courses: report management, financial business project seminar, anti-money laundering case study.</li> <li>3 Sustainability-related courses: development of the green energy industry, carbon credit trading, and green electricity-related courses.</li> <li>4 Digital finance: evolution of Chat GPT and AI, applications and impacts of AI on the financial industry, iPASS data empowerment, and big data applications.</li> <li>5 Visits to various industries.</li> </ol>	<ol style="list-style-type: none"> <li>1 Gain a clearer understanding of the Bank's future development to enhance self-value and professional capabilities.</li> <li>2 In 2024, 23 individuals participated in and completed the training, among whom 5 were promoted to managerial positions.</li> </ol>
Safe and Healthy Workplace	<p>We formulated a safety and health code of practice and occupational safety and health management regulations to continue to improve the safety and health conditions of our work environment, and strive to reduce the risk of occupational hazards in order to protect the physical and mental health of employees.</p>	<ol style="list-style-type: none"> <li>1 UBOT held 26 sessions of on-site health consultation services provided by professional doctors.</li> <li>2 Health advocacy toward the staff is implemented every month and care is shown for the staff's physical health through a Bank-wide "investigation of musculoskeletal symptoms". In 2024, a total of 4,352 surveys were completed.</li> <li>3 UBOT organized online and in-person education and training on topics such as physical and mental abuse at work, abnormal workload, human-related hazards, maternal health protection, and sexual harassment prevention. In 2024, a total of 4,271 people completed the courses.</li> <li>4 A total of 46 health promotion seminars were conducted.</li> </ol>
Sustainable development training plan	<ol style="list-style-type: none"> <li>1 In accordance with the Bank's Sustainable Development Best Practice Principles, regular education and training sessions are conducted to promote sustainable development, enabling internal staff to gradually acquire the knowledge necessary for advancing sustainable development.</li> <li>2 Employees are encouraged to obtain the "Sustainable Development Basic Competency Test" certification, with a reward of NT\$1,300.</li> </ol>	<ol style="list-style-type: none"> <li>1 A total of 3,834 employees completed the 2024 "E-learning Course Series on Sustainable Finance."</li> <li>2 Two sustainability-related courses were conducted for directors and senior executives: "Impact Investment and SDGs Implementation" and "Alignment with IFRS Sustainability Disclosure Standards S1 and S2," with a total of 28 participants completing the training.</li> <li>3 In 2024, a total of 456 employees obtained the "Sustainable Development Basic Competency Test" certification.</li> </ol>

Plan	Description	Effectiveness
Friendly financial service plan	<p>According to the "Banking Industry Financial Friendly Service Guidelines," directors, responsible persons, senior managers, and general staff are required to undergo a certain number of hours of training annually in financial friendliness and CRPD-related courses. This training aims to ensure that employees understand how to provide appropriate friendly service measures, enabling all customers to feel warmly welcomed and valued.</p>	<p>Online education and training in financial friendliness for persons with disabilities was completed by a total of 3,951 participants, including all directors, responsible persons, and senior managers. This initiative ensures that all employees continuously enhance their commitment to service quality and prioritize customer rights.</p>
Digital learning plan	<p>With the advancement of internet technology and equipment, some physical courses have gradually shifted online. An education and training section has been established, and online video conferencing software is also used for meetings and announcements. This reduces the commuting burden on employees and contributes to energy conservation and carbon reduction.</p>	<ol style="list-style-type: none"> <li>1 In 2024, 91 courses were launched in the education training section, with a total of 47,699 learning enrollments.</li> <li>2 Monthly financial management training sessions and four weekly morning meetings are conducted using video conferencing software.</li> </ol>
Industry-academia collaboration plan	<ol style="list-style-type: none"> <li>1. To achieve sustainable talent development, we have established industry-academia collaborations with more than 30 universities and colleges, arranging internships to provide students with workplace experience in preparation for future talent retention.</li> <li>2. UBOT plans 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.</li> </ol>	<ol style="list-style-type: none"> <li>1. In 2024, there were 298 submissions for industry-academia collaboration, with an actual enrollment of 85 individuals, resulting in a retention rate of nearly 50%.</li> <li>2. The employment program promoted by the Ministry of Labor involved a total of 18 students participating in this program.</li> </ol>

6.4 Employee Salaries and Benefits and Employee Care

6.4.1 Compensation and Benefits System

A sound system of compensation, bonus, and benefits has been established, and it 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.

Fair treatment of employees and protection of the rights and interests of every colleague are ensured through the establishment of the “Employee Performance Appraisal Method.” At the end of each year, supervisors at all levels assess employee performance based on various financial and non-financial indicators to determine performance evaluations. Through employee self-assessments and performance interviews conducted by supervisors, two-way communication is implemented. The performance evaluations serve as the basis for promotions, salary adjustments, and the allocation of performance bonuses. Sales personnel are evaluated monthly or quarterly based on performance and non-financial indicators according to the methods established for each business category, such as the “Measures for Evaluation of Wealth Management Department Personnel” and the “Measures for Consumer Finance Customer Service Specialist Appointment, Promotion, and Evaluation,” and are awarded performance bonuses accordingly. Other personnel receive performance bonuses annually if there is a profit in the annual financial statement. The Board of Directors considers the business performance throughout the year and approves unit performance bonuses according to the bonus methods established for each category, such as the “Measures for Performance Evaluation of Business Units” and the “Head Office Management Unit Assessment and Evaluation Guidelines.” Supervisors then adjust and allocate bonuses based on individual performance. Additionally, the “Employee Reward and Punishment Case Handling Method” was established to convene meetings at any time for the review of reward and punishment cases. Based on the circumstances of the rewards and punishments, bonuses are adjusted and performance evaluation ratings are restricted accordingly. This is to establish a fair assessment and reward and punishment system, safeguarding employee rights and overall discipline.

▼ Performance evaluation system

Evaluation method	Description
Management by objectives	At the end of each year, supervisors at all levels assess employee performance based on various financial and non-financial indicators to determine performance evaluations. The performance evaluations serve as the basis for promotions, salary adjustments, and the allocation of performance bonuses.
Multidimensional performance evaluation	Through employee self-assessments and performance interviews conducted by supervisors, two-way communication is implemented. Sales personnel are evaluated monthly or quarterly based on performance and non-financial indicators according to the methods established for each business category, such as the “Measures for Evaluation of Wealth Management Department Personnel” and the “Measures for Consumer Finance Customer Service Specialist Appointment, Promotion, and Evaluation.”
Team performance evaluation	Other personnel receive performance bonuses annually if there is a profit in the annual financial statement. The Board of Directors considers the business performance throughout the year and approves unit performance bonuses according to the bonus methods established for each category, such as the “Measures for Performance Evaluation of Business Units” and the “Head Office Management Unit Assessment and Evaluation Guidelines.” Supervisors then adjust and allocate bonuses based on individual performance.
Agile conversations	Through employee self-assessments and performance interviews conducted by supervisors, two-way communication is implemented. Additionally, the “Employee Reward and Punishment Case Handling Method” was established to convene meetings at any time for the review of reward and punishment cases. Based on the circumstances of the rewards and punishments, bonuses are adjusted, and performance evaluation ratings are restricted accordingly.

To enhance employee cohesion and encourage employee retention, long-term incentive measures have been implemented to achieve sustainable development goals:

- 1 A staff shareholding trust was established that is open to participation from employees who have served for more than one year. Each month, the Bank deducts a fixed amount from the employees’ salaries on their behalf, and further allocates a corresponding amount from public funds as an incentive to purchase the Bank’s stock. This aims to achieve long-term savings, wealth accumulation, and the assurance of a stable future life. By the end of 2024, 72.6% of employees were members.
- 2 Based on the profit situation of the previous year, employee remuneration shares are allocated and issued to employees who have been employed for more than two years. In 2024, 92.1% of employees received these shares.
- 3 For employees who have completed 20 and 30 years of service, a commemorative watch and an exquisite crystal trophy are awarded, and these employees are individually recognized at the Head Office’s year-end party. In 2024, 3.7% of employees received these awards.

6.4.2 Family-friendly Workplace Environment

In order to promote family care and welfare and comply with the Labor Standards Act, we not only create a suitable working environment and related conditions, but also implement 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 2024, UBOT received a total of 156 applications for unpaid parental leave to look after children under three years old.

▼ Unpaid parental leave among employees

Year Item	2023			2024		
	Male	Female	Total	Male	Female	Total
Number of employees eligible to apply for unpaid parental leave	66	222	288	54	172	226
Number of employees who actually applied for unpaid parental leave	6	52	58	7	51	58
Number of employees expected to be reinstated	3	48	51	7	54	61
Number of employees actually reinstated	2	42	44	5	41	46
Reinstatement rate	67%	88%	86%	71%	76%	75%
Number of employees still employed one year after reinstatement	2	37	39	5	41	46
Incumbency rate one year after reinstatement	100%	88%	89%	100%	100%	100%

### 6-4-3 Employee Health Care

#### 1 Prevention of unlawful acts in the workplace and protective measures

We are committed to creating a safe and harmonious work environment, actively preventing unlawful acts both inside and outside the workplace, strengthening protective mechanisms for employee safety, and implementing relevant education and training to enhance employees' self-protection awareness and response capabilities.

- Senior management commitment: Signed by senior management, the written declaration on the prevention of unlawful acts in the workplace demonstrates the Bank's firm commitment to safeguarding employee safety and dignity.
- Education and training: In 2024, a total of 17 in-person courses and 1 online course on the prevention of unlawful acts were conducted, with a total of 4,544 participants completing the training. This initiative comprehensively enhanced employees' awareness and response capabilities regarding unlawful acts.
- Establishment of a safe working environment: Multiple measures are implemented, such as creating a safe workplace, appropriately allocating manpower, providing stress relief information, and offering free psychological counseling to reduce the risk of unlawful harm and increase the sense of safety in the workplace.
- Unlawful acts complaint and investigation mechanism: The "Unlawful Acts Reporting and Complaints Investigation Team" was established to handle employee complaint cases and provide immediate psychological counseling and legal assistance to ensure that complainants receive the necessary support and protection.

#### 2 Maternal employee health protection program

Upholding a commitment to employee welfare, we continue to promote the maternal employee health protection program, providing comprehensive health assessments and support for female employees during pregnancy and postpartum return to work.

- Health risk assessment: Female employees who are pregnant or postpartum within one year, along with their supervisors, are required to jointly complete the "Workplace Hazard Assessment and Maternal Health Protection Measures Form" and the "Health Self-Assessment Form for Workers Who Are Pregnant or Postpartum Within One Year." This is to ensure that the content of their work does not adversely affect the health of maternal employees.
- Professional medical support: In 2024, a total of 72 female employees participated in this program, completing risk assessments and confirmations. Individual health education and maternity subsidy benefits were provided as resources to further enhance care for maternal employees.
- Breastfeeding and childcare support: The entire Bank has established 12 breastfeeding rooms and signed cooperation agreements with 13 nurseries and kindergartens to support employees in balancing work and family needs. Among these, 4 breastfeeding rooms have received the highest Superior Breastfeeding Room certification, and 1 has received the Excellent certification.

### 3 Human-related hazard prevention and health promotion

Focusing on employees' workload and occupational health risks, we actively promote the "Human-related Hazard Prevention Program." Through risk assessment, health management, and educational training, the program aims to reduce musculoskeletal symptoms and other work-related health issues.

- Risk investigation and improvement: In 2024, a total of 4,352 investigations of musculoskeletal symptoms were conducted, and individual health guidance and improvement recommendations were provided to 18 employees identified as having health risks.
- Professional medical support: In 2024, 26 on-site professional physician health consultation sessions were conducted, with a total of 1,402 employees participating. This initiative enhanced employees' health awareness and included follow-up and care provided by medical personnel.

#### 4 Safe and healthy workplace

In accordance with occupational safety and health regulations, we formulated a safety and health code of practice and occupational safety and health management regulations to establish a safe and healthy work environment and strive to reduce the risk of occupational hazards in order to protect the physical and mental health of employees.

- Health monitoring and care: A "caring for blood pressure month" was held every six months, with a total of 567 participants in 2024. This initiative assists employees in understanding their health status and provides recommendations for health improvement.
- Mental health and stress management: UBOT organized online and in-person education and training on topics such as physical and mental abuse at work, abnormal workload, human-related hazards, maternal health protection, and sexual harassment prevention. In 2024, a total of 4,271 employees participated in training, strengthening employees' psychological resilience and response capabilities in the workplace. A psychologist from Cardinal Tien Hospital was invited to conduct a health seminar on "Stress Resistance, Positive Mood, and Understanding Stress Awareness and Relief." We also collaborated with Cardinal Tien Hospital and Praise Clinic to facilitate referrals to psychologists and psychiatrists, and regularly promoted the Ministry of Health and Welfare, Department of Mental Health's free 24-hour safe hotline service.
- Occupational safety: The primary cause of work-related injury leave stems from traffic accidents occurring during commuting or while riding motorcycles for official business outside the workplace. In response, efforts have been intensified to promote awareness of traffic safety precautions. Additionally, regular general labor health education and training are conducted annually, with medical personnel providing follow-up and care.
- Health checkup support: Professional organizations are regularly commissioned to conduct health checkups and provide correct information on prevention and treatment. Managerial staff are provided with an annual health examination subsidy of NT\$5,000, which is more favorable than the provisions stipulated in the "Labor Health Check Protection Rules."



5 Explanation of specific measures and implementation effectiveness for preventing employee obesity and the “three highs” (hypertension, hyperglycemia, and hyperlipidemia):

In the face of challenges such as an aging society and the increasing prevalence of chronic diseases, obesity is closely related to various chronic conditions. Research has confirmed that for every 1 kg of weight loss, blood pressure decreases by approximately 1 mmHg. Adhering to the philosophy that “employee health is a corporate asset,” we encourage employees to maintain a healthy physique and optimize their health through physical activities and health management programs. We actively promote workplace health initiatives focused on the prevention and control of obesity and the “three highs” (hypertension, hyperglycemia, and hyperlipidemia), demonstrating the concrete practice of caring for our employees. The specific measures and implementation results are described as follows:

Healthy body weight management

Weight loss competitions were held from 2021 to 2024, with a total of 30 participants and total weight loss (effectiveness) ranging from approximately 8 to 24 kilograms, demonstrating good results. These activities will continue to be organized, and employees will be encouraged to participate.

• Health Management Initiative I: Diverse themed lectures to increase health literacy

Approximately 35 health seminars have been conducted, of which 12 focused on the topic of “three highs”. A total of 403 participants attended, indicating a high level of employee concern for personal health matters and effectively strengthening their awareness and ability to manage health risk factors.

• Health Management Initiative II: Prevent chronic diseases and promote healthy workplaces

To strengthen employees’ awareness of the risks associated with hyperlipidemia and diabetes, an event promoting chronic disease prevention is held every six months. The health education is conducted through diverse methods, including illustrated presentations and interactive activities. Over the course of the year, a total of 11,895 participants have taken part.

• Health Management Initiative III: A “caring for blood pressure month” for early detection in high-risk groups

Through the “caring for blood pressure month” campaign, on-site blood pressure measurements, health education promotion, and individualized health consultations were provided. A total of 567 participants received services in one year, effectively promoting the early detection and proactive management of hypertension among employees.

• Health Management Initiative IV: Medical consultation services to accompany employees every step of the way

Regular health consultation service stations were established, where professional medical personnel provide one-on-one health consultations and follow-up recommendations. A total of 1,000 participants were serviced in one year.

6 Flexible working hours

If required by business activities, employees may apply for flexible working hours or shift work arrangements.

7 Practical achievements and future outlook

Through systematic and continuous health management strategies, we have effectively increased employees’ ability to self-manage their health, reducing the risks of hypertension, hyperglycemia, hyperlipidemia and chronic diseases and further strengthening workplace cohesion and productivity. In the future, we will continue to deepen health promotion programs by integrating more data-driven health management tools. Enterprises not only bear the responsibility for operational performance but should also strive to create a safe, friendly, and sustainable workplace environment that fosters well-being.

▼ Injury, sick leave, and personal leave among employees in 2024

	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	11	305	3.76	407	1879.5	290	699.75	0.79%
Female	42	373.5	8.28	934	5091	615	1230.75	1.06%
Total	53	678.5	6.63	1341	6970.5	905	1930.5	0.96%

\* Occupational injury (sick leave) rate = (the number of leave/total working hours)\*1,000,000  
\* Male absence rate = (days of injury leave+days of sick leave+days of personal leave among male employees)/the total working days among male employees  
\* Female absence rate = (days of injury leave+days of sick leave+days of personal leave among female employees)/the total working days among female employees  
\* Total working hours = 7,994,000 (total number of employees × daily working hours × annual working days)  
\* Total working days for male employees = 365,500 (total number of males × annual working days)  
\* Total working days for female employees = 633,750 (total number of females × annual working days)

6.4.4 Salary analysis and statistics of non-managerial staff for the past three years

Year	Number of non-managerial employees	Average salary	Median salary
2022	3,563	854,120	744,290
2023	3,629	911,709	805,082
2024	3,685	1,027,209	899,600
Difference between 2023 and 2024	56	115,500	94,518
	1.54%	12.67%	11.74%

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, we also provide 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, the “Self-paid Group Insurance for Employees and Their Dependents” was signed with an insurance company. In case of death or disability caused by accidental injury or medical treatment, employees and their parents or dependents will be covered by relevant medical treatment or compensation respectively.

▼ Claim amount

Year	Number of claims	UBOT-funded group insurance	Number of claims	Self-paid group insurance
2023	911	17,863,320	184	2,913,254
2024	912	22,180,223	263	2,804,939
Total	1,823	40,043,543	447	5,718,193

## 6.5 Employee Relations

To establish effective communication and interaction with employees, in addition to establishing an employee complaint system in the personnel management measures, the Bank has also created an “Employee Corner” within its website. This platform allows all employees to express their opinions and constructive comments freely, enabling each employee to voice their true feelings and speak openly. Through this platform, employees can convey their doubts, sentiments, grievances, or suggestions for improving work efficiency. UBOT 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 1‰ of the total number of employees in 2024.

Furthermore, 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 scores for the last five years were 97%, 97.2%, 98%, 97.8%, and 98%.

## 6.6 Occupational safety and health

### 6.6.1 Management system

Referencing the “ISO 45001 Occupational health and safety management systems,” the Company works with all employees, contractors, and customers to ensure a safe and healthy working environment. The Company has established a safety and health code of practice and occupational safety and health management regulations, demonstrating a commitment to the implementation of and adherence to all occupational safety policies by personnel at all levels. The Company has formulated an occupational safety and health management plan, which specifies various occupational safety action plans to be executed, including hazard risk assessments and statistical operations, and full-time nursing staff and contracted doctors are employed. Plans to prevent unlawful acts in the line of duty, a prevention plan for musculoskeletal hazards caused by repetitive tasks, a protective plan for the prevention of abnormal workload, and a “Workplace Female Health Protection Plan” are implemented accordingly. Employee health preventive care, health risk assessments, investigations of occupational injuries and diseases, and emergency responses are also executed. For procurement contracts with contractors, the Company requires the signing of the “Letter of Commitment on Compliance with CSR, Ethical Management and Legal Provisions” and the completion of the “Contractor’s Workplace Environmental Safety Hazard Notification Form,” which commits to an adherence to occupational safety and health-related laws and regulations. Each item is communicated to ensure that workers strictly comply, thereby avoiding potential hazards in the work environment.

### 6.6.2 Implementation Status

1 In order to maintain the safety of employees in the workplace, access control and security protection systems have been established 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. An occupational safety and health management plan was formulated in accordance with the Occupational Safety and Health Act, which included setting the occupational safety and health personnel, first aid personnel and fire management personnel, etc., carrying out occupational safety and health education and training for workers, and strengthening medical and health promotion measures. In 2024, we organized 67 related education and training sessions, which were attended by 4,030 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.

► Occupational safety and health educational training for workers

Year	Number of sessions	Number of trainees
2022	80	3,792
2023	62	4,100
2024	67	4,030

2 Every year, the Bank conducts two safety inspections of electricity usage in office premises, as well as checks on lighting brightness and indoor air quality, to provide employees with a safe and healthy working environment. Furthermore, 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 strengthened security maintenance measures to ensure the safety of personnel and finances and minimize potential risks in the working environment.

3 In 2024, a total of 26 occupational accidents involving 26 employees occurred in the Bank, accounting for 0.0065% of the total workforce. The majority of these occupational accidents were caused by traffic incidents occurring during commutes to and from work. Safety supervisors at each branch have utilized morning meetings or occupational safety training sessions to reinforce safety awareness, emphasizing adherence to traffic safety regulations such as reducing speed and maintaining safe distances during rainy weather.

4 In 2024, there were zero fire incidents and zero casualties.

### Conclusions

Since our founding, followed by the steady expansion of operational scale and the increasing diversification of business territory, the Bank’s number of employees has also consistently grown, and it has now developed into a sizable financial group. Although the Bank has not established a labor union, we have developed an online platform, the “Employee Corner”, to provide employees with a channel for real-time expression of suggestions and opinions regarding the company, as well as for interaction and communication among colleagues, thereby fully promoting two-way communication. Additionally, through regular labor-management meetings, we actively foster a relationship of mutual trust, integrity, and harmonious cooperation between labor and management, working together to achieve the Bank’s various operational objectives.

The Bank has established comprehensive systems and regulations to safeguard employee rights, and continues to promote the practice of corporate social responsibility. Under a business philosophy that emphasizes labor-management harmony and mutual prosperity, we are committed to creating a sustainable work environment and corporate culture.

# 7 Environmental Sustainability

## 7-1 Task Force on Climate-Related Financial Disclosure (TCFD)

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.

### 7.1.1 Governance

#### 1 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 under the Board of Directors and the Asset and Liability and Risk Management Committee under the Chairman of the Board. The two committees are responsible for relevant issues respectively.
- (2) The Sustainable Development Committee is responsible for coordinating UBOT’s sustainable development policies, management guidelines and specific promotion plans, and reports their implementation status regularly to the Board of Directors. The 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 can 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 Asset and Liability and Risk Management Committee, Audit Committee, and Board of Directors annually.

#### 2 Rights and responsibilities of the risk management organizations

##### 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.

##### Audit Committee

Responsible for assisting the Board of Directors in reviewing the Bank’s risk management policies, examining risk control-related reports, and supervising the implementation of risk management.

##### 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.

##### 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.

##### 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.

##### 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.



### 3 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, identify and evaluate climate change risks and opportunities, establish relevant management measures, and regularly disclose the governance condition as well as indicators or targets 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.

### 4 Enhance climate-related expertise and capabilities

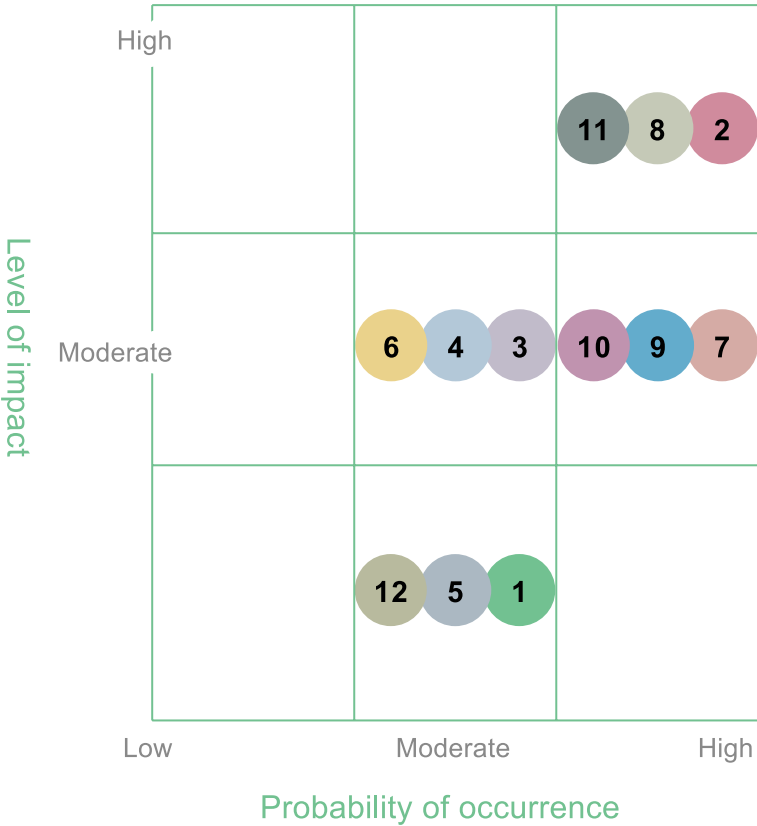
- (1) In order to actively acquire new knowledge about climate trends, enhance staff awareness of climate change issues, and improve corporate culture, UBOT’s members of the Board of Directors, senior managers, relevant personnel of Head Office’s business units and risk management units continued to 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 at its subsidiaries.
- (3) In 2024, a total of 45 training sessions were conducted by UBOT, which saw the participation of 4,244 people undergoing training for 173.5 hours in total.

Participant	Number of sessions	Cumulative number of employees	Total training hours (hours)	Primary content
Board members	1	1	3	• Sustainability trends analysis and its impact on business operational risks and opportunities.
Senior executives and staff from various units at the Head Office	2	18 38	6	• Impact investing and impact enterprises, and SDGs implementation. • Alignment with IFRS Sustainability Disclosure Standards S1 and S2, and disclosure of the financial impacts of natural/climate risks.
Relevant personnel at various business units across UBOT or business units under the head office (including risk management)	39	4,152	157.5	• Sustainable finance topics: The Equator Principles, carbon economy; responses to sustainable transformation, sustainable finance risk management. • Topics such as ESG carbon reduction management, financial carbon inventory for investment and financing, net-zero investment and financing strategies, and net-zero building. • IFRS Sustainability Disclosure Standards, digital finance and sustainable finance amid the AI boom.
Business units, head office units, senior management personnel, and subsidiary personnel	3	35	7	• ISO 50001 and ISO 14001 Energy Management System management review meetings, as well as related education and training programs. • Education and training on greenhouse gas inventories.

1 Identification of climate risks and opportunities

In order to comprehend the impact of climate change, UBOT has identified 12 climate risks and 7 climate opportunities based on the categories of climate risks (physical risks and transition risks) and climate opportunities, while considering the nature of our business operations. We have identified the affected value chains (UBOT's own operations, investment and financing business, financial products and services, and upstream suppliers) and timeframes (short, medium, and long term). The overall impact on our bank is comprehensively assessed through a matrix of "likelihood of occurrence" and "degree of impact."

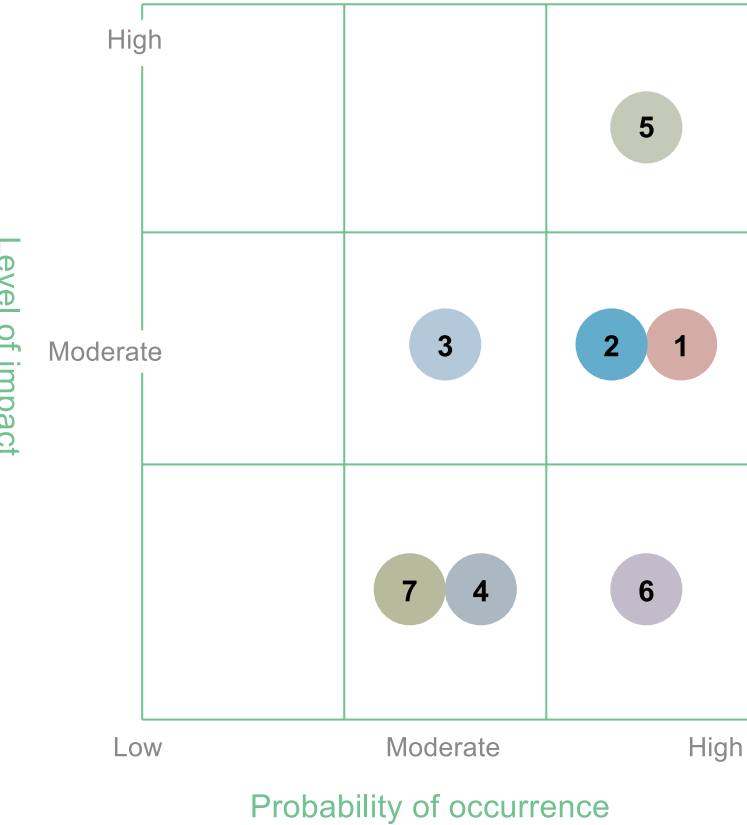
Climate Risk Matrix



Type of risk	Risk items	No.	Risk event	Potential financial impact	Impact on the value chain	Impact period	Corresponding risks
Physical risk	Immediacy	1	Extreme weather conditions have caused operational disruptions at UBOT's locations	Typhoons, floods, and other events cause regional power outages, water shortages, and communication disruptions, leading to operational interruptions at business locations and increased associated recovery costs.	Own operations	Short-term	Operational risk
		2	Extreme weather conditions have caused damage to customer assets	Typhoons, floods, and other climate-related disasters have caused negative impacts on customer operations or a reduction in the value of collateral, increasing the risk of default and resulting in a decline in UBOT's revenue.	Investment and financing business	Medium-term	Credit risk and market risk
	Long-term	3	Average temperature increase	A long-term average increase in temperature has led to higher electricity and water prices in Taiwan, resulting in increased operating costs for UBOT.	Own operations	Medium- and long-term	Operational risk
		4	Average temperature increase	A long-term increase in average temperature has led to drought, water shortages, and increased electricity consumption, resulting in higher operating costs for customers. This has impacted profitability and affected repayment capacity, causing a decline in UBOT's revenue.	Investment and financing business	Medium- and long-term	Credit risk and market risk
		5	Rise in sea level	A long-term rise in sea level has led to operational disruptions at business locations and a decline in the value of owned real estate.	Own operations	Long-term	Operational risk
		6	Rise in sea level	Long-term sea level rise causes damage to clients' operational sites or assets, impacting profitability and affecting repayment capacity, which leads to a decline in UBOT's revenue.	Investment and financing business	Long-term	Credit risk and market risk
Transition risk	Policies and regulations	7	Increasingly stringent climate-related policies and regulations	In response to increasingly stringent policies and regulations related to the environment and energy, such as greenhouse gas emissions, UBOT's operating costs will increase.	Own operations	Short- and medium-term	Operational risk
		8	Increasingly stringent climate-related policies and regulations	Additional costs incurred from carbon pricing, carbon taxes, and carbon emission controls impact profitability, affecting customers' repayment capacity and resulting in a decline in UBOT's revenue.	Investment and financing business	Short- and medium-term	Credit risk and market risk
	Technology	9	Technological transitions encountered by clients	Due to client needs to invest substantial manpower and resources for transitions, operating costs have increased, affecting their repayment capacity and resulting in a decline in UBOT's revenue.	Investment and financing business	Short- and medium-term	Credit risk and market risk
		10	Technological transitions encountered by UBOT	To mitigate the impact of climate change, UBOT has adopted new product manufacturing technologies or low-carbon transition measures, resulting in increased operating costs.	Own operations	Short- and medium-term	Operational risk
	Market	11	Increase in raw material costs	Due to the impact of climate change, the prices of raw materials have risen, leading to increased production costs for customers. This has affected their repayment capacity, resulting in a decline in UBOT's revenue.	Investment and financing business	Medium-term	Credit risk and market risk
	Reputation	12	Increased stakeholder attention to climate issues	Investors place great importance on climate change issues. A lack of clear net-zero transition measures on UBOT's part may result in reputational damage and negatively impact investors' willingness to invest.	Own operations	Medium-term	Reputational risk

Note: Short-term refers to within 1 year, medium-term refers to 1 to 5 years (inclusive), and long-term refers to more than 5 years

▼ Opportunity Matrix



Category	Opportunity items	No.	Description	Potential financial impact	Impact on the value chain	Impact period
Climate opportunities	Resource efficiency	1	Enhance the efficiency of energy and natural resource utilization at UBOT's business locations	By replacing outdated energy-consuming products, implementing energy-saving and power-saving products, and promoting energy-saving measures, UBOT is able to reduce operating costs.	Own operations	Short- and medium-term
	E n e r g y sources	2	Increase renewable energy usage	Proactively plan for renewable energy usage to reduce the risks of operational disruptions and future fossil fuel price increases, thereby lowering operating costs.	Own operations	Short-, medium-, and long-term
	P r o d u c t s and services	3	Digital financial service	Promote digital transactions and various online services, enhance operational efficiency, achieve the benefits of going paperless, and reduce operating costs for UBOT.	Own operations, financial products and services	Short- and medium-term
		4	Develop low-carbon financial products or services	By developing and promoting low-carbon products and services, we can improve consumers' perception of our brand, leading to increased profitability.	Financial products and services	Short- and medium-term
		5	Promote green and sustainability loans	Provide green and sustainability loans with the intention of encouraging businesses to adopt sustainability-related practices and enhancing UBOT's revenue.	Financing business	Short- and medium-term
	Market	6	Invest in green goods	Invest in green/sustainability bonds with the intention of encouraging businesses to adopt sustainability-related practices and enhancing UBOT's revenue.	Investment business	Short- and medium-term
	Resilience	7	Green procurement and supplier management	Enhance operational resilience, reduce operating costs, and improve corporate image through green procurement and supplier management.	Own operations, suppliers	Short- and medium-term



○ 2 Climate risk and opportunity management

(1) UBOT identified 12 climate risk issues and, based on a matrix of “probability of occurrence” and “level of impact,” selected 3 material topics. The corresponding response measures or action plans implemented are described

Risk No.	Risk issue	Impact on the value chain	Potential financial impact	Response measures or action plans
2	Extreme weather conditions have caused damage to customer assets	Investment and financing business	Typhoons, floods, and other climate-related disasters have caused negative impacts on customer operations or a reduction in the value of collateral, increasing the risk of default and resulting in a decline in UBOT's revenue.	<div>1 Pay attention to a customer's operational or financial status, incorporating ESG principles into the decision-making and process evaluation factors for credit approval and investment. Continuously strengthen due diligence and control measures for customers.</div> <div>2 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.</div> <div>3 UBOT's current standards for real estate collateral appraisal have established provisions for properties affected by climate change that are located in areas prone to wind disasters and droughts, or situated within flood potential zones as indicated on the National Science and Technology Center for Disaster Reduction's 3D Disaster Potential Map (areas with a 24-hour rainfall potential of 650 millimeters). This also includes properties directly located in debris flow, areas with potential for large-scale landslides, downhill slopes, deep-seated rockslides, debris slides, falling rocks, active fault zones, or areas with the immediate risk of a high potential for soil liquefaction caused by a single event. Such conditions must be noted in the matters needing attention in the appraisal report, and the approval authority for these types of collateral cases will be elevated, or the loan-to-value ratio will be reduced to manage the potential risks faced by the collateral.</div>
8	Increasingly stringent climate-related policies and regulations	Investment and financing business	Additional costs incurred from carbon pricing, carbon taxes, and carbon emission controls impact profitability, affecting customers' repayment capacity and resulting in a decline in UBOT's revenue.	<div>1 Pay attention to a customer's operational or financial status, incorporating ESG principles into the decision-making and process evaluation factors for credit approval and investment. Continuously strengthen due diligence and control measures for customers.</div> <div>2 For high carbon-emission industries, carefully assess clients' climate change risks and their negative impacts on climate change. Actively engage in dialogue with and encourage clients to implement relevant mitigation measures to reduce climate-related risks.</div> <div>3 By providing green credit and sustainability-linked loans, supply customers with operational funds in a timely manner to assist them in their low-carbon transitions.</div>
11	Increase in raw material costs	Investment and financing business	Due to the impact of climate change, the prices of raw materials have risen, leading to increased production costs for customers. This has affected their repayment capacity, resulting in a decline in UBOT's revenue.	

(2) UBOT identified 7 climate opportunity issues and, based on a matrix of “probability of occurrence” and “level of impact,” selected 3 material topics. The corresponding response measures or action plans implemented are described as follows

Opportunity No.	Opportunity issue	Impact on the value chain	Potential financial impact	Response measures or action plans
5	Promote green and sustainability loan products.	Financing business	Provide green and sustainability loans with the intention of encouraging businesses to adopt sustainability-related practices and enhancing UBOT's revenue.	<p>1 To encourage clients to prioritize climate change and promote a corporate focus on sustainable development, we provide green credit (including renewable energy loans, green building loans, electric (or hybrid) vehicle loans, loans for green and related industries), guiding clients to allocate funds toward green expenditures.</p> <p>2 The “Key Points to the Sustainability-linked Loan Business” have been established, which 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>
1	Enhance the efficiency of energy and natural resource utilization at UBOT's business locations.	Own operation	<p>By replacing outdated energy-consuming products, implementing energy-saving and power-saving products, and promoting energy-saving measures, UBOT is able to reduce operating costs.</p> <ul style="list-style-type: none"><li>• The total cost for equipment replacement in 2024 was NT\$9.687 million.</li></ul>	<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 water and 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	Increase renewable energy usage	Own operations	<p>Proactively plan for renewable energy usage to reduce the risks of operational disruptions and future fossil fuel price increases, thereby lowering operating costs.</p> <ul style="list-style-type: none"><li>• The total cost for green electricity purchases in 2024 was NT\$1.8075 million.</li><li>• In 2025, the continued procurement of 2.45 million kWh of green electricity will incur a cost of approximately NT\$14.646 million.</li></ul>	<p>Expand the use of renewable energy by adhering to the RE100 International Renewable Energy Initiative Standard and gradually increasing the proportion of renewable energy usage. UBOT is also gradually installing rooftop solar power plants on its buildings to increase the utilization rate of low-carbon energy.</p>

○ 3 Climate Strategy and Action

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 the 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 climate strategy centers on a move towards net-zero emissions and supporting low-carbon economic activities, and primarily involves the following:

- (I) Moving Towards Net-Zero Emissions: 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 emissions.
- (II) 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.

Core strategy	Covered topic	Primary actions	Corresponding chapter
Moving towards net-zero emissions	Low-carbon operations	1 Replace energy-consuming equipment to increase energy efficiency, set targets for reducing electricity and water consumption as well as fuel usage for company vehicles, and increase renewable energy use. 2 Establish GHG reduction targets. 3 Introduce an internal carbon pricing mechanism. 4 A supplier management policy has been established that requires all suppliers to comply with the Bank’s energy management and environmental protection requirements.	See Section of “Effectiveness, Indicators, and Targets of Climate-related Measures”
	Climate adaptation measures	1.Establish a disaster emergency response plan. 2.Strengthen climate change adaptation measures (e.g., constructing flood barriers and preparing sandbags), disaster prevention advocacy, and insurance coverage.	See Section of “Climate Risk Management”
Supporting low-carbon economic activities	Climate Risk Management in Investment and Financing	1.Incorporate ESG principles into the decision-making and process evaluation factors for credit approval and investment, strengthen due diligence measures for customers, and establish management mechanisms for high-risk industries and enterprises. For customers in high-emitting industries, carefully review their climate change risks and their negative impacts on climate change. 2.Establish a decarbonization commitment, gradually divest, and completely exit coal, unconventional oil, and natural gas-related industries by 2040. 3.Conduct a financial carbon inventory for investment and financing positions.	See Section of “Climate Risk Management” See Section of “Effectiveness, Indicators, and Targets of Climate-related Measures”
	Green products and services	1.Engage in the following to assist clients in low-carbon transition and technological development: continue to promote green and sustainability-linked credit loans, provide financing for solar power plants, increase investments in green (sustainable) bonds, invest in solar power plants and green energy companies specializing in carbon fiber recycling and reuse, issue and sell green and sustainable funds, and promote digital finance and paperless operations. 2.Implement the “Green Card” program, offer ESG-related fund products, issue the “Union Low Carbon Target Multiple Asset Fund” and provide digital services to seize climate-related opportunities and business prospects.	See Section of “Effectiveness, Indicators, and Targets of Climate-related Measures”

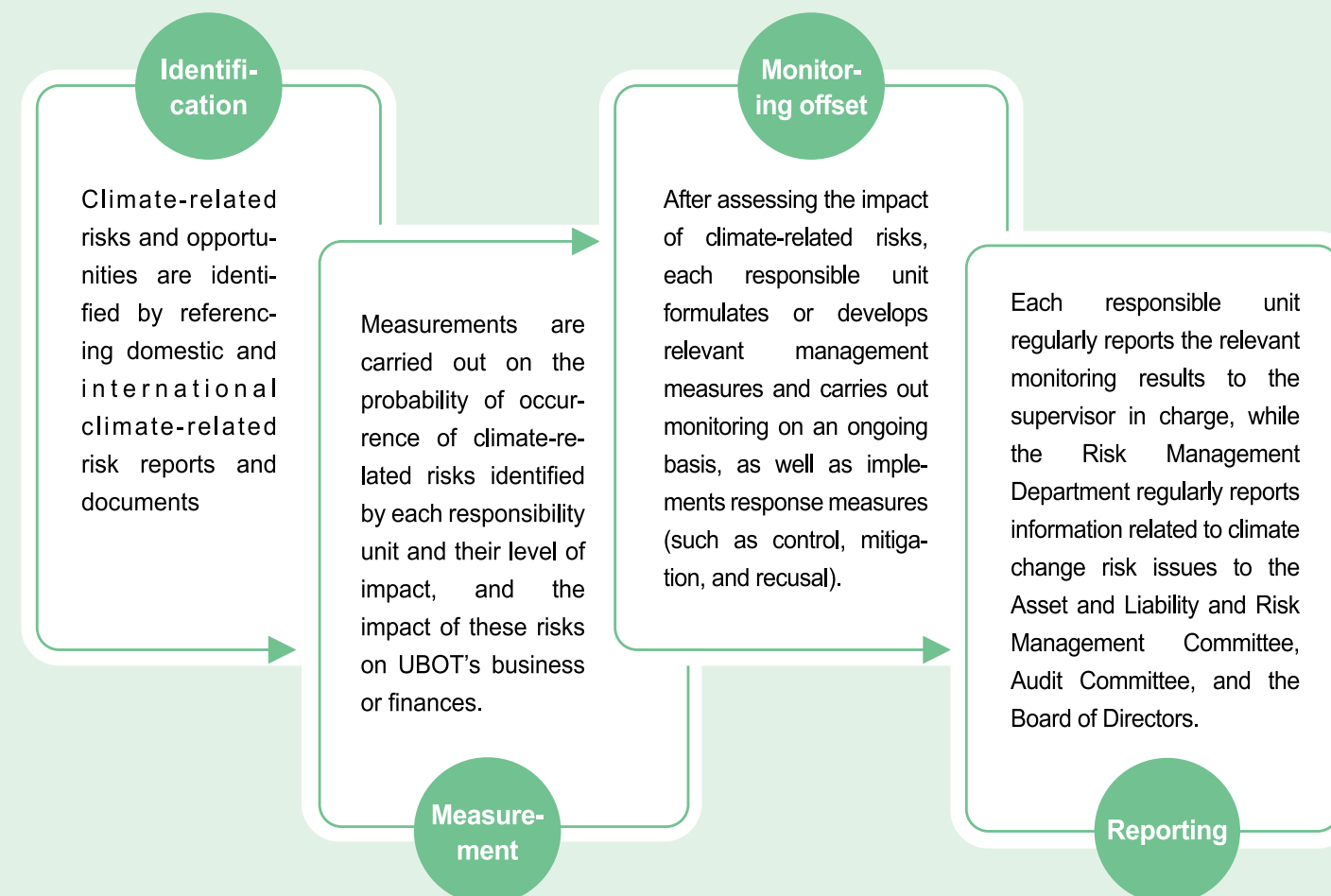


### 7.1.3 Climate Risk Management

**1** UBOT conducts climatic risk management through the “three lines of defense” 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 line of defense, legal compliance and risk management constitute the second line, and internal audit constitutes the third line. In order to enable effective and proper operation of the internal control system, the first and the second lines perform risk monitoring, and the third line performs independent monitoring so the three lines of defense perform their own functions.



**2** 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 offsetting, risk reporting and other procedures.



**3** Risk Management in Investment and Financing

UBOT and its subsidiaries are committed to sustainable development and have established the “Sustainable Credit and Investment Policy.” This policy incorporates ESG elements into evaluation and consideration for credit approval, medium- to long-term investments made with UBOT's own funds, and underwriting activities. In addition to prudently assessing high-risk industries, we also engage in dialogue to address potential ESG issues faced by counterparties, guiding investment and financing enterprises to implement environmental protection and social responsibility practices to shift toward sustainable development.

Industries or countries with high ESG risks should be avoided in business dealings.

- Those engaged in the illegal manufacturing and trading of weapons, the pornography industry, and the drug industry.
- Sanctioned countries and regions on UBOT's list of high-risk countries/regions for money laundering and terrorist financing.

Controversial industries should be prudently assessed.

- Enterprises in industries related to tobacco (excluding state-owned enterprises), gambling (excluding those with legal gambling licenses), fur trading, and tropical rainforest logging.

High-emitting industries

- Climate change risks faced by customers and their negative impacts on climate change should be carefully examined.
- Active engage with customers to encourage them to implement mitigation measures to reduce climate-related risks.

Strengthen control over the coal and unconventional oil and gas-related industries.

- Gradually shift towards a complete exit from coal, unconventional oil, and natural gas-related industries by 2040. The commitment stages are as follows:

- (1) Effective immediately, no new projects involving the construction of coal-fired power plants, coal-related infrastructure, or mining enterprises will be undertaken.
- (2) By the end of 2030, phase out corporate cases involving coal and unconventional oil and natural gas within the member countries of the Organisation for Economic Co-operation and Development (OECD).
- (3) By the end of 2035, phase out corporate cases involving enterprises with coal revenue or power generation accounting for 25% or more, or non-conventional oil and natural gas revenue accounting for 25% or more.
- (4) By the end of 2040, completely exit corporate cases involving coal and unconventional oil and natural gas.

※ Exceptions:

If the aforementioned enterprises exhibit concrete carbon reduction actions (including those recognized by third-party organizations) or clear transformation plans (including but not limited to passing the Science-Based Targets initiative (SBT) or proposing low-carbon transformation plans in compliance with the Paris Agreement), they shall not be subject to the aforementioned restrictions and may continue business interactions.

※ Definition of the coal and unconventional oil and gas industries:

- (1) Coal-related industries: This includes coal mining, coal-fired power generation (using coal for electricity generation and heating), and coal-based infrastructure (such as transportation, processing, storage, receiving stations, pipelines, etc.).
- (2) Unconventional oil and natural gas-related industries: This includes the extraction and production processes of oil sands, shale oil and gas, Arctic oil and gas, deepwater oil and gas (water depth exceeding 5,000 feet), coalbed methane, heavy crude oil, and liquefied natural gas derived from unconventional fossil fuels.

※ The scope and thresholds for recognized entities are as follows:

- (1) Companies listed on the Taiwan Depository & Clearing Corporation's IR Platform whose products fall within the aforementioned defined scope, and whose coal revenue accounts for 5% or more, or whose non-conventional oil and gas revenue accounts for 25% or more of total revenue.
- (2) Included in the international non-governmental organization Urgewald's Global Coal Exit List (GCEL) and Global Oil & Gas Exit List (GOGEL).

Note 1: GCEL thresholds:

- Relative threshold: The company derives more than 10% of its revenue or electricity generation (installed capacity) from coal.
- Absolute threshold: The company's annual coal production reaches 10 million metric tons or more, or the annual coal-fired power generation capacity (installed capacity) reaches 5 GW or more.
- Expansion threshold: The company has expansion plans involving coal mining, power generation, and related infrastructure.

Note 2: GOGEL thresholds:

- Production and short-term expansion threshold: The company's annual oil/gas production or short-term expansion volume reaches or exceeds 20 million barrels of oil equivalent, or unconventional production volume reaches or exceeds 2 million barrels.
- Exploration threshold: The company has spent an average of US\$10 million annually on exploration over the past three years.
- Expansion threshold: The company develops transportation pipelines exceeding 100 km, fuel/gas power generation units with a capacity of 100 MW, or LNG receiving terminals with 1 Mtpa capacity

## A Credit business

When conducting credit relationship assessments, due diligence regarding ESG factors should be performed on clients as a reference in the credit approval process. A comprehensive assessment of the credit risk level of the borrowing enterprise should also be made based on an evaluation of the borrower, the purpose of funds, the source of repayment, credit protection, and credit outlook. For land and buildings used as credit guarantees, customers are encouraged to provide collateral that offers positive environmental or resource utilization benefits, such as green buildings and green factories.

During post-loan management, continuous attention should be paid to the current status of credit customers, with periodic reviews of whether they fulfill corporate responsibilities, commit to environmental protection, and implement corporate governance. If major ESG-related negative impact events occur, specific improvement plans should be understood and corporate implementation should be tracked.

## B Investment business

Listed equity and fixed income investment positions should be regularly reviewed according to relevant regulations. If ESG risk violations occur that fail to comply with relevant investment regulations without obvious improvement plans, investment positions will be gradually reduced.

### B-1 Investment in foreign currency-denominated bonds

Pre-investment and post-investment review: According to “Union Bank International Financial Business Branch Foreign Currency Corporate Bonds, Financial Bonds and Sovereign Bonds Project Authorization ESG Investment Review Operating Guidelines,” pre-investment incorporates well-known international external ESG ratings as reference, while post-investment requires regular review of ESG rating changes to make timely decisions on adjusting investment amounts or continuing investment.

### B-2 New Taiwan Dollar Corporate Bond (including Financial Bonds) Investment:

Pre-investment ESG due diligence surveys are conducted with ESG incorporated into verification and evaluation processes, applying investment limits according to evaluation grade ranges. Post-investment, ESG conditions are regularly reviewed. If issuing enterprises are high carbon emission industries, disclosure of the company's carbon reduction plans is required.

B-3 Due diligence forms have been designed to understand investee companies' ESG ratings, physical risk and transition risk assessments, and planning for carbon reduction targets and sustainable economic activities before investment. Based on survey results, engagement themes are established, and engagement with investee companies is conducted through letters, investor conferences, etc., to reduce UBOT's climate-related risks.

For passively invested fund beneficiary certificates with ESG certification, investment limits are twice those without ESG certification.

### A-1 Corporate Credit

To fulfill financial institutions' responsibility for environmental protection, corporate credit customers undergo ESG due diligence during the credit review process to examine whether corporate borrowers are involved in environmental pollution penalties, serving as reference for credit approval. When corporate credit customers have records of “major environmental pollution penalties” without completed improvements, communication and engagement with customers is conducted to encourage problem resolution and assist in green transformation, providing sustainable products such as green credit and sustainability-linked loans as positive funding guidance. Improvement plans are required during credit limit applications, and if customers cannot improve long-term, business relationships are carefully evaluated for continuation.

### A-2 Consumer Credit

- (1) For mortgage business, real estate collateral located in areas susceptible to climate change impacts that are listed as matters requiring attention in appraisal reports will have reduced loan-to-value ratios. For buildings with Taiwan's Green Building label, preferential mortgage programs are available to encourage customers to choose comfortable, healthy, and environmentally friendly green buildings.
- (2) For wealth management loan business regarding individual cases, Know Your Customer (KYC) and due diligence are implemented to identify customer identity and product suitability. Money laundering risk factors are classified into high, medium, and low levels with different management measures adopted. Credit rating levels are determined based on customer conditions during credit review. Additionally, if customers provide collateral, conditions such as collateral type, risk classification, and valuation serve as credit evaluation considerations, including real estate in legally restricted areas or with high climate risk, such as properties in flood potential areas, debris flow potential streams, dip slopes, or high soil liquefaction potential zones, where loan ratios are reduced and approval levels are elevated.
- (3) For vehicle loan individual credit cases, KYC and due diligence are implemented to identify customer identity and product suitability, with money laundering risk factors classified into high, medium, and low levels using different management measures. For vehicle collateral with old age and high pollution rates, processing is reduced or loan ratios are lowered, while electric vehicle and hybrid vehicle loan interest rate preferential programs are coordinated to gradually guide and encourage consumers to purchase low-carbon new energy vehicles, creating a carbon reduction environment together.



B-4 Long-term Equity Investment

- (1) Continuous attention is paid to investee companies' risks and opportunities regarding major environmental, social, and corporate governance (ESG) issues, with ESG incorporated into investment decision evaluation considerations. Simultaneously, according to UBOT's "Money Laundering and Combating Terrorist Financing Risk Country List," investment targets from extremely high-risk and high-risk countries or regions are excluded.
- (2) Post-investment regular tracking of investee companies' operational performance, financial conditions, board and supervisory changes, major shareholder holdings, and related news is conducted. As shareholders, regular or irregular communication with investee companies on operational and financial plans is maintained, or qualified professionals in relevant fields are appointed as directors or supervisors to attend investee companies' shareholder meetings or investor conferences. As of the end of 2024, a total of 10 investee companies have directors or supervisors appointed.
- (3) Quarterly fair value evaluation based on investee companies' financial report net values is conducted and submitted to accounting supervisors for approval. Annual reports to the Board of Directors on reinvestment business operations and financial conditions are made for related risk and opportunity assessments.

B-5 Subsidiary

- (1) Union Leasing:  
Current investment positions do not involve high ESG risk, controversial, or high carbon emission industries. Future investments in real estate, listed equity, and fixed income positions will be regularly reviewed according to relevant regulations in addition to following the parent company's "Union Bank of Taiwan Institutional Investor Stewardship Policy." If ESG risk violations occur that fail to comply with relevant investment regulations without obvious improvement plans, investment positions will be gradually reduced.

(2) Union Securities Investment Trust:

In fund analysis reports, assessments of "investee companies' ESG status" are conducted.

(3) Union Venture Capital:

- a Investment targets must comply with the Company's "Investment Policy" and parent company's "Union Bank of Taiwan Institutional Investor Stewardship Policy" regulations, focusing primarily on government "5+2 Industrial Innovation Programs" including "Smart Machinery," "Asia Silicon Valley," "Green Energy Technology," "Bio-medical Industry," "Defense Industry," "New Agriculture," and "Circular Economy," as well as six core strategic industries: information and digital, cybersecurity excellence, Taiwan precision health, defense and strategy, green electricity and renewable energy, and civil defense and preparedness. Additionally, ESG issues are incorporated into investment stewardship principle regulations, with ESG risk factors considered in investment review processes. Projects can only be undertaken after evaluation confirms no major adverse impact on ESG sustainable development.
- b Pre-investment detailed examination of investee companies' related media reports and future industry development is conducted, with observation of labor relations during site visits. After investment case approval, personnel are dispatched to attend investee companies' shareholder meetings, with irregular communication with management to understand operational conditions. Regular updates of financial and operational data from companies are also requested. If major violations of corporate governance principles occur on specific issues, feedback is provided to investee companies with subsequent handling tracked to fulfill stewardship responsibilities.

C Unsecured Commercial Paper Underwriting Business:

ESG or high climate risk factor items are gradually included in underwriting considerations. Before issuing enterprises apply for annual unsecured commercial paper underwriting limits, ESG due diligence surveys are conducted with ESG incorporated into verification and evaluation processes, applying underwriting limits according to evaluation grade ranges. If issuing enterprises are high carbon emission industries, disclosure of company carbon reduction plans is required.

D Engagement and Communication

To further leverage financial influence and encourage or assist clients in prioritizing ESG issues, initiating ESG actions, undertaking low-carbon transitions, setting net-zero emission targets before 2050, and establishing carbon reduction pathways to enhance sustainability performance, the Bank has established an engagement mechanism with enterprises. This mechanism aims to drive industries toward sustainable development collectively. The approaches include, but are not limited to, in-person visits, telephone interviews, emails, and surveys; participation in or organization of physical/online interviews, meetings, lectures, training sessions; and attending shareholders' meetings or investor conferences of negotiation targets to speak or exercise voting rights.

D-1 Results of Negotiations with Corporate Credit Customers in 2024

ESG dimen- sions	Engagement Methods	Targets	Number of companies	Explanation
Environmental Protection (E)	Online forum	High-emitting indus- try clients	205 companies	Organized the “UBOT - Online Forum for ESG and Low-Carbon Transition Strategies,” inviting the Bank’s credit customers from high-emitting industries to participate and gain an understanding of Taiwan’s ESG policies and future carbon fee issues, while providing project loan assistance for net-zero transition efforts.
	Individual engagement	Targets for national carbon fee collection	2 companies	When customers apply for loans, the sales personnel communicate with the management team to handle sustain-ability-linked credit. The credit terms are appropriately linked with ESG indicator improvements to encourage customers to implement relevant mitigation measures to reduce climate-related risks.

D-2 Investment business

(1) Voting Policy

- a Major proposals by investee companies involving governance violations in sustainable development (such as false financial reports), negative environmental or social impacts (such as environmental pollution, human rights violations depriving workers’ rights), or obvious violations of fund providers’ interests are opposed in principle.
- b When investee companies experience major ESG issues, the Bank communicates with management before shareholder meetings. Communication content includes whether investee companies have taken sufficient measures to address sustainability issues, whether investee companies actively implement response measures, and whether failure to resolve problems according to communication results would have major adverse impacts on companies in the short term.
- (2) For long-term equity investments where the Bank can appoint directors and supervisors, qualified professionals in relevant fields are appointed and communication with investee companies is conducted through telephone, email, video conferences, physical meetings, investor conferences, or personnel participation in regular shareholder meetings or significant shareholder ad hoc meetings. As of the end of 2024, the Bank has appointed a total of 16 directors and supervisors to investee companies.

(3) 2024 Engagement Interaction Statistics

a Communication with Company Management

Mainly through participating in investee companies’ board meetings or communicating operational conditions via email and telephone and regularly requesting business/financial data to execute post-investment regular evaluation and management.

Interaction and Engage- ment Methods	Board Meeting Atten- dance	Email and Telephone Communication
Number of companies	8 companies	19 branches

b Participation in Regular or Significant Ad Hoc Shareholder Meeting Communication

Interaction and Engage- ment Methods	Electronic Voting	Personal or Proxy Attendance	Number of Voting Proposals Exercised
Frequency	94	16	445

c Engagement Example

Taking UBOT’s investee Company A as an example, Company A is primarily engaged in fintech-related business. The Bank’s appointed corporate director representative reviews business processes and financial data and, leveraging their information technology professional background, provides planning recommendations to Company A’s management and technical departments on utilizing AI new technology to improve efficiency, reduce costs, and enhance business profitability. Following engagement, the Bank tracks Company A’s financial operations and ESG compliance quarterly. The 2024 financial data shows profitability with significant growth compared to 2023. This business profit growth effectively enhances investment returns for Company A’s shareholders and employees. For consumers (customers), the introduction of AI technology effectively improves usage convenience and reduces usage efficiency, indirectly reducing ESG resource consumption.

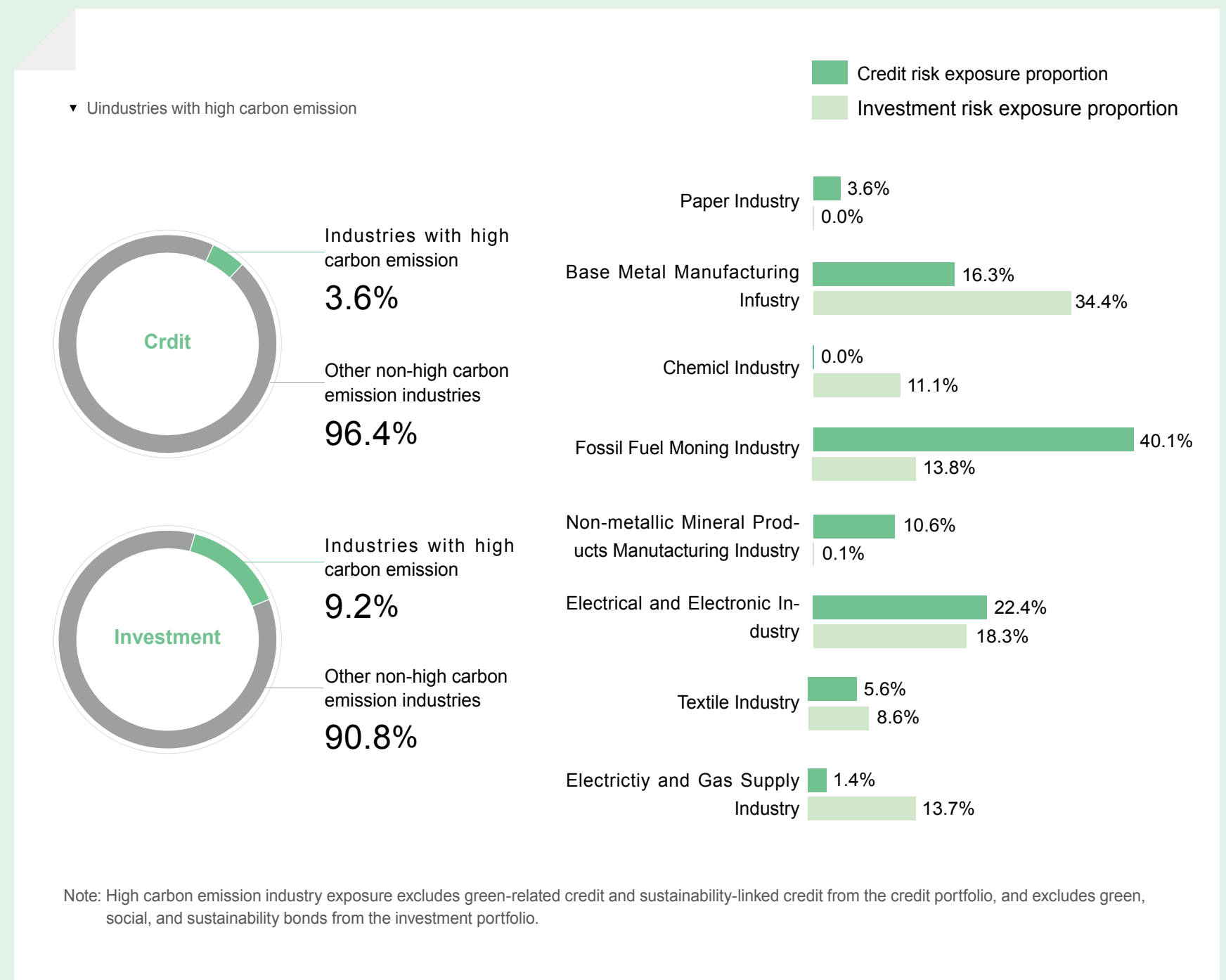
## 4 Operational Risk Management

- (1) To strengthen UBOT's disaster prevention and rescue capabilities and enhance disaster prevention-related measures, the Bank has established "Key Points of Union Bank of Taiwan for Disaster Emergency Response Operation" to respond to climate change disaster events including floods and typhoons that cause "business interruption incidents," ensuring all units can maintain normal business operations. To effectively execute various disaster prevention and rescue measures, the Bank has established a "Crisis Handling Group" with the General Manager as group convener and headquarters department heads as group members. When major disasters are imminent or occur, crisis handling group members are quickly convened to discuss response strategies. Regular disaster prevention education training and drills are conducted, facility safety maintenance inspections are strengthened, etc., to protect customer rights and minimize personnel and property losses.
- (2) Climate change adaptation measures are implemented for business units including constructing flood gates, preparing sandbags, conducting disaster prevention advocacy, and purchasing insurance.
- (3) To respond to climate change, the Bank has established a dedicated energy and environmental management unit that, based on banking industry characteristics, has built appropriate energy and environmental management systems, introduced ISO 50001 energy and environmental management systems, and established energy and environmental management policies, corporate carbon reduction management (setting carbon reduction targets, carbon reduction actions such as electricity, water, and fuel reduction and expanding renewable energy use), green procurement, energy certificate purchases, supply chain management, resource recycling and reuse, and creating green living implementation measures, with regular review of operational effectiveness.

## 5 Risk measurement

A 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 Ministry of Environment and the Ministry of Economic Affairs, UBOT has compiled the "List of High-emitting Industries" as follows: "electricity and gas supply," "base metal manufacturing," "fossil fuel mining," "chemical" "non-metallic mineral products manufacturing," "electrical and electronics," "textile," and "paper." The percentage of credit and investment risk exposure of high-emitting industries as of the end of 2024 are illustrated in the following diagrams:





B Scenario analysis of transition risks - the carbon price influence scenario

B-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.

B-2 Subject of evaluation

Based on the carbon emission data from major carbon emitters listed by the Mandatory Greenhouse Gas Reporting System provided by the Climate Change Administration under the Ministry of Environment, a total of 17 UBOT customers with risk exposure as of the end of December 2024 were identified, while the balance of these customers accounted for 1.1% of UBOT's total credit and banking book equity and debt balance.

B-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.

B-4 Evaluation results

- (1) According to the evaluation results for Scenario 1, in which Taiwan is estimated to begin collecting carbon fees in 2026, one customer will experience an increase in default rate, which could result in an expected credit loss of approximately NT\$0.54 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, four and five customers will experience an increase in default rate, which could result in an expected credit loss of approximately NT\$5.93 million and NT\$6.14 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" (66%), followed by "non-metal mineral product manufacturing" (24%).

Item	Carbon fee pressure scenario		
	Scenario 1	Scenario 2	Scenario 3
	NT\$300	NT\$2,459 (approximately US\$75)	NT\$3,278 (approximately US\$100)
Scenario statement	The Ministry of Environment established three supporting regulations for the carbon fee system in August 2024, officially announcing Taiwan's entry into the carbon pricing era. In October, the "Fee-charging Rates of Carbon Fees" was announced, confirming carbon fee collection beginning in 2026, with the general rate set at NT\$300 per ton.	In order to achieve the goal of limiting global warming to within 2°C, 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\$100 per metric ton for Asian countries in 2030 was adopted.
Number of customers with changes in default rate	1	4	5
[Calculation results]: Amount of additional expected credit loss (NT\$ millions)	0.54	5.93	6.14

Scenario 3			
High-emitting industries		Non-high-emitting industries	
Industry Category	Proportion of Additional Expected Credit Loss	Industry Category	Proportion of Additional Expected Credit Loss
Electricity and gas supply	66%	Wholesale	0%
Base metal manufacturing	0%	Real estate development	9%
Fossil fuel mining	0%	Financial services	0%
Chemicals	0%	Retail	0%
Non-metallic mineral product manufacturing	24%	Food and feed manufacturing	0%
Electrical and electronics	0%	Others	0%
Textile	1%		
Paper	0%		
Subtotal	91%	Subtotal	9%
Total			100%

B-5 Resilience Assessment and Strategies:

According to analysis results, UBOT’s credit customers classified as major carbon emitters face limited expected loss increases under carbon fee pressure. However, to control potential transition risk impacts, UBOT has adopted the following related response strategies:

- (1) UBOT has established a “Sustainable Credit and Investment Policy” to strengthen control over coal and unconventional oil and gas related industries. Additionally, the “List of High-Emitting Industries” is reviewed annually, and during the annual review of industry-specific credit risk concentration limits (including investment and credit business), these factors are included in adjustment considerations to moderately reduce related industry limits.
- (2) The “Key Points to the Sustainability-linked Loan Business” have been established, whereby qualifying entities meeting relevant sustainability-linked indicators may receive more favorable interest rate and fee conditions to guide funding toward sustainable enterprises and assist customers in moving toward low-carbon operations.
- (3) For investment business, both Taiwan dollar and foreign currency corporate bonds (including financial bonds) incorporate ESG into verification and evaluation processes, applying investment limits according to evaluation grade ranges. Post-investment, ESG conditions are regularly reviewed. The aforementioned products also have investment limits for high carbon emission industries with regular monitoring.

C Scenario analysis of physical risks - the flood and sloping land scenario

C-1 In recent years, extreme climate events have become frequent, and physical risk issues such as flooding and slope disasters caused by torrential rains are frequently discussed. To understand the financial impact of climate change on operations and business, the Bank conducts quantitative risk assessments for flooding and slope disasters at all Taiwan operational locations and real estate collateral positions for credit business.

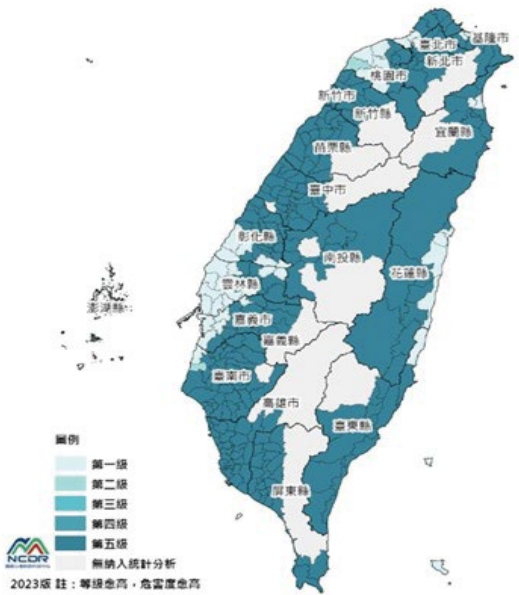
C-2 Evaluation method

Referencing the latest hazard and vulnerability classification maps for all Taiwan townships and districts published by the National Science and Technology Center for Disaster Reduction (NCDR) on the Climate Change Disaster Risk Adaptation Platform (definitions detailed in the table below), and using greenhouse gas emission scenario SSP5-8.5 (extremely high emissions) projections for the medium term (2041-2060) for physical risk scenario analysis. Risk levels are divided into five grades from low to high as Level 1 to Level 5, assessing the degree of impact UBOT may face from flooding and slope disaster areas.

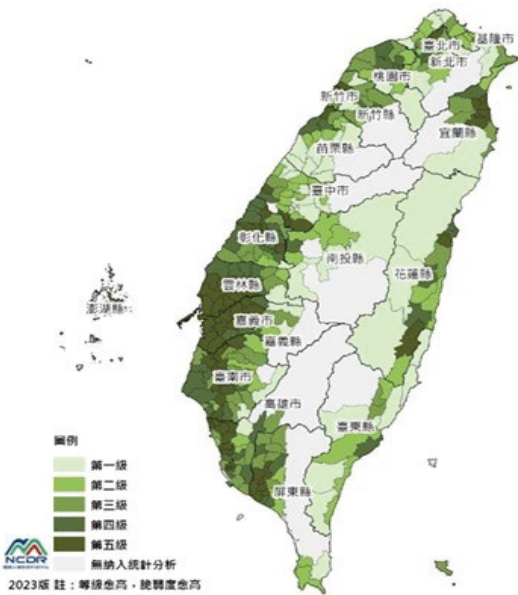
Flooding Disaster Risk

Slope Land Disaster Risk

Risk Factor	
Hazard Level	Probability of extreme rainfall exceeding 650 mm within 24 hours
Vulnerability	Based on the third-generation flood potential maps announced by the Water Resources Agency, using 24-hour 650 mm quantitative rainfall flood simulation maps to analyze Taiwan-wide flood depth and scope



全臺淹水災害風險圖\_危害度\_SSP5-8.5-中期

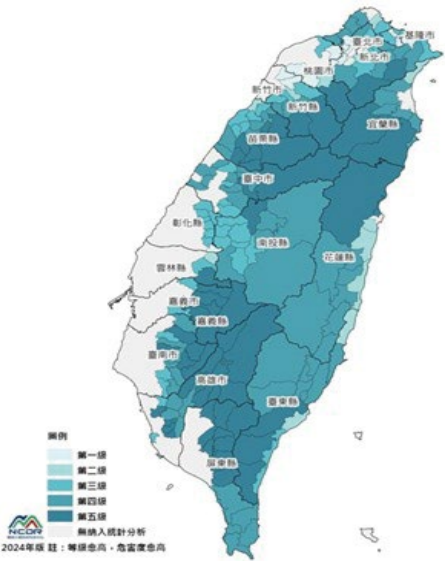


全臺淹水災害風險圖\_脆弱度

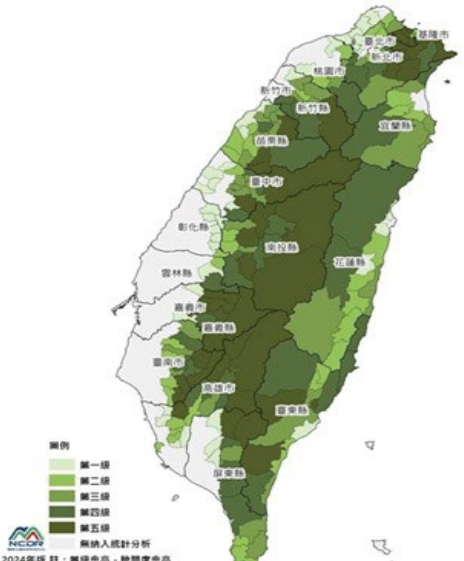
Flooding Disaster Risk

Slope Land Disaster Risk

Risk Factor	
Hazard Level	Probability of extreme rainfall exceeding 350 mm within 24 hours
Vulnerability	Analysis using geological disaster potential and Taiwan-wide collapse scope (exposed ground area ratio indicator)



全臺坡地災害風險圖\_危害度\_SSP5-8.5-中期



全臺坡地災害風險圖\_脆弱度

(1)UBOT's business locations

a Flooding Disaster Scenario

- a.1 UBOT inventoried all 90 domestic business locations as of the end of 2024 for flooding disaster risk identification. Under the SSP5-8.5 projection scenario, 19 locations (approximately 21.1% of total domestic operational locations) are in high-risk (Level 5) areas during 2041-2060, mostly located in northern regions.
- a.2 To further quantify potential losses from flooding at operational locations in high-risk (Level 5) areas, using “hazard” and “vulnerability” information from the Joint Credit Information Center’s “Financial Industry Climate Physical Risk Information Integration Platform” database, combined with the Water Resources Agency’s third-generation flood potential maps and each operational location’s floor space, the estimated potential operational loss is approximately NT\$457,000, which is assessed to have limited impact on overall operations.

b Slope Land Disaster Scenario

For slope land disaster risk identification of all 90 domestic business locations as of the end of 2024, excluding non-NCDR statistical areas, 44 business locations were included in the inventory. Under the SSP5-8.5 projection scenario, 4 locations (approximately 4.4% of total domestic business locations) are in high-risk (Level 5) areas during 2041-2060, all located in northern regions.

Risk Level	Medium Term (2041-2060)		High - Risk (Level 5) Areas	Medium Term (2041-2060)	
	Proportion of Domestic Operational Location			Number of business locations	
	Flooding Disaster	Slope Land Disaster		Flooding Disaster	Slope Land Disaster
Level 1	14.4%	18.9%	Northern region	17	4
Level 2	23.4%	7.8%	Central region	0	0
Level 3	14.4%	11.1%	Southern region	2	0
Level 4	26.7%	6.7%	Eastern region	0	0
Level 5	21.1%	4.4%			
Not Included (Note)	0.0%	51.1%			
Total	100.0%	100.0%			

Note: “Not included” analysis areas are those where risk assessment data cannot currently be obtained from the Climate Change Disaster Risk Adaptation Platform, not indicating complete absence of disaster risk.

c Resilience Assessment and Strategies:

Based on the above analysis results, UBOT’s domestic operational locations face limited potential loss amounts in high-risk areas under flooding disaster scenarios. In slope land disaster scenarios, the proportion of locations identified in high-risk areas is low, with limited assessed impact on the Bank’s operational business. However, to control potential physical risk impacts, the Bank still adopts the following related response strategies:

- c.1 UBOT has established the “Key Points of Union Bank of Taiwan for Disaster Emergency Response Operation” for operational risks that may be caused by natural disasters (such as floods, typhoons, earthquakes, etc.), setting related emergency response measures and establishing an “Emergency Response Team,” with regular disaster prevention education training and drills to ensure uninterrupted operations during disasters or emergencies, minimizing operational risks that disasters may cause. Related physical risk adaptation measures will be applied to all existing and new Union Bank of Taiwan operational locations within at least 5 years, with 100% coverage.
- c.2 For new buildings and branch renovations located in high flood risk areas, flood gates are prioritized at entrances and exits, while existing branches are equipped with flood sandbags to prevent and reduce flood damage.
- c.3 All business locations have commercial fire comprehensive insurance, including typhoon and flood insurance, to appropriately transfer climate physical risks.
- c.4 For branch site selection, 3D disaster potential queries are conducted case-by-case (current query content includes: flood potential, debris flows, landslides, soil liquefaction, tsunami overflow, etc.), with query results disclosed in reports and impacts included in site selection considerations.
- c.5 All business locations have uninterruptible power systems, and self-owned buildings have emergency generators to strengthen the Bank’s operational resilience.



## (2)Real estate collateral loans with credit

### a Flooding Disaster Scenario

a.1 Flooding disaster risk identification was conducted for all credit business cases using real estate as collateral as of the end of 2024 (of which newly approved loan balances in 2024 represent approximately 36.8% of total real estate collateral loan amounts). After excluding non-NCDR statistical areas, real estate collateral loan balances included in calculations represent approximately 99.9% of total real estate collateral loan amounts. After considering floor height and remaining loan terms, under the SSP5-8.5 projection scenario, high-risk (Level 5) outstanding balances during 2041-2060 represent approximately 6.0% of total real estate collateral loan amounts and approximately 4.7% of total credit balances, mostly located in northern regions, though the proportion remains low. Of these, corporate accounts represent approximately 0.7% and individual accounts approximately 5.3%.

a.2 Industry analysis: Industries with credit concentration above 8% (using Directorate-General of Budget, Accounting and Statistics medium classification) are "Wholesale Trade," "Real Estate Development," and "Financial Services," representing 0.2%, 0.002%, and 0.002% respectively.

a.3 To understand expected losses from flooding faced by high-risk (Level 5) real estate collateral loans, using the average additional expected loss rate ( $=PD \times LGD$ ) for Physical Risk Level 5 under the no-policy scenario at the 2050 time point selected in "Planning for Climate Change Scenario Analysis Operations by Domestic Banks (2022 Edition)," the estimated possible additional expected loss amount is approximately NT\$121 million, which remains within acceptable range.

### b Slope Land Disaster Scenario

b.1 Slope disaster risk identification was conducted for all credit business cases using real estate as collateral as of the end of 2024. After excluding non-NCDR statistical areas, real estate collateral loan balances included in calculations represent approximately 51% of total real estate collateral loan amounts. After considering remaining loan terms, under the SSP5-8.5 projection scenario, high-risk (Level 5) outstanding balances during 2041-2060 represent approximately 2.6% of total real estate collateral loan amounts and approximately 2.0% of total credit balances, mostly located in northern regions, though the proportion remains low. Of these, corporate accounts represent approximately 0.2% and individual accounts approximately 2.4%.

b.2 Industry analysis: Industries with credit concentration above 8% (using Directorate-General of Budget, Accounting and Statistics medium classification) are "Wholesale Trade," "Real Estate Development," and "Financial Services," representing 0.03%, 0.1%, and 0.01% respectively.

Risk Level	Medium Term (2041-2060)	
	Percentage of real estate collateral loan balance	
	Flooding Disaster	Slope Land Disaster
Level 1	74.9%	32.7%
Level 2	6.6%	5.1%
Level 3	5.3%	5.1%
Level 4	7.1%	5.5%
Level 5	6.0%	2.6%
Not Included (Note)	0.1%	49.0%
Total	100.0%	100.0%

High - Risk (Level 5) Areas	Medium Term (2041-2060)	
	Percentage of real estate collateral loan balance	
	Flooding Disaster	Slope Land Disaster
Northern region	4.7%	2.2%
Central region	0.5%	0.4%
Southern region	0.8%	0.004%
Eastern region	0.0%	0.0%

Note: "Not included" analysis areas are those where risk assessment data cannot currently be obtained from the Climate Change Disaster Risk Adaptation Platform, not indicating complete absence of disaster risk.

### c Resilience Assessment and Strategies:

Based on the above analysis results, UBOT's real estate collateral loans face limited potential expected loss increases in high-risk areas under flooding disaster scenarios. In slope disaster scenarios, the proportion of outstanding balances identified in high-risk areas remains low, with relatively low overall physical risk impact. However, to control potential physical risk impacts, UBOT still adopts the following related response strategies:

c.1 For real estate appraisals, 3D disaster potential queries are conducted case-by-case (current query content includes: flood potential, debris flows, landslides, soil liquefaction, tsunami overflow, etc.), with query results disclosed in reports and impacts included in valuation considerations.

c.2 UBOT's current standards for real estate collateral appraisal have established provisions for properties affected by climate change that are located in areas prone to wind disasters and droughts, or situated within flood potential zones as indicated on the National Science and Technology Center for Disaster Reduction's 3D Disaster Potential Map (areas with a 24-hour rainfall potential of 650 millimeters). This also includes properties directly located in debris flow, areas with potential for large-scale landslides, downhill slopes, deep-seated rockslides, debris slides, falling rocks, active fault zones, or areas with the immediate risk of a high potential for soil liquefaction caused by a single event. Such conditions must be noted in the matters needing attention in the appraisal report, and the approval authority for these types of collateral cases will be elevated, or the loan-to-value ratio will be reduced to manage the potential risks faced by the collateral.

c.3 UBOT requires debtors to insure mortgaged building collateral with appropriate insurance naming UBOT as beneficiary to reduce risks.

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

D-1 UBOT conducts assessments according to the “Operational Plan for Climate Change Scenario Analysis by Banks in Taiwan (2024 Edition)” published by the Financial Supervisory Commission, using [Long-term Scenarios] at 2030 and 2050 time points under “Orderly Net Zero,” “Disorderly Transition,” and “Delayed Transition” test scenarios, and [Short-term Scenarios] within the next year under “Physical Risk - Intensity Adjusted,” “Transition Risk,” and “Combined Loss” test scenarios, adopting the “Basic Approach” calculation method to assess impacts on UBOT’s financial position.

D-2 Evaluation method:

(1) Evaluation date: End of December 2024

(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		[Long-term Scenarios] - 2030 and 2050			[Short-term Scenarios] - Within Next Year		
Assessment Scope		Domestic and Overseas Positions			Domestic Positions		
Climate scenario		Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3
		Orderly Net Zero	Disorderly Transition	Delayed Transition	Physical Risk - Intensity Adjusted	Transition risk	Combined Loss
Scenario statement		Implement immediate and gradual transition to achieve carbon reduction targets	Delayed initiation of transition implementation while still achieving carbon reduction targets	Delayed implementation of transition without achieving carbon reduction targets	Assuming enhanced Typhoon Morakot event recurs in present (within next year) under 2°C warming scenario	Assuming the implementation of carbon fee collection on all domestic enterprises across all industries with uniform rate	Assuming both aforementioned scenarios occur simultaneously
Corresponding scenario	NGFS	Net Zero 2050	Delayed Transition	Fragmented World			
	IPCC	SSP1-1.9	SSP1-2.6	SSP2-4.5			
Set climate scenario factors		<ul style="list-style-type: none"><li>• Macroeconomic factors: Using indicators including GDP growth rate, unemployment rate, inflation rate, and long-term interest rates to simulate changes in default rates across positions.</li><li>• Environmental factors: Using environmental and temperature change values to generate trends in physical risk hazard items (including heavy rain, flooding, drought, slope land disasters, and heat waves) and changes in impact severity on different entity attributes.</li><li>• Transition factors: Using carbon pricing and industry emission change trends and related factors to simulate transition risk impacts of carbon pricing on different entity attributes.</li></ul>			<ul style="list-style-type: none"><li>• Environmental factors: Setting Typhoon Morakot as primary hazard, assuming heavy rainfall occurrence, assessing impact through flooding and slope disaster pathways.</li><li>• Transition factors: Using industry emission intensity and stricter carbon fee policies, assuming implementation across all domestic enterprises to assess impact changes on different entity attributes.</li></ul>		
Methodological framework		<ul style="list-style-type: none"><li>• Domestic credit positions: 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.</li><li>• Overseas credit positions: 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.</li><li>• Bank book investment position: Adopts the same approach as that for credit position.</li></ul>					

Note 1: NGFS stands for Network for Greening the Financial System.  
Note 2: IPCC stands for Intergovernmental Panel on Climate Change.  
Note 3: SSP-RCPs: Shared Socioeconomic Pathways generated from the Sixth Assessment Report (AR6)



D-3 Overall evaluation results:

(1) Long-term scenario

Under three test scenarios, expected loss amounts at 2030 and 2050 time points as ratios of UBOT’s net worth and pre-tax earnings are shown in the table below: At the 2030 time point, the “Disorderly Transition” scenario generates the highest overall loss amount, with expected losses of approximately NT\$3 billion, representing approximately 3.82% and 48.26% of net worth and pre-tax earnings respectively. At the 2050 time point, the “Delayed Transition” scenario generates the highest overall loss amount, with expected losses of approximately NT\$3.6 billion, representing approximately 4.71% and 59.49% of net worth and pre-tax earnings respectively.

(2) Short-term scenario:

Under three test scenarios, expected loss amounts as ratios of UBOT’s net worth and pre-tax earnings are shown in the table below: The “Combined Loss” scenario shows the highest overall loss amount, with expected losses of approximately NT\$4.2 billion, representing approximately 5.4% and 68.22% of net worth and pre-tax earnings respectively. Its impact level is similar to the “Physical Risk - Intensity Adjusted” scenario, while the “Transition Risk” scenario causes relatively mild impact.

D-4 Taking the three scenarios with highest expected loss amounts - [Long-term Scenarios] 2030 “Disorderly Transition” scenario, 2050 “Delayed Transition” scenario, and [Short-term Scenarios] “Combined Loss” scenario - for detailed analysis:

○ (1) Analysis by Asset Type

Under long-term scenarios, both time points show “Personal Credit - Other” having the highest expected loss as percentage of net worth at 1.82% and 1.99% respectively. Under short-term scenarios, “Home Loans” shows the highest expected loss as percentage of net worth at 2.72%.

Asset category			Proportion of expected loss to net worth		
			Long-term scenario		Short-term scenario
			Disorderly Transition	Delayed Transition	
			2030	2050	Combined Loss
Credit	Corporate		1.35%	1.86%	1.23%
(including credit cards)	Individual	Home loans	0.29%	0.27%	2.72%
		Others	1.82%	1.99%	1.36%
	Subtotal		3.47%	4.12%	5.31%
Bank book investment			0.35%	0.59%	0.09%
Total			3.82%	4.71%	5.40%

○ (2)Investment and Financing Position Physical Risk Analysis

a Analysis by Company Registration Location of Investment and Financing Enterprises

a.1 Long-term scenario:

For domestic enterprises, credit exposure at both time points is primarily distributed in “Low” risk areas (EAD proportion exceeding 83%), with EAD-weighted average revenue loss rates of 4.75% and 4.74% respectively. Domestic investment exposure is also primarily distributed in “Low” risk areas (EAD proportion exceeding 97%), with EAD-weighted average revenue loss rates of 4.35% for both periods, indicating limited business losses to UBOT’s domestic enterprises from physical risks.

a.2 Short-term scenario:

Both domestic enterprise credit and investment exposure are primarily distributed in “Low” risk areas (EAD proportion exceeding 78%), with EAD-weighted average revenue loss rates of 3.07% and 1.58% respectively for credit and investment, indicating limited business losses to UBOT’s domestic enterprises from physical risks under short-term scenarios.

Physical risk	EAD Distribution					
	Long-term scenario				Short-term scenario	
	Domestic Enterprise Credit		Domestic Investment		Domestic Enterprise Credit	Domestic Investment
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition		
	2030	2050	2030	2050		
Low	83.8%	85.6%	97.6%	97.6%	78.2%	97.6%
Medium-Low	12.4%	11.2%	2.4%	2.4%	7.5%	0.0%
Moderate	3.4%	2.8%	0.0%	0.0%	11.8%	0.0%
Medium-High	0.4%	0.4%	0.0%	0.0%	2.5%	2.4%
High	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Revenue Loss Rate (%)—EAD Weighted	4.75%	4.74%	4.35%	4.35%	3.07%	1.58%

Long-term scenario			Overall evaluation results	
Climate scenario		Scenario period	Proportion of expected loss to net worth	Proportion of expected loss to pre-tax profit and loss
Scenario 1	Orderly Net Zero	2030	2.94%	37.17%
		2050	3.36%	42.49%
Scenario 2	Disorderly Transition	2030	3.82%	48.26%
		2050	3.83%	48.33%
Scenario 3	Delayed Transition	2030	3.48%	43.90%
		2050	4.71%	59.49%

Short-term scenario			Overall evaluation results	
Climate scenario			Proportion of expected loss to net worth	Proportion of expected loss to pre-tax profit and loss
Scenario 1	Physical Risk - Intensity Adjusted		5.40%	68.20%
Scenario 2	Transition risk		2.20%	27.82%
Scenario 3	Combined Loss		5.40%	68.22%

Note 1: Due to assumptions in scenario analysis methodology and parameter settings being estimated values under different risk scenarios, with long-term scenarios covering more distant assessment periods, expected loss estimates under various scenarios have inherent uncertainty and do not represent actual future impacts. Usage and interpretation of analysis results should consider these limitations.

Note 2: Due to different methodologies between long-term and short-term scenarios, analysis results should not be directly compared.



b Analysis by Real Estate Collateral Location

b.1 Long-term scenario:

Domestic enterprise credit and personal mortgage exposure at both time points are primarily distributed in “Low” and “Medium-Low” risk areas (combined EAD proportion exceeding 68%), with EAD-weighted average collateral value loss rates ranging from 26.47% to 28.75%. UBOT’s real estate appraisal process includes case-by-case 3D disaster potential queries with impacts incorporated into valuation considerations, which should reduce the impact of collateral value depreciation caused by climate change.

b.2 Short-term scenario:

Both domestic enterprise credit and personal mortgage exposure are primarily distributed in “Low” risk areas (EAD proportion exceeding 73%), with EAD-weighted average collateral value loss rates of 23.6% and 21.74% respectively. UBOT’s real estate appraisal process includes case-by-case 3D disaster potential queries with impacts incorporated into valuation considerations, which should reduce the impact of collateral value depreciation caused by climate change.

b.3 Analysis by Country

Overseas enterprise credit and investment exposure at both time points are primarily distributed in “Medium-High” risk “D” grade countries (EAD proportion exceeding 80%). The main “D” grade countries for overseas credit are Vietnam, and for overseas investment, the United States. Overseas enterprise credit and investment represent only approximately 1% and 7% of total exposure positions respectively, indicating limited impact of physical risks on UBOT’s overseas investment and financing positions.

Physical risk	EAD Distribution					
	Long-term scenario				Short-term scenario	
	Domestic Enterprise Credit		Personal Home Loans		Domestic Enterprise Credit	Personal Home Loans
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition		
	2030	2050	2030	2050		
Low	48.5%	61.0%	56.3%	69.6%	73.5%	77.5%
Medium-Low	22.4%	15.5%	12.0%	6.9%	6.3%	5.9%
Moderate	13.9%	8.1%	13.3%	8.5%	7.5%	3.4%
Medium-High	8.0%	8.2%	13.7%	10.3%	2.7%	3.3%
High	7.2%	7.2%	4.7%	4.7%	10.0%	9.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Collateral Value Loss Rate (%)—EAD Weighted	28.75%	27.69%	28.02%	26.47%	23.60%	21.74%

Physical risk	EAD Distribution			
	Long-term scenario			
	Domestic Enterprise Credit		Personal Home Loans	
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition
	2030	2050	2030	2050
A (Low)	0.0%	0.0%	0.0%	0.0%
B (Medium-Low)	0.0%	0.0%	0.0%	0.0%
C (Medium)	11.6%	0.0%	1.2%	1.2%
D (Medium-High)	88.4%	93.4%	81.8%	80.4%
E (High)	0.0%	6.6%	17.0%	18.4%
Total	100.0%	100.0%	100.0%	100.0%

o (3)Investment and Financing Position Transition Risk Analysis

a Analysis by Domestic Enterprise Industry Sector

a.1 Long-term scenario:

For domestic enterprise credit exposure, both time points are primarily distributed in “Low” and “Medium-Low” risk areas (combined EAD proportion exceeding 76%), with EAD-weighted average revenue loss rates of 1.33% and 5.36% respectively, indicating limited business losses from transition risks to the Bank’s domestic enterprise credit. For domestic investment exposure, the 2030 scenario is primarily distributed in “Low” and “Medium-Low” transition risk industries (combined EAD proportion of 64.2%), while the 2050 scenario is primarily distributed in “Medium” and “High” transition risk industries (EAD proportions of 41.9% and 29.7% respectively). The “High” transition risk industry is primarily electricity and gas supply. EAD-weighted average revenue loss rates are 5.51% and 25.43% respectively, with higher transition risk faced under the 2050 “Delayed Transition” scenario. However, domestic investment positions represent only approximately 0.5% of total exposure, resulting in limited impact.

a.2 Short-term scenario:

Both domestic enterprise credit and investment exposure are primarily distributed in “Low” and “Medium-Low” risk industries (EAD proportions exceeding 64%), with EAD-weighted average revenue loss rates of 0.84% and 2.77% respectively, indicating limited business losses from transition risks to UBOT’s domestic enterprises under short-term scenarios.

Transition risk	EAD Distribution					
	Long-term scenario				Short-term scenario	
	Domestic Enterprise Credit		Domestic Investment		Domestic Enterprise Credit	Domestic Investment
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition		
	2030	2050	2030	2050		
Low	65.4%	64.7%	22.3%	19.8%	61.4%	19.8%
Medium-Low	19.9%	11.9%	41.9%	2.5%	13.8%	44.4%
Moderate	7.5%	15.2%	6.1%	41.9%	11.8%	6.1%
Medium-High	3.9%	4.7%	0.0%	6.1%	9.7%	0.0%
High	3.3%	3.5%	29.7%	29.7%	3.3%	29.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Revenue Loss Rate (%)—EAD Weighted	1.33%	5.36%	5.51%	25.43%	0.84%	2.77%

b Overseas Enterprises - Comprehensive Consideration of Industry and Country Two-Dimensional Analysis:

b.1 Long-term scenario:

- For overseas enterprises’ credit, by industry, exposure at both time points is primarily distributed in “Low” transition risk industries such as financial services and real estate development (EAD proportion exceeding 67%). By country, exposure is primarily distributed in “Medium” transition risk countries such as Vietnam. Comprehensively considering both industry and country dimensions, exposure is primarily distributed in “Medium-Low” risk “b” grade (EAD proportion exceeding 84%). Overseas enterprise credit represents a small proportion of total exposure (approximately 1%), indicating relatively low transition risk faced by UBOT’s overseas credit positions.
- For overseas investments, by industry (excluding “Other”), exposure at both time points is primarily distributed in “Low” transition risk industries such as financial services and other transportation equipment and parts manufacturing (EAD proportion of 43.2%). By country, exposure is primarily distributed in “Medium-Low” transition risk countries such as the United States (EAD proportion of 72.3%). Comprehensively considering both industry and country dimensions, exposure is primarily distributed in “Low” risk “a” grade and “Medium-Low” risk “b” grade (combined EAD proportion exceeding 72%). Overseas investment positions also represent a small proportion of total exposure (approximately 7%). The impact of transformation risks on UBOT’s overseas investment positions is limited.

Transition risk	EAD Distribution							
	Industry				Country			
	Overseas Enterprise Credit		Overseas Investment		Overseas Enterprise Credit		Overseas Investment	
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition
	2030	2050	2030	2050	2030	2050	2030	2050
Low	93.5%	67.1%	43.2%	43.2%	0.0%		0.0%	
Medium-Low	6.5%	28.3%	4.5%	2.8%	13.4%		72.3%	
Moderate	0.0%	4.6%	1.2%	2.9%	83.4%		1.4%	
Medium-High	0.0%	0.0%	3.7%	3.1%	3.2%		4.0%	
High	0.0%	0.0%	8.8%	9.5%	0.0%		22.3%	
Others (Note)	0.0%	0.0%	38.6%	38.6%				
Total	100.0%	100.0%	100.0%	100.0%	100.0%		100.0%	

Note: Credit and investment targets that are sovereign states are listed as “Others.”

Comprehensive Transition Risk (Considering Industry and Country Two-Dimensional)	EAD Distribution			
	Domestic Enterprise Credit		Overseas Investment	
	Disorderly Transition	Delayed Transition	Disorderly Transition	Delayed Transition
	2030	2050	2030	2050
a (Low)	13.4%	2.3%	33.1%	32.5%
b (Medium-Low)	84.7%	91.2%	39.2%	39.8%
c (Medium)	1.9%	6.5%	8.3%	8.3%
d (Medium-High)	0.0%	0.0%	7.2%	7.2%
e (High)	0.0%	0.0%	12.2%	12.2%
Total	100.0%	100.0%	100.0%	100.0%

#### D-5 Resilience Assessment and Strategies:

Based on the above analysis results, climate-related risks faced by UBOT remain manageable. UBOT will continue to understand the physical and transition risk exposure distribution of Bank-wide credit and investment positions and financial impacts on UBOT’s expected losses through regular scenario analysis based on test results to manage UBOT’s climate-related risks. To control potential impacts from climate-related risks, UBOT adopts the following related response strategies:

- (1) UBOT has established a “Sustainable Credit and Investment Policy” to strengthen control over coal and unconventional oil and gas related industries. Additionally, the “List of High-Emitting Industries” is reviewed annually, and during the annual review of industry-specific credit risk concentration limits (including investment and credit business), these factors are included in adjustment considerations to moderately reduce related industry limits.
- (2) For New Taiwan Dollar corporate bonds (including financial bonds), ESG due diligence forms have been designed to conduct relevant surveys on investee companies before investment, including ESG scores, specific improvement or transformation plans, and physical risk assessment conditions. Both Taiwan Dollar and foreign currency corporate bonds (including financial bonds) incorporate ESG into verification and evaluation processes, applying investment limits according to evaluation grade ranges.

- (3) The “Key Points to the Sustainability-linked Loan Business” have been established, whereby qualifying entities meeting relevant sustainability-linked indicators may receive more favorable interest rate and fee conditions to guide funding toward sustainable enterprises and assist customers in moving toward low-carbon operations.
- (4) The corporate banking credit business has established the goal of “incorporating climate risk factors into the credit review process.” The “Climate Risk Assessment Form” planned for design completion in 2024 is still under development for information system integration. After going online, relevant information will be collected and analyzed to establish credit policies and create credit principles or engagement methods for high climate risk credit customers, expected to be completed by 2026.
- (5) For real estate appraisals, 3D disaster potential query results are disclosed in reports with impacts incorporated into valuation considerations. Appraisal regulations specify that properties affected by climate change in areas susceptible to typhoons and droughts, or with certain levels of flood potential or slope disaster potential, should be listed as “matters requiring attention” in appraisal reports, with elevated approval authority for such collateral cases and/or reduced loan-to-value ratios to control potential risks faced by collateral.



## 7.1.4 Effectiveness, Indicators, and Targets of Climate-related Measures

### 01 Low-carbon operations

#### A Internal Operations Greenhouse Gas Emissions Management

##### A-1 Greenhouse Gas Emissions Inventory Information

###### (1) Union Bank of Taiwan Greenhouse Gas Emissions Inventory Information:

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 14064-1:2018 standard. 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. Types of Emitted Gases: Carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride. Global Warming Potential (GWP) values reference the IPCC 2021 Sixth Assessment Report.

Item	Unit of measuremen	2021	2022
Greenhouse gas emissions	metric tons of CO2e	4,838	4,309

Item/Year	2023	2024
Scope 1	439.3939	419.2728
Scope 2	7,356.3762	7,144.6423
Subtotal for Scopes 1 and 2	7,795.7701	7,563.9151
Scope 3 [Business Travel]	638.7580	632.5128
Scope 3 [Upstream Electricity, Water, and Gasoline]	1,629.9371	1,590.4478
Total for Scopes 1, 2, and 3	10,064.4652	9,786.8757
Revenue Carbon Intensity (tCO2e/million NT\$)	0.656	0.4936

Note 1: The units of emission for Scopes 1, 2, and 3 are metric tons of CO2 equivalent (CO2e).

Note 2: 2023 coverage: 90 locations Bank-wide.

Note 3: In 2024, the coverage includes 92 locations Bank-wide (including 2 locations in Ho Chi Minh City and Hanoi, Vietnam).

Note 4: Coverage rate: 100%.

Note 5: Greenhouse Gas Assurance Information:

(1) Assurance Scope:

(a) Scope 1, Scope 2, and Scope 3 items "1-14" across 90 locations Bank-wide in 2023.

(b) Scope 1, Scope 2, and Scope 3 items "1-14" across 92 locations Bank-wide (including 2 locations in Ho Chi Minh City and Hanoi, Vietnam) in 2024.

(2) Assurance Institution: SGS Taiwan Ltd.

(3) Assurance Standard: ISO14064-3:2006.

Note: In 2022 and prior years, the scope of inventory covers bank dormitory in which electricity bills were paid separately. From 2023 on, the scope of inventory encompasses Scopes 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.

###### (2) (Subsidiary) Union Leasing Greenhouse Gas Emissions Inventory Information:

Item/Year	2024
Scope 1	28.2703
Scope 2	215.4285
Subtotal for Scopes 1 and 2	243.6988
Scope 3 [Business Travel]	37.3062
Scope 3 [Upstream Electricity, Water, and Gasoline]	53.9406
Total for Scopes 1, 2, and 3	334.9456

Note 1: The units of emission for Scopes 1, 2, and 3 are metric tons of CO2 equivalent (CO2e).

Note 2: Coverage includes 20 locations company-wide in 2024.

Note 3: Coverage rate: 100%.

###### (3) (Subsidiary) USITC Greenhouse Gas Emissions Inventory Information:

Item/Year	2024
Scope 1	2.9555
Scope 2	64.3576
Subtotal for Scopes 1 and 2	67.3131
Scope 3 [Business Travel]	0
Scope 3 [Upstream Electricity, Water, and Gasoline]	13.5645
Total for Scopes 1, 2, and 3	80.8776

Note 1: The units of emission for Scopes 1, 2, and 3 are metric tons of CO2 equivalent (CO2e).

Note 2: Coverage includes 1 location company-wide in 2024.

Note 3: Coverage rate: 100%.

(4) (Subsidiary) Union Venture Capital Greenhouse Gas Emissions Inventory Information:

Item/Year	2024
Scope 1	3.9583
Scope 2	225.4616
Subtotal for Scopes 1 and 2	229.4199
Scope 3 [Business Travel]	0
Scope 3 [Upstream Electricity, Water, and Gasoline]	45.4220
Total for Scopes 1, 2, and 3	274.8419
Note 1: The units of emission for Scopes 1, 2, and 3 are metric tons of CO2 equivalent (CO2e).	
Note 2: Coverage includes 1 location company-wide in 2024.	
Note 3: Coverage rate: 100%.	

(5) (Subsidiary) Union Information Greenhouse Gas Emissions Inventory Information:

Item/Year	2024
Scope 1	3.7098
Scope 2	387.0418
Subtotal for Scopes 1 and 2	390.7516
Scope 3 [Business Travel]	0.6759
Scope 3 [Upstream Electricity, Water, and Gasoline]	77.0895
Total for Scopes 1, 2, and 3	468.5170
Note 1: The units of emission for Scopes 1, 2, and 3 are metric tons of CO2 equivalent (CO2e).	
Note 2: Coverage includes 1 location company-wide in 2024.	
Note 3: Coverage rate: 100%.	

A-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans:

(1) Carbon Reduction Targets:

UBOT and its subsidiaries comply with domestic greenhouse gas reduction regulations and, referencing international science-based reduction methods (SBTi), have established annual carbon reduction targets for Scope 1 and Scope 2. Using 2023 as the base year, the targets are to achieve 42% carbon reduction and RE60 (60% renewable electricity usage) by 2030, with long-term goals of achieving net-zero emissions and RE100 by 2050.

(2) Carbon Reduction Strategies and Specific Action Plans:

a Reduce Internal Operational Carbon Emissions:

- a.1 Reducing electricity consumption: Comprehensive use of energy-efficient LED lighting, variable frequency air conditioning, refrigerators, water dispensers and other electrical equipment with energy-saving labels.
- a.2 Reducing water consumption: Complete replacement of old toilets with water-saving toilets, replacement of faucets with sensor faucets, and pipeline maintenance to prevent leaks.
- a.3 Reducing fuel consumption in company vehicles: Annual replacement of official cars and motorcycles with hybrid, electric, or new energy vehicles.
- a.4 Electronic documents: Full adoption of electronic documents and continued promotion of electronic billing.
- a.5 Green procurement and green office: Participation in Environmental Protection Administration-promoted green procurement and green office activities.
- a.6 Low-carbon buildings: Construction of self-owned buildings using green building and intelligent building certification design, with interior decoration using low-carbon, low-formaldehyde green building materials.
- a.7 Internal carbon pricing: Establishment of internal carbon pricing, incorporating carbon emissions into internal cost assessments to promote carbon reduction management measures.

b Expand the Use of Renewable Energy:

- b.1 Electric vehicle charging systems: All self-built building parking lots have been equipped with electric vehicle charging systems since 2024.
- b.2 Solar power generation: Installation of rooftop solar power generation facilities at self-owned branch buildings.
- b.3 Renewable energy use: UBOT (including subsidiaries) will gradually increase renewable energy usage annually, targeting RE100 international renewable energy initiative standards (RE60 by 2030, RE100 by 2050).

c Implement Energy and Environmental Management and Expanding Impact:

- c.1 Continued implementation of ISO 50001 Energy Management Systems and ISO 14001 Environmental Management Systems, continuously promoting energy consumption reduction and establishing green and clean environments.
- c.2 Establishing signage lighting operating time management rules for winter and summer seasons to reduce electricity consumption.
- c.3 Implementing education and training to strengthen employee energy conservation and carbon reduction concepts, continuously promoting turning off lights when not in use and turning off unnecessary air conditioning to avoid electricity waste.
- c.4 Controlling branch air conditioning temperature settings with a minimum of 26°C as principle.
- c.5 Continue to participate in international advocacy campaigns such as "Earth Hour", "World Earth Day", and "World Environment Day", and encourage clients and neighboring businesses to engage collectively.

## B Internal Carbon Pricing

B-1 Introducing internal carbon pricing mechanism to strengthen climate risk financial management:

- (1) In response to potential financial impacts from climate change, UBOT has introduced an “Internal Carbon Pricing” system to strengthen integration of carbon management and operational decision-making. Internal carbon pricing considers long/short-term climate change risks, future carbon fee trends, and combines external regulations with internal energy-saving investment costs, calculated using weighted average method.
- (2) Internal carbon pricing is calculated through weighted average of three indicators: the Ministry of Environment’s announced short-term carbon fee of NT\$300 per ton for 2026, estimated long-term carbon fee for 2030, and the Bank’s per-ton carbon reduction costs from lighting and air conditioning equipment replacement over the past two years. After comprehensive evaluation, the internal carbon pricing is set at NT\$1,100 per ton, applicable to Scope 1 and Scope 2 carbon emissions, serving as basis for procurement decisions, operational management, and carbon reduction action promotion.
- (3) Based on UBOT’s 2024 greenhouse gas inventory results, total emissions were 9,786.8757 tons (Scope 1 and Scope 2), and with internal carbon pricing of NT\$1,100 per ton, the corresponding total potential carbon fee cost is approximately NT\$10.765 million, with minimal impact on the UBOT’s finances and business.

B-2 Internal carbon pricing application and management mechanism: To strengthen carbon reduction incentives and sustainable operations, UBOT’s internal carbon pricing mechanism will be practically applied to procurement decisions and operational management assessments, adopting shadow pricing and reflected in unit profit calculations through quantification to implement departmental responsibility and encourage low-carbon transformation. Management measures include:

- (1) Vehicle replacement and upgrade: In 2025, priority will be given to replacing official motorcycles over 15 years old, with plans to convert 12 motorcycles to electric. Official cars with annual mileage reaching 27,000 kilometers will prioritize electric or hybrid vehicles when lease contracts expire.
- (2) Linking to operational performance assessment: UBOT established business unit annual energy conservation and carbon reduction performance assessment methods in 2025. Units failing to achieve annual electricity saving targets will have carbon emissions calculated based on annual electricity consumption, multiplied by NT\$1,100 per ton internal carbon pricing, deducted from unit profits to reflect carbon emission costs.

## C Energy use

C-1 Reducing electricity consumption:

- (1) Replacement of old energy-consuming lighting and air conditioning equipment, with 40 air conditioning systems and 1,937 energy-efficient lighting fixtures replaced in 2024.
- (2) Ensure that the air conditioning temperature is not set below 26°C during summer.

(3) Display “Power saving in progress” signs at prominent places across all UBOT business locations to remind employees and customers to save energy.

(4) Maintain minimum lighting or use sensor lighting in all public spaces during off-peak hours.

C-2 Reducing water consumption: In addition to checking sanitary equipment for leaks and using water-saving labeled products, 20 water-saving toilets and 15 faucet sets were replaced in 2024.

C-3 Reducing fuel consumption in company vehicles:

Replacing fuel motorcycles and responding to the Ministry of Environment’s “Green Office” activities through the following measures:

- (1) Vehicle maintenance: Annual regular maintenance and inspection of official vehicles.
- (2) Vehicle sharing: Leasing passenger vehicles, adopting taxi sharing, or using public transportation.
- (3) Record management: Regular recording of official vehicle fuel consumption.
- (4) Video conferencing: Installing video conferencing system equipment and encouraging priority use of video conferences.

## D Supply Management

D-1 Supplier management policies have been established, requiring partner suppliers to comply with these policies. When signing contracts, suppliers must sign “Letter of Commitment on Compliance with CSR, Ethical Management and Legal Provisions,” with 29 commitments signed in 2024. This regulates that suppliers of goods and services must commit to complying with Environmental Protection Act, Occupational Safety and Health Act, Labor Standards Act and other relevant legal requirements during manufacturing and service provision, paying attention to labor rights and workplace safety hazards, taking measures to prevent harm, and adhering to integrity management policies. Contract clauses stipulate that if suppliers violate the above policy content or cause significant environmental and social impacts, UBOT may terminate or dissolve contracts at any time to avoid transactions with parties conflicting with UBOT’s corporate social responsibility policies.

D-2 UBOT requires major suppliers to complete the “Supplier CSR Self-Assessment Form,” with 46 suppliers completing assessments by 2024 (4 completed in 2024), to understand supplier implementation in environmental protection, occupational safety and health, labor rights, and integrity management. Suppliers not meeting UBOT’s requirements and unable to improve after guidance will not be engaged.

## E Green procurement

In 2024, UBOT participated in the Executive Yuan’s “Green Procurement by Private Enterprises and Organizations” program, purchasing approximately NT\$37.67 million in green products and participating in green procurement platform reporting activities.



**F Participation in advocacy activities:**

Responding to Ministry of Environment’s green office initiatives and global energy conservation advocacy activities such as “Earth Hour,” “World Earth Day,” and “World Environment Day.”

**G Target Indicators and Implementation Status**

Target item		Targets for the current year (2024)	Short-term targets (2025)	Medium- to long-term targets (2026 on)	Implementation of targets for 2024
Green-house Gas Emissions	Inventory and Verification	1 Scheduled to complete the greenhouse gas inventory of UBOT. 2 Scheduled to complete the greenhouse gas inventory of UBOT subsidiaries.		Scheduled to complete greenhouse gas verification at UBOT subsidiaries by 2027.	1 Completed the greenhouse gas inventory of UBOT. 2 Completed the greenhouse gas inventory of UBOT subsidiaries.
	Carbon Emissions Reduction	Plan to set annual greenhouse gas reduction targets based on SBTi’s Absolute Contraction Approach, with 2023 as the base year.		1 Continue annual reduction target management, targeting 42% reduction by 2030. 2 Achieve the goal of net-zero emissions 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.	UBOT has referenced the SBTi absolute carbon emission methodology, using 2023 as base year, establishing a target of 42% carbon emission reduction by 2030. 2024 estimated carbon reduction of 6%, approximately 1,207 metric tons CO2 equivalent; actual carbon reduction approximately 3%, about 555 metric tons CO2 equivalent. Reduction scope includes Scope 1, Scope 2, and Scope 3 business travel (private car for business use), electricity, water, gasoline upstream (fuel and energy-related activities).
Internal carbon pricing		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.	Continue to introduce the internal carbon pricing mechanism.	UBOT established internal carbon pricing of NT\$1,100 per metric ton in December 2024, incorporating assessment costs in official vehicle procurement (leasing) operations.
Energy use	Reducing electricity consumption	Achieve a 15% reduction in electricity consumption across UBOT by 2035, with 2023 as the base year. (Note 1)			Implemented replacement of 40 air conditioning systems and 1,937 energy-efficient labeled lighting fixtures, achieving 1.327% electricity savings compared to base year to date.
	Reducing water consumption	Achieve a 8% reduction in water consumption across UBOT by 2035, with 2023 as the base year.			Implemented replacement of 20 water-saving labeled toilets and 15 faucet sets and other sanitary equipment, achieving 0.08% water savings compared to base year this year.
	Reducing fuel consumption in company vehicles	Achieve a 40% reduction in fuel consumption in all company vehicles by 2035, with 2023 as the base year.			Implemented replacement of 8 fuel motorcycles with electric motorcycles, achieving 0.71% fuel savings compared to base year this year.
	Installing charging systems for electric vehicles	Equip parking lots in all UBOT buildings with electric vehicle systems from 2023 onward.			Planned to install four electric vehicle charging piles at UBOT’s Jincheng building, which is currently under construction.
	Setting up solar farms on the rooftop of UBOT’s buildings	Set up at least five solar farms on the rooftop of UBOT’s own buildings by 2035.			Planned to set up a solar farm on the rooftop of UBOT’s own building in Southern Taoyuan.
	Increase renewable energy usage		Establish 2023 as base period, targeting RE60 by 2030 and RE100 by 2050 renewable energy usage rates.		In 2024, UBOT purchased and used 220,800 kWh of green electricity, achieving usage rate of 1.53%

Note 1: Base period adjusted from 2020 to 2023 to comply with ISO 14064 unified measurement scope requirements.

### A Investment and Financing Portfolio/Asset Management - Financed Emissions Inventory

Greenhouse gas inventory was conducted for the Group’s (Union Bank of Taiwan and subsidiaries) investment and financing customers and asset management positions. Using Partnership for Carbon Accounting Financials (PCAF) methodology, calculated financed emissions data are shown in the table below. Starting 2024, inventory scope and asset category items were expanded. 2024 proprietary asset portfolio inventory coverage rate was 52.71% (inventory position amount as percentage of total investment and financing position amount), calculation coverage rate was 99.74% (inventory position amount as percentage of investment and financing positions meeting PCAF methodology), total financed emissions were 838,216 tCO<sub>2</sub>e, carbon intensity was 1.92 (tCO<sub>2</sub>e/million NT\$), and data quality score was 3.60. Subsidiary USITC’s asset management position financed emissions totaled 13,266 tCO<sub>2</sub>e, with carbon intensity of 2.25 (tCO<sub>2</sub>e/million NT\$) and data quality score of 1.65.

Item		2022	2023	2024
Owned Asset Portfolio	Financed Emissions (tons CO <sub>2</sub> e)	227,719	960,387	838,216
	Carbon Emissions Intensity (metric tons of CO <sub>2</sub> e per NT\$1 million)	14.42	2.34	1.92
	Data Quality Score		3.65	3.60
	Inventory coverage (Note 3)		52.99%	52.71%
	Calculation coverage (Note 3)		99.85%	99.74%
(Investment Trust) Asset Management	Financed Emissions (tons CO <sub>2</sub> e)		8,266	13,266
	Carbon Emissions Intensity (metric tons of CO <sub>2</sub> e per NT\$1 million)		2.40	2.25
	Data Quality Score		1.56	1.65

Item			Financed emissions (tons CO <sub>2</sub> e)		
			2022	2023	2024
A s s e t category	Owned Asset Portfolio	TWSE/TPEX-listed stocks	17,478	23,520	11,778
		Corporate bonds	147,391	283,976	238,537
		Sovereign Bonds (Note 4)		232,595	245,896
		Commercial loans	62,850	282,419	203,189
		Commercial Real Estate Loans		40,149	42,858
		Housing Loans		44,499	43,056
		Motor Vehicle Loans		53,229	52,902
		Total	227,719	960,387	838,216

Item			Carbon Emissions Intensity (metric tons of CO <sub>2</sub> e per NT\$ million)			Data Quality Score	
			2022	2023	2024	2023	2024
A s s e t category	Owned Asset Portfolio	TWSE/TPEX-listed stocks	7.30	1.30	0.57	1.66	1.65
		Corporate bonds	22.50	10.77	10.27	2.05	1.58
		Sovereign bonds		7.73	6.79	1.65	1.47
		Commercial loans	9.18	1.97	1.32	4.12	4.12
		Commercial Real Estate Loans		1.16	1.11	4.00	4.00
		Housing Loans		0.33	0.31	4.00	4.00
		Motor Vehicle Loans		2.24	2.10	4.12	4.13
		Total	14.42	2.34	1.92	3.65	3.60

Note 1: 2022 inventory covered only Union Bank of Taiwan’s lending and equity/debt investment clients with disclosed Scope 1 and Scope 2 emissions data. Starting 2024, inventory scope was expanded. 2023 and 2024 scope covers Union Bank of Taiwan and subsidiaries’ (Union Leasing, USITC, Union Information, Union Venture Capital, and Union Finance) domestic and overseas total investment and financing positions, with 2023 financed emissions figures updated accordingly.

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

Note 3: Inventory coverage: Investment and financing position amount inventoried according to PCAF methodology/Total balance sheet FVTPL, FVOCI, AC, IEQU, loans (excluding collection accounts) and accounts receivable funds lending

Calculation coverage: Investment and financing position amount inventoried according to PCAF methodology/Investment and financing position amount meeting PCAF methodology

PCAF methodology applicable coverage: Investment and financing position amount meeting PCAF methodology as percentage of total investment and financing portfolio amount was 53.07% and 52.85% for 2023 and 2024 respectively

Note 4: Sovereign bonds are calculated based on production greenhouse gas emissions excluding LULUCF; production greenhouse gas emissions including LULUCF disclosed as 227,578 metric tons for 2023 and 233,849 metric tons for 2024

Note 5: For non-inventoried positions, mainly (1) asset category was excluded due to lack of PCAF methodology: commercial paper, NCDs, derivative financial instruments, ETFs, asset securitization, private equity funds, local government bonds, green and sustainable bonds, individual land financing, renovation mortgages, and non-specific purpose loans; (2) inability to obtain complete fund holdings information and partial lack of inventory information.

2024 Investment and Financing Portfolio Financed Emissions Analysis (by Industry/Country)

<By Industry>

Industry	Financed Emissions (tons CO2e)	Carbon Emissions Intensity (metric tons of CO2e per NT\$ million)	Proportion of Carbon Emissions
Electricity and gas supply	135,436	43.69	16.16%
Base metal manufacturing	62,041	9.57	7.40%
Fossil fuel mining	17,406	10.65	2.08%
Chemicals	33,194	3.17	3.96%
Non-metallic mineral product manufacturing	28,082	10.27	3.35%
Electrical and electronics	8,269	0.92	0.99%
Textile	15,770	10.65	1.88%
Paper	5,372	6.53	0.64%
Others	532,646	1.33	63.54%
Total	838,216	1.92	100.00%

Note: Industry classification based on UBOT's list of high-emitting industries.

<By Industry>

Country	Financed Emissions (tons CO2e)	Carbon Emissions Intensity (metric tons of CO2e per NT\$ million)	Proportion of Carbon Emissions
Taiwan	308,806	1.82	44.15%
United States	146,523	4.68	20.95%
India	87,709	22.21	12.54%
Indonesia	26,559	10.35	3.80%
Qatar	24,130	10.72	3.45%
Netherlands	21,408	21.79	3.06%
Russia	15,929	5.37	2.28%
Saudi Arabia	13,415	10.22	1.92%
Bahrain	12,454	25.33	1.78%
United Arab Emirates	12,288	5.08	1.76%
Supranational Organizations	10,394	8.77	1.49%
South Africa	9,987	16.22	1.43%
Others	9,798	0.65	1.39%
Total	699,400	2.98	100.00%

Note: Financed emissions country distribution calculation scope covers equity investments, corporate bond investments, sovereign debt, and commercial loans.

Target item	Targets for the current year (2024)	Short-term targets (2025)	Medium- to long-term targets (2026 on)	Implementation of targets for 2024
Greenhouse gas inventory and verification	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).		Incorporated consolidated subsidiaries' investment and financing positions into inventory boundary and completed greenhouse gas emissions inventory operations for asset categories meeting PCAF methodology.
Carbon Emissions Reduction	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."	According to the "Guidelines on Carbon Reduction Target Setting and Strategy Planning for the Financial Sector," plan to set carbon reduction targets for investment and financing assets using SBTi methodology, formulate strategies and action plans for SBTi submission, and subsequently manage according to established reduction targets.		Planned to set carbon reduction targets for investment and financing assets using SBTi methodology, formulate strategies and action plans. Project currently established and underway.

B 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 investment units have set monitoring indicators for high carbon emission industries, 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 has already 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	2023	2024
Proportion of the balance of credit facilities granted to high-emitting industries to the total number of credit facilities granted by UBOT (Note 1)	%	3.80%	3.61%
Proportion of the balance of investment commitments in high-emitting industries to UBOT's overall investment position (Note 2)	%	13.83%	9.17%
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%)	%	19.06%	20.66%
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%	13.84%
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%	8.85%

Note 1: High carbon-emitting industries are excluded from green credit and sustainability-linked credit.

Note 2: High carbon-emitting industries are excluded from green, social, and sustainability bonds.



Target item	Targets for the current year (2024)	Short-term targets (2025)	Medium- to long-term targets (2026 on)	Implementation of targets for 2024
For the corporate banking business, include climate risk factors in the credit granting process, which is scheduled for completion by 2026.	Plan to digitalize the “Climate Risk Assessment Form.”	After launching the “Climate Risk Assessment Form”, collect and analyze relevant information to formulate credit policies, incorporating climate risk factors into consideration.	Establish credit granting principles or engagement methods for credit grantees with high climate risks.	The “Climate Risk Assessment Form” is currently under development by the Information Technology Department.
Gradual reduction of the proportion of high-emitting industries	1 Portion of UBOT’s overall New Taiwan dollar-denominated bonds invested in high-emitting industries must not exceed 35%. 2 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%).	1 Portion of UBOT’s overall New Taiwan dollar-denominated bonds invested in high-emitting industries must not exceed 30%. 2 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 45%).	In the medium- to long-term, gradually reduce the ratio by the end of 2040: 1 Portion of UBOT’s overall New Taiwan dollar-denominated bonds invested in high-emitting industries must not exceed 15%. 2 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 25%).	As of the end of 2024, the proportion of investments in New Taiwan dollar-denominated bonds belonging to high-emitting industries was 13.84%. The proportion of non-guaranteed promissory notes underwritten for high-emitting industries was also 8.85%. The entire year complied with the specified indicators.
Decarbonization commitment	Establish the target of an exit from coal, unconventional oil, and natural gas-related industries.	Gradually shift, in stages, towards a complete exit from coal, unconventional oil, and natural gas-related industries by 2040.		1. In November 2024, the Board of Directors approved the “Sustainable Credit and Investment Policy,” which sets out a phased commitment to fully exit coal and unconventional oil and gas-related industries by 2040. 2. This year, no new projects involving the construction of coal-fired power plants, coal-related infrastructure, or mining enterprises were undertaken.

### C 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:

#### C-1 Green and Sustainable Finance

To encourage clients to prioritize climate change, carbon reduction, and sustainable development, and to assist them in investing in green transition development, developing green technologies, and increasing the use of green energy in construction, operation, and expansion, UBOT actively conducts credit business related to green and sustainable initiatives.

##### (1) Green credit-related loans

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 2024, the total balance of green credit granted by UBOT was approximately NT\$21.49 billion and included

the following:

##### a Corporate green credit loans:

To encourage corporate customers to value climate change, promote corporate attention to sustainable development, and guide enterprises to invest funds in green expenditures, referencing Green Loan Principles (GLP) jointly published by the Lo an Market Association (LMA), Loan Syndications and Trading As-

sociation (LSTA), and Asia Pacific Loan Market Association (APLMA), green credit loan programs were established. As of the end of 2024, the balance was approximately NT\$14.61 billion, representing 7.17% of total corporate credit (excluding government agency credit) balance of NT\$203.6 billion.

b The balance of green credit for individual accounts is NT\$6.88 billion, representing 1.60% of total individual credit balance of NT\$431.2 billion, detailed as follows:

b.1 Green building loans: Based on domestic building requirements for ecology, energy conservation, waste reduction, and health, Taiwan’s Architecture & Building Center developed domestic green building evaluation systems and certification systems to achieve balance between buildings and environment, reducing environmental burden through energy-saving methods. To encourage people to choose comfortable, healthy, and environmentally friendly green buildings, UBOT’s mortgage business offers preferential programs for customers providing buildings with Taiwan green building certification. As of the end of 2024, green building loan balance was NT\$930 million.

b.2 Electric/hybrid vehicle loans: Responding to Taiwan’s 2050 net-zero emission pathway lifestyle transformation policy, continued provision of preferential interest rate programs for electric and hybrid vehicle purchases to encourage public purchase of low-carbon new energy vehicles. As of the end of 2024, energy-saving and carbon-reducing electric/hybrid vehicle loan balance was NT\$5.95 billion.

※ To promote colleagues’ active development of green credit in wealth management loan business, starting December 2024, individual case performance for business personnel promoting green credit can be weighted by 1.2 times.

(2) Sustainability-linked loan programs: In response to the government's active promotion of corporate governance, the Green Finance Action Plan, and other related policy guidelines, the Bank aims to guide capital investment into sustainable development through market mechanisms. This encourages enterprises to actively focus on sustainability issues. The Bank referenced the international Sustainability-Linked Loan Principles (SLLP) to establish the Key Points to the Sustainability-linked Loan Business. Enterprises are encouraged to jointly set ESG targets with the Bank (such as greenhouse gas emissions, water usage, electricity consumption, and corporate governance indicators). If enterprises achieve the relevant ESG performance indicators, they can reduce their financing costs. As of the end of December 2024, credit balance was NT\$1.965 billion, representing 0.97% of total corporate credit (excluding government agency credit) balance. At the same time, UBOT incorporates the performance of sustainability-linked loans into the operational key performance indicators (KPIs) of its business units, using incentives to guide business units and sales personnel in assisting enterprises with promoting green transformation.

(3) Subsidiary Union Leasing, in response to the "2025 Nuclear-Free Homeland Plan," with government policy vigorously developing green energy, actively participating in solar power plant financing. As of the end of 2024, 103 accounts were handled with financing lease transaction principal balance of NT\$7.05 billion.

**C-2 Green-related investments:** Taiwan Dollar and foreign currency green and sustainable bond investments totaled approximately NT\$2.111 billion in face value as of the end of December 2024.

**C-3 Sustainability index-linked commercial paper:** Actively participating in ESG-linked unsecured commercial paper revolving note (FRCP) underwriting cases, encouraging enterprises to establish ESG indicator clauses and achieve ESG development goals. During each revolving issuance, enterprise ESG indicators are reviewed, and if indicators are met, the sustainability index-linked commercial paper issuance rate can be reduced. As of the end of December 2024, ESG-linked FRCP underwriting cases included 5 customers with total underwriting amount of NT\$4.9 billion.

**C-4 Union Green Card:** Card material uses PETG eco-friendly material that reduces environmental impact, incorporating "virtual card" technology to save resources needed for physical card delivery, allowing cardholders to contribute to environmental protection whether holding physical or virtual cards. Union Green Card continues providing enhanced rewards through green consumption channels, encouraging public environmentally friendly consumption behavior in daily life, driving positive sustainable development cycles among the Bank, customers, and other industries to practice ESG concepts and fulfill corporate social responsibility. As of the end of December 2024, over 100,000 cards were issued (76,000 cards in circulation) with annual cumulative transaction amount of NT\$2.62 billion. Additionally, 0.1% of cardholders' general consumption amounts is donated to the "Taiwan Environmental Information Association," totaling over NT\$4 million as of the end of December 2024, leveraging green public welfare organizations to conduct more environmental protection and environmental education activities.

**C-5 Issuing green and sustainable funds:** Group company USITC issued "Union Low Carbon Target Multiple Asset Fund," investing in securities with "low carbon target" concepts. As of the end of December 2024, fund size was approximately NT\$320 million.

**C-6 Sale of green and sustainable funds:** As of the end of December 2024, UBOT has launched 70 ESG-related funds for customer selection.

**C-7 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 62,852 digital accounts, 1,279,017 electronic banking personal accounts, and 26,909 electronic banking corporate accounts in 2024, up 17.26%, 17.80%, and 11.56% from the previous year, respectively.
- (2) To reduce paper usage in loan processes while considering customer convenience and reducing carbon emissions, personal credit loan application processes were changed from traditional paper to online applications starting end of 2020. Customers can fill out loan information online, upload identity documents and financial documents, with system SMS notifications for supplementary documents and loan approval status. Subsequent online contract signing reduces paper needs in loan processes, reduces carbon emissions from document delivery transportation, and better protects customer personal information with reduced paper circulation. Internally, online review reduces storage space needs and carbon emissions from business personnel's field collection, verification, and paper printing operations. In 2024, total personal credit loan applications were 5,230 cases, with 4,391 online applications, achieving 84% online credit application ratio. Additionally, expansion to personal housing and land mortgage loan increases starting end of 2024 is expected to significantly reduce carbon emissions and create 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.

**C-8 Reinvestment in government's 5+2 startup key industries:** Group company Union Venture Capital, in addition to investing in solar power plants through subsidiaries with 2 projects, with 1 being completed, generating 91 million kWh in 2024, with remaining plants expected to generate 192 million kWh annually upon completion. In November 2024, primarily focused on carbon fiber recycling and regeneration. Besides obtaining multiple patents, it is Taiwan's only qualified carbon fiber regeneration processing manufacturer, obtaining ISO 14067 carbon footprint certification, demonstrating the company's significant contributions to environmental protection, carbon reduction, and circular economy while promoting environmental protection and resource recycling, substantially reducing carbon emissions from carbon fiber end products, and winning the Gold Award at the 2024 Green World Awards, a global green environmental protection award held in the United Kingdom, which includes gold, silver, and bronze levels.

Indicator		Unit of measurement	2023	2024
Proportion of credit granted to corporate customers in green-related industries to the total balance of credit (excluding government agency credit) granted to corporate customers.		NT\$ hundred millions	132.9	146.1
		%	7.10%	7.17%
Proportion of green credit granted to individual customers to the total balance of credit granted to individual customers		NT\$ hundred millions	44.5	68.8
		%	1.11%	1.60%
Proportion of credit granted to corporate customers in sustainability-linked industries to the total balance of credit (excluding government agency credit) granted to corporate customers		NT\$ hundred millions		19.65
		%		0.97%
Total amount of investment in New Taiwan dollars and foreign currency-denominated green, social, and sustainability bonds		NT\$ hundred millions	17.2	21.11
Number of Union Green Cards issued into circulation by UBOT		Ten thousand cards	8	7.6
Number of ESG-related products already launched by UBOT		Funds	55	70
Promoting digital finance	Number of new New New Bank accounts	User number	150,579	62,852
	Number of accounts applying for personal online/mobile banking	User number	286,629	193,274
	Number of new accounts with e-banking (corporate online banking) features	User number	3,090	2,359

Target item		Targets for the current year (2024)	Short-term targets (2025)	Medium- to long-term targets (2026 on)	Implementation of targets for 2024
Green bond investment growth rate		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.			Investment balance at NT\$800 million, growing NT\$300 million from baseline year, reflecting a 60% growth rate.
Providing green and sustainability-related loan products		Plan to establish the “Key Points to the Sustainability-linked Loan Business” to assist companies and industries in low-carbon and sustainability transitions.	Corporate green-related credit balance reaching NT\$15.4 billion by end of 2025.	<ul style="list-style-type: none"> <li>2026 Year-end:               <ol style="list-style-type: none"> <li>Corporate green-related credit balance reaching NT\$16.2 billion.</li> <li>A total of 4 sustainable-linked credit accounts.</li> <li>Outstanding balance of green building loans of NT\$1.13 billion.</li> </ol> </li> <li>2031 Year-end:               <ol style="list-style-type: none"> <li>Corporate green credit balance reached NT\$20.5 billion.</li> <li>To date, sustainability-linked loans have been extended to a total of 9 clients.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>In 2024, the “Green Credit Loan Project” and the “Key Points to the Sustainability-linked Loan Business” were established to guide clients in enhancing their attention to sustainability-related issues and to encourage clients to achieve sustainability transformation goals. As of the end of 2024, the balance of green credit loans amounted to NT\$14.61 billion, and the balance of sustainability-linked loans was NT\$1.965 billion.</li> <li>Green building loan balance was NT\$930 million at the end of 2024.</li> </ul>
New Green (Sustainable) Special Financial Products Listed		From 2023 to 2025, list 10 ESG, green energy, and climate environment-related products.		From 2026 to 2030, list 2 ESG, green energy, and climate environment-related products.	In 2024, UBOT has launched a total of 26 ESG-related green financial products for customer selection.
Promoting digital finance	Number of new New New Bank accounts	144,000 accounts	Online digital account new openings of 83,000 accounts	Continuous optimization of overall digital financial services to enhance operational volume, digital innovation, and customer satisfaction with the digital experience.	In 2024, 62,852 new accounts were opened, achieving a completion rate of 43.64%. This was due to “card-led account opening” effectiveness falling short of expectations, and competitors launching high-interest demand deposit and time deposit offers with interest rates and limits higher than the Bank’s, resulting in reduced customer application attractiveness.
	Number of accounts applying for personal online/mobile banking	132,000 accounts	The number of new applications increased by 12,000 accounts.	Continuousness to optimize overall digital financial services to enhance number of usage applications, digital innovation, and customer satisfaction with the digital experience.	2024 online/mobile banking new applications reach 193,274 accounts, achievement rate 146.42%.
	Number of new accounts with e-banking (corporate online banking) features	3,240 accounts	A total of 2,400 new accounts	Continue optimizing e-Union (corporate online banking) user interface and expanding online service offerings. For sustainable service management, expand enterprise online service functions and reduce paperless operations and other financial-related services.	In 2024, the actual number of accounts opened was 2,359, achieving an achievement rate of 72.81%. This was because since August 18, 2023, branch processing of e-Union (corporate online banking) applications requires customer profile verification according to the “Union Bank of Taiwan e-Union Application Checklist” before processing. Risk management measures and certain limitations on security devices available to customers affected account opening numbers.



03


Other items

A Targets for other categories:

Category	Target item	Targets for the current year (2024)	Short-term targets (2025)	Medium - to long-term targets (2026 on)	Implementation of targets for 2024
Governance	Number of hours of climate-related education and training for board members	Attend 3 hours of climate-related education and training every two years from 2023 to 2030.			Arranged for all Board members to receive “Impact Investment and SDGs Implementation” training on June 17, 2024, and “Aligning with IFRS Sustainability Disclosure Standards S1 and S2” training on November 18, 2024, totaling 6 hours.
Engagement and Communication	Number of courses on environmental (or energy) management and greenhouse gas reduction	Conduct at least three training courses on the environment, energy, and greenhouse gas reduction each year from 2024 to 2030.			In 2024, conducted “Greenhouse Gas Inventory” training in March, “ISO 14001, ISO 50001 Management and Auditor Personnel” training in July, and “ISO 14001, ISO 50001 Management Review” training in October.

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) Implement target management to establish a sustainable operating 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 use of renewable energy

The Bank adheres to international science-based reduction methods such as SBTi and RE100, as well as initiatives to expand the use of renewable energy. The energy-saving goals are set as follows: using 2023 as the base year, we aim to reduce carbon emissions by 42% and achieve 60% renewable energy use by 2030, and achieve net-zero carbon emissions and 100% renewable energy use by 2050.

Renewable energy usage performance: In 2024, solar green electricity usage reached 220.8 MWh, representing a 3% reduction in carbon emissions compared to 2023. Additionally, plans have been made to expand renewable energy usage to 2,450 MWh by 2025.

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 2024, all suppliers that have signed contracts with UBOT have signed the “Commitment Letter on Compliance with CSR, Ethical Management and Legal Provisions,” with a total of 29 letters of commitment signed.
- 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 2024, for a total of 46 suppliers who have completed the form.

7-4 Resource Recycling and Reuse

1 Paper use



When printing documents, it is preferred to set the photocopier to double-sided printing function, and set up a general paper recycling box in the office to use the blank side for photocopying; If the confidential documents and paper are invalid after the retention period, a professional and qualified recycling manufacturer shall be consulted to shred them with paper shredder before recycling.

Garbage is collected by the cleaning staff every day and sorted in the resource recycling area of the building. Recyclable metals, plastics, paper and other resources are handed over to the building for unified recycling.

2 Garbage



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.

The list of the aforementioned recycled resource quantities is as follows:  
units in metric tons

Year	2021	2022	2023	2024
Total waste recycled/reused	168.5	118.1	189	142.7
Total waste treated	174.1	156.0	156.8	174.7
Data coverage	100%	100%	100%	100%
Note: The data boundary includes all departments of the Union Bank				

7-5 Energy Consumption

Unit: MWh

Total energy consumption	2021	2022	2023	2024	2024 goals
Non-renewable energy consumption	9,637.3	10,968.4	14,861.3	14,458.5	
Renewable energy consumption	0	0	0	220.8	Achieve RE60 by 2030, with 2023 as the base year
Data coverage	100%	100%	100%	100%	

Note 1: Data boundary includes all departments of the Union Bank  
Note2: Relevant data for 2023 and 2024 have received SGS verification from Taiwan Inspection Technology Co., Ltd.

7-6 Water Consumption

Unit: MWh

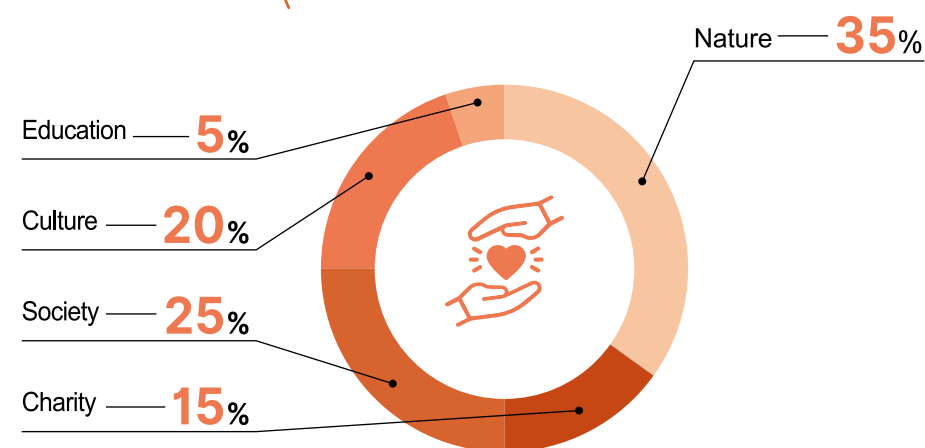
Year	2021	2022	2023	2024	2024 goals
A. Water withdrawal (excluding saltwater)	0.08210	0.06445	0.072362	0.072356	Achieve a 8% reduction in water consumption by 2035, with 2023 as the base year
B. Water discharge (excluding saltwater)	0.08210	0.06445	0.072362	0.072356	
Net freshwater consumption (A-B)	0	0	0	0	
Data coverage	100%	100%	100%	100%	

Note 1: Data boundary includes all departments of the Union Bank  
Note2: Relevant data for 2023 and 2024 have received SGS verification from Taiwan Inspection Technology Co., Ltd.

# 8 Social inclusion

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

Total investment in social welfare of approximately NT\$70.56 million in 2024



## 8.1 Education promotion (Investment: Approximately NT\$3.41 million)

### 8.1.1 Education on financial inclusion

#### 01 “Money Hot Topic” wealth management column

To promote financial literacy and provide the public with up-to-date concepts of financial products and services, the Bank has collaborated with Liberty Times to produce the “Money Hot Topic” wealth management column. On average, one issue is published monthly through the Bank’s official website and Liberty Times (including print media, online e-newsletters, and Facebook community). This initiative educates the public on various financial products, services, and knowledge concepts such as deposits, loans, credit cards, wealth management, digital finance, environmental sustainability, and financial fraud prevention. Liberty Times has a circulation of approximately 500,000 copies per issue, with the online newsletter achieving a total exposure of about 71.49 million views.

#### 02 Promoting diverse financial education

The Bank has long been committed to financial education, targeting various groups including children, youth, women, the elderly, and individuals with disabilities or from disadvantaged backgrounds. From bank branches, neighborhoods, townships, and city districts to campuses and remote rural areas, the Bank actively creates a cross-generational platform for the spread of financial knowledge across all social strata. It organizes various in-person financial literacy promotion activities and, in accordance with the Ministry of Health and Welfare’s “Taiwan Easy-to-Read Guide,” has produced an “Easy-to-Read Manual for Deposit and Withdrawal Services” to assist individuals with intellectual disabilities or reading difficulties. This manual is intended to facilitate their effective understanding and engagement with banking services.

#### (1) Customer financial management seminar

To enhance the general public’s financial literacy and to provide understanding of various financial product investment attributes, risks, asset inheritance, tax savings, and retirement planning concepts, a total of 113 seminars on customer financial management were conducted in 2024, with a total attendance of 2,652 participants.

#### (2) Financial education for children

Placing an emphasis on financial education for children, we have planned financial management activities for fourth- to sixth-grade elementary school children since 2008. In 2024, the activity theme was a “Little Financier Finance Experience Camp”, where the curriculum is continuously updated to reflect current trends. It covers financial concepts ranging from the distinction between needs and wants, basic savings, exchange rates, insurance, to consumer finance. The program also includes field visits to bank branches, financial fraud prevention, and ESG sustainability and environmental protection courses. Incorporating diverse interactive activities such as quizzes, games, and financial scenario role-plays, a total of six sessions were organized in Taipei, Taoyuan, Taichung, and Kaohsiung, with approximately 50 participants per session, totaling around 300 participants.

Furthermore, to implement inclusive finance by providing educational resources to disadvantaged students, not only were invitations to this event sent to the Department of Social Welfare and Department of Education of the six municipalities, inviting various public welfare and social service organizations as well as schools to register, but a waiver of registration fees for students from remote (rural), disadvantaged, and public welfare social service groups was also offered. In December, for the first time, a special children’s financial literacy camp was held at ChaJiao Forest Experimental Elementary School, which is designated by the Ministry of Education as a rural area.

At the same time, as a response to SDGs, all registration fees from the event were donated to the Shei-Pa National Park Administration for ecological conservation and promotion, enabling students to contribute to environmental protection efforts.





### (3) Financial education for youth

Having developed a campus cultivation program for many years, we have successively collaborated with nearly 30 schools, actively promoting interdisciplinary talents from various departments to enter the financial industry. In 2024, a total of 9 industry-academia cooperation briefings and job fairs were held, with approximately 2,874 participants. This effort has been highly recognized by the Ministry of Education's Practical Talent Training Program.

#### Finance lecture series at Chien Hsin University of Science and Technology

In collaboration with Chien Hsin University of Science and Technology, we have launched "Career Programs" featuring a series of financial lectures. The curriculum covers practical banking management, securities and wealth management practices, financial certification guidance, and labor law courses, totaling 168 hours. Additionally, a 320-hour on-the-job internship training program has been arranged to cultivate financial professionals. A total of 23 students have completed the professional training courses and have been assigned to various business units for their internship training.

#### Finance lecture series at Aletheia University

Collaborated with Aletheia University to offer a financial lecture course titled "Bank Management Practices" totaling 28 hours. Additionally, a work position internship training program was planned to cultivate financial professionals. A total of 11 students were assigned to various business units to undergo work position internship training.



#### Kaohsiung youth employment training

Taking the lead, various financial institutions cooperated with the Youth Bureau of Kaohsiung City Government to implement the 2024 Dagang Youth Internship Matching Program. Together, they promoted talent development and secured outstanding young talents for the Bank. A total of 7 personnel were recruited through the Dagang Youth Program. Additionally, the Bank's North Kaohsiung Branch organized the "Da-gang Youth Internship Program" event, sharing financial management knowledge and banking career information, with approximately 50 participants.

#### Taoyuan youth employment training

Industry-academia collaboration interns and full-time employees were assisted in applying for the 2024 Taoyuan City Government's Youth Employment Subsidy Program, securing employment subsidies for young talents. A total of 12 individuals were assisted in participating in the subsidy program, with a retention rate of 92%.

### (4) Financial education for families

-  UBOT Mother's Day charity fair: Through various interactive games and themed booth activities, diverse financial knowledge concepts are promoted, including financial literacy, environmental sustainability, and financial fraud prevention.
-  Taoyuan Metro family activities: The "Family Hand-in-Hand" and "Family Reading and Weekend Theater" events in May and November 2024, respectively, both featured a "UBOT Anti-Fraud Classroom" to educate and promote awareness of fraud identification and prevention, as well as the "UBOT Women's EMPOWER Knowledge Station." Through engaging interactions, video presentations, and consultation services, these initiatives aim to educate and promote financial literacy concepts among both single women and married women.

### (5) Financial education for the elderly and people with disabilities

#### Education on digital finance

To assist elderly customers in using mobile banking and becoming familiar with digital tools for financial transaction services, a series of short videos titled "Digital Finance Assistant" was provided on our official YouTube channel for customers to watch (with a total of 2,373 views in 2024). The videos aim to teach, in a simple and easy-to-understand manner, the operation of functions such as registration, device binding, biometric identification, and transaction inquiry on the UBOT mobile banking app, thereby helping elderly customers bridge the digital divide.

#### Lecture on elder care trusts/trusts for persons with disabilities

To promote trust knowledge and its benefits to the public, four "Village and Community Trust Advocacy Program" events were held in Taipei City (Songshan Dist. Anping Li and Da'an Dist. Fazhi Li), New Taipei City (Luzhou Dist. Yuqing Li), and Taoyuan City (Guishan Dist. Lingding Li). Additionally, assistance was provided to the Taichung City Land Administration Agents Association in organizing the course "How to Avoid Aging Risks and Plan for Elderly Care with Trusts", promoting the basic concepts of elderly care trusts. Furthermore, to implement inclusive finance, lectures on "Understanding Elderly Risks/Introduction to Elder Care Trusts" were held at the New Taipei City Luzhou Rotary Club for senior citizens, and lectures for persons with disabilities were held at the Taipei City Disabled Swimming Association for persons with disabilities. These events promoted the basic concepts of trusts for persons with disabilities, with a total of approximately 203 participants.



### (6) Financial education for foreign migrant workers

Foreign migrant workers have long faced difficulties in remitting money back to their home countries. Taiwan's financial services are also relatively unfamiliar to them, with frequent reports of non-compliant transactions and fraud. To teach migrant workers how to use safer and more convenient financial services, the Bank has introduced the nation's only digital account service embedded in a four-language app in collaboration with Eastern Union Interactive Corp. This service assists migrant workers in overcoming language barriers when opening accounts and the inconvenience of cross-border remittances. In December 2024, we participated in the "Meco Paskong Pinoy 2024" foreign migrant worker event organized by the Philippine Representative Office in Taiwan and the New Taipei City Government, where we set up a digital financial service station to educate Filipino migrant workers on the use of convenient digital financial services, enabling them to quickly perform real-time online transfers and currency exchanges via a mobile app. There were a total of approximately 108 participants.



Table 1: Financial education for specific and disadvantaged groups



Project name	Target audience	Project content	Number of sessions	Number of claims
Children's financial management camp	Students from disadvantaged/welfare groups and rural schools	To implement inclusive finance by providing educational resources to disadvantaged students, invitations to events in 2024 were sent to the Department of Social Welfare and Department of Education of the six municipalities, inviting various public welfare organizations as well as schools to register, and a waiver of registration fees for students from remote (rural), disadvantaged, and public welfare social service groups was also offered. In December, for the first time, a special children's financial literacy camp was held at ChaJiao Forest Experimental Elementary School, which is designated by the Ministry of Education as a rural area.	6 sessions	300 people
"Understanding Risks for the Elderly/Introduction to Elder Care Trusts" seminar	Senior citizens	Promotion of the fundamental concepts of elder care trusts.	6 sessions	188 people
"Trusts for persons with disabilities" seminar	Persons with disabilities	Promotion of the fundamental concepts of trusts for persons with disabilities.	1 session	15 people
Booths at the Taoyuan Metro's "Family Hand-in-Hand" and "Family Reading and Weekend Theater" events	Single women/married women	Set up the "UBOT Women's EMPOWER Knowledge Station" to target both single and married women and teach them how to manage finances and allocate assets through various financial instruments at different stages of life, while promoting awareness of financial fraud prevention.	2 sessions	1,200 people
Booth at the "Meco Paskong Pinoy 2024" event	Foreign migrant workers	Established a digital financial service station in collaboration with Eastern Union Interactive to teach migrant workers how to use the app and online financial transaction services. This enables them to complete remittances safely and quickly, sending funds back to their home countries.	1 session	108 people
Total			16 sessions	1,811 people
"Easy-to-Read Manual for Deposit and Withdrawal Services"	Individuals with intellectual disabilities/reading difficulties	Each branch is equipped with an "Easy-to-Read Manual for Deposit and Withdrawal Services," printed in accordance with the Ministry of Health and Welfare's "Taiwan Easy-to-Read Guide." This manual is designed to assist individuals with physical and mental disabilities in understanding banking deposit and remittance services, account opening precautions, and communication with bank staff.	Not applicable	Not applicable
Education on digital finance	Elderly customers	A series of short videos titled "Digital Finance Assistant" were produced and broadcast on the Bank's official YouTube channel, aiming to provide simple and easy-to-understand video tutorials to assist elderly customers in understanding the basic operations of UBOT's mobile banking service.	Not applicable	Not applicable

03 Financial education activities by the Taiwan Financial Services Roundtable

To assist youth from disadvantaged families in successfully completing their education and to promote financial literacy, in 2024, UBOT participated in the establishment of the Financial Services Education Public Welfare Fund organized by the Taiwan Financial Services Roundtable (TFSR). This fund will be utilized to provide educational scholarships and grants, as well as to support financial education-related activities for groups including students, women, the elderly, new immigrants, indigenous peoples, and financial industry practitioners across urban and rural areas. The goal is to foster correct financial knowledge among the public and to demonstrate care for rural and socially disadvantaged groups. UBOT further participated in charity carnival events organized by TFSR in June and December, setting up the “UBOT ESG and Financial Fraud Prevention Classroom” booth. The booth focused on three major topics: financial management, financial fraud prevention, and environmental sustainability. Through video presentations, engaging interactive games, and quizzes with prizes, the initiative aimed to educate the public on relevant knowledge and concepts.

04 Promoting diverse fraud prevention education

To prevent fraud, in addition to cultivating employees’ professional knowledge and skills to handle abnormal situations at the counter, enforcing thorough account opening verification and KYC implementation, and strengthening the counter care mechanism, the Bank has also actively promoted technology-based fraud prevention and public awareness to increase fraud recognition capabilities. Therefore, the Bank has invested in diverse channels for promoting fraud prevention. Besides cooperating with the Financial Supervisory Commission’s Banking Bureau in organizing the “Fraud Prevention Vanguard: Avoiding Pitfalls for Young People” fraud education campaign for college and university students, we have successively held various fraud prevention seminars and promotional activities in branch offices, community neighborhoods, schools, government agencies, financial camps, parent-child activities, and fairs. These events were organized in collaboration with police authorities. In 2024, a total of 138 fraud prevention promotional events were held, with approximately 11,390 participants.

Furthermore, through official websites, consolidated statements, Facebook, LINE push notifications, and other self-brand media channels, we reminded the public to be vigilant against financial fraud and reached over 1.6 million people. We also collaborated with the Liberty Times in the “Money Hot Topic” financial column to promote anti-fraud awareness.

Table 2: Promotional activities for diverse fraud prevention



Project name	Target audience	Number of sessions/participants	Content of anti-fraud awareness activities
Fraud detection seminar organized by the Bank	General public/customers	124 sessions/approximately 1,636 participants	From bank branches to community neighborhoods, schools, and organizations, the Bank collaborated with local police agencies to conduct fraud awareness and prevention campaigns, as well as to share fraud case studies.
Mother's Day ESG charity fair	General public/customers	2 sessions/approximately 5,650 participants (300 participants for “Financial Toolkit”)	Through live stage performances by artists, interactive stage activities, and the establishment of a “Financial Toolkit” area on-site, financial literacy and anti-fraud concepts were promoted using engaging interactive games and quizzes with prizes. Police units were also invited to share knowledge on fraud recognition, prevention strategies, and common fraud cases.
Booths at the Taoyuan Metro's “Family Hand-in-Hand” and “Family Reading and Weekend Theater” events	General public	2 sessions/approximately 1,200 participants	The “UBOT Financial Management Classroom” and “UBOT Women's EMPOWER Knowledge Station” event booths were set up. Through engaging interactive games, video presentations, interactive Q&A sessions, and consultation services, we promoted an understanding of anti-fraud concepts and increased fraud awareness skills for the public.
Booth setup at the TFSR's charity carnival event	General public	2 sessions/approximately 2,200 participants	Set up the “UBOT Financial Management Classroom” event booth and promoted an understanding of anti-fraud concepts and increased fraud detection skills for the public through engaging interactive games, videos and quizzes with prizes, interactive Q&A sessions, and consultation services to spread awareness of fraud prevention.
“Fraud Prevention Vanguard: Avoiding Pitfalls for Young People”	Young students	2 sessions/approximately 404 participants	In November and December 2024, in collaboration with local police authorities, we visited National Taiwan University of Arts and Wenzao Ursuline University of Languages to promote awareness on fraud prevention for university students and other common scams, aiming to equip young students with financial fraud prevention knowledge.
Children's financial management camp	Schoolchildren from urban and rural areas	6 sessions/approximately 300 participants	Police agencies were invited to share fraud cases, promote an awareness of fraud identification and prevention, and organize anti-fraud challenge games and children's situational dramas to educate and entertain students, thereby enhancing their understanding and absorption of these concepts.

8.1.2 Environmental sustainability education

The “Union Bank of Taiwan - Online Forum for ESG and Low-Carbon Transition Strategies,” was hosted in December 2024 to assist corporate customers from high-emitting industries as well as those subject to carbon fees in understanding Taiwan’s ESG policies, future carbon fee issues, and low-carbon transition while providing project loan assistance for net-zero transition efforts.



8.2 Arts and culture (Investment: Approximately NT\$13.97 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, we work with the Union Culture Foundation to hold various activities, and collaborate with art and cultural institutions in various counties and cities to exhibit and promote Taiwan oil painting art. Specific actions in 2024 include:



01 Union Art Competition

In 1998, we set up the Union Art Award Competition with the Union Culture Foundation 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 2024, we sponsored the 27th “Union New Artist Award” and the 22nd “Union Art Impression Award” with a total reward pool of NT\$2.4 million, in hopes of encouraging emerging artists to work hard and realize their dreams. The winning works are scheduled to be exhibited in 11 locations of the next (2025) Union Art Touring Exhibition in Taiwan, providing more opportunities for domestic artists to make their mark.



聯邦藝術比賽評審過程 ▾



02 Union Art Touring Exhibition

To allow art to establish roots in various counties and cities in Taiwan, we have jointly held the “Union Art Touring Exhibition” with the Union Culture and Education Foundation for more than 25 years and actively discussed cooperative exhibition opportunities with the cultural bureaus, cultural centers, libraries, art museums, art institutions, and exhibition centers in various counties and cities. In 2024, we held 11 exhibitions of the winning works of the Union Art Competition in Taipei, Kaohsiung, Taichung, Chiayi, Miaoli, Hualien, Taitung, Nantou, and Pingtung to encourage domestic excellent art creators to show their works, and exert influence to advocate Taiwanese people to attach importance to art and culture.

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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, we have organized the Children's Charity Drawing Competition since 2001. In 2024, a total of 5,248 works were received by the competition with the theme titled “Art Child & Painting Mommy,” with 184 works awarded first prize, selected works, and

excellent works, amounting to a prize pool 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 Shei-Pa National Park Administration for the conservation of biodiversity, environmental ecology preservation, and related educational promotion. 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 a permanent collection, while the winning works were displayed at UBOT's Mother's Day charity fair, on our official website, and on Liberty Times.





### 8.2.3 Creating art gallery space and installation art

#### 01 Union Art and Culture Gallery

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.

#### 02 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 Song-jin 1 Park in Taipei City, Taoyuan Metro A3, A8, and A12 stations, and Kaohsiung Metro R8 Station, as well as our local branches.

### 8.2.4 “Singing in Glory with Puzangalan Children’s Choir” Concert

Since 2017, we have initiated donation programs to fund education for the Puzangalan Children’s Choir and the choir’s participation in overseas competition. 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 2024, 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 could 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. In 2024, UBOT sponsored the “Spring Arts Festival” and “Reflection & Passion: Russian Masterpieces” concerts, which were attended by more than 18,500 people.

### 8.2.6 Sponsoring the 2024 Nantou Lantern Festival

Aimed at supporting traditional culture and revitalizing the local economy, UBOT sponsored the Nantou County Government in organizing the 2024 Nantou Lantern Festival, which integrated local characteristics to create five major themed activities (scenic sea of flowers, water dance theater, lighted sand sculptures, indoor interactive exhibition, and outdoor stand-up paddleboarding), setting a record of 5.5 million visitors for lantern viewing.

### 8.2.7 Sponsoring the Tainan City Government’s “2024 Taiwan Lantern Festival”

To stimulate a post-pandemic tourism boom and revitalize the local economy, the Tainan City Government sponsored the “2024 Taiwan Lantern Festival.” The event, themed “The Shining South,” incorporates elements of Tainan’s diverse ethnic groups, religions, salt fields, and agriculture. It also connected with local events such as the Yuejin Lantern Festival, Longci Light Festival, and Yancheng Lantern District. Through these efforts, the Taiwan Lantern Festival was established as a large-scale, international event, attracting over 15 million visitors.

### 8.2.8 Sponsoring art and cultural events hosted by the Pingtung County Government

To promote urban tourism and support local arts and cultural activities, we participated in sponsoring the 2024 Luo Shan Feng Art Season. This event was the largest to date, featuring five major exhibition areas: the beach exhibition area, the art museum exhibition area, the street exhibition area, the village exhibition area, and the art hotel. Centered on the theme “People by the Sea,” the festival showcased installation art and creative works. Artists from Japan, Indonesia, the United States, and several Taiwanese artists were invited to participate in curating the event, which attracted nearly 300,000 visitors.



8.3 Caring for Society (Investment: Approximately NT\$17.69 million)

8.3.1 Hosting a Mother’s Day ESG charity fair to promote filial piety, ESG, and financial literacy

In May 2024, we held the “Union Bank ESG Family Fun Paradise” Mother’s Day ESG charity fair at the Kaohsiung Cultural Center and Taipei’s National Dr. Sun Yat-sen Memorial Hall. In response to the United Nations’ Sustainable Development Goals, in addition to promoting a culture of filial piety, employees and their families were also provided with free vouchers. The event arranged hand skincare services and invited a visually impaired group to offer shoulder and neck massage stress relief services. On-site, nine major themes were set up: “Sustainable Adventure,” “Green Mobilization,” “Forest Little Soldiers,” “Happy Baby Zone,” “Pamper Mom Zone,” “Carnival Games,” “Children’s Drawing Area,” “ESG Experience Zone,” and “Financial Toolbox.” These themes collectively integrate ESG social welfare, employee care, environmental protection and carbon reduction, arts and culture, financial education, and anti-fraud elements. Additionally, disadvantaged charity groups, agricultural and fishery groups were specially invited for charity sales, and police and fire units promoted anti-fraud and disaster prevention awareness.



01 Charity sale by social welfare organizations

Eden Social Welfare Foundation, Taipei City Association of Parents for Visually Impaired, Children Are Us Foundation, Kaohsiung Social Welfare Association, and the Kaohsiung City Bafang Volunteer Group Care Association.

02 Charity sale by farmers' and fishermen's associations

Huatan Township Farmers' Association Farmers' Shopping Center, Yuchi Township Farmers' Association, Changhua County Xianxi Township Farmers' Association, Kaohsiung City Dashu Dist. Farmers' Association, Jiadong Township Farmers' Association.

03 Police and fire units

The Lingya Precinct of the Kaohsiung City Police Department and the Xinyi Precinct of the Taipei City Police Department were invited to promote financial fraud prevention and share commonly seen cases. The Lingya Squad of the Kaohsiung City Fire Bureau was also invited to spread disaster prevention knowledge.

8.3.2 Supporting regional revitalization

01 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.



02 Supporting local traditional industries

In an effort to continue the traditional Lunar New Year culture, we have 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, we purchase 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.

8.3.3 Building a LOHAS city

01 Sponsoring LOHAS social welfare events organized by Taoyuan Metro

- (1) Sponsored the “Hand in Hand: Family Crafts & Lakeside Music Festival” to create an experience for parents and children to participate in together. The event combined music, challenge games, cultural and creative products, food trucks, and popular handicraft experiences.
- (2) Sponsored the “Indigenous Children’s Light Travel via Taoyuan MRT” to encourage the public to use the Taoyuan MRT for energy saving and carbon reduction. This event targeted fourth and fifth-grade students from elementary schools in Fuxing District, Taoyuan City, providing them with an opportunity to experience modern urban life and transportation facilities.
- (3) Sponsored “Promoting MRT Etiquette,” which aimed to enhance the quality of passenger service and travel safety. This initiative was presented through posters and videos and spread via passenger information display systems within stations and trains, station bulletin boards, and promotional posters placed inside train cars to advocate for MRT etiquette.
- (4) Sponsored the “Family Reading and Weekend Theater” to create an open reading space for Taoyuan City citizens, while also providing a recreational world for all Taoyuan City residents regardless of age or gender to enjoy with their families. This included street variety shows, challenge activities, mascot meet-and-greets, Tiger Qiao Hu singing and dancing to theme songs, and a cinema with popcorn.
- (5) Sponsored the “Family Influencer Collaboration,” where well-known YouTubers (“Peter Dad” and “Susan Mom”) were invited to produce videos showcasing attractions and cuisine along the Taoyuan Metro line, with the aim to increase passengers’ willingness to use the metro and encourage the public to ride the Taoyuan Metro more frequently to save energy and reduce carbon emissions.





2024 年桃捷親子  
好讀假日電影院



## 02 > Sponsored LOHAS social welfare events organized by Taichung Metro

- (1) Sponsored the “Taichung MRT Concert.” Taichung Metro specially organized a concert dedicated to the city to celebrate the milestone of Taichung’s population surpassing 2.85 million. The 18 station arrival melodies of the Metro Green Line were rearranged to compose the musical story of Taichung, continuing to deeply care for the people and affairs of Taichung and strengthening the emotional connection with the citizens of Taichung.
- (2) Sponsored the “Blood Donation Drive Program”, increasing the public’s willingness to donate blood and alleviating shortages of blood for medical use across Taiwan.
- (3) Sponsored the “Family Christmas Market,” inviting Fair Market to set up booths and organizing family activities and handicraft workshops. The event aimed to create a festive Christmas atmosphere and photo spots at the MRT station, thereby achieving community-based management.

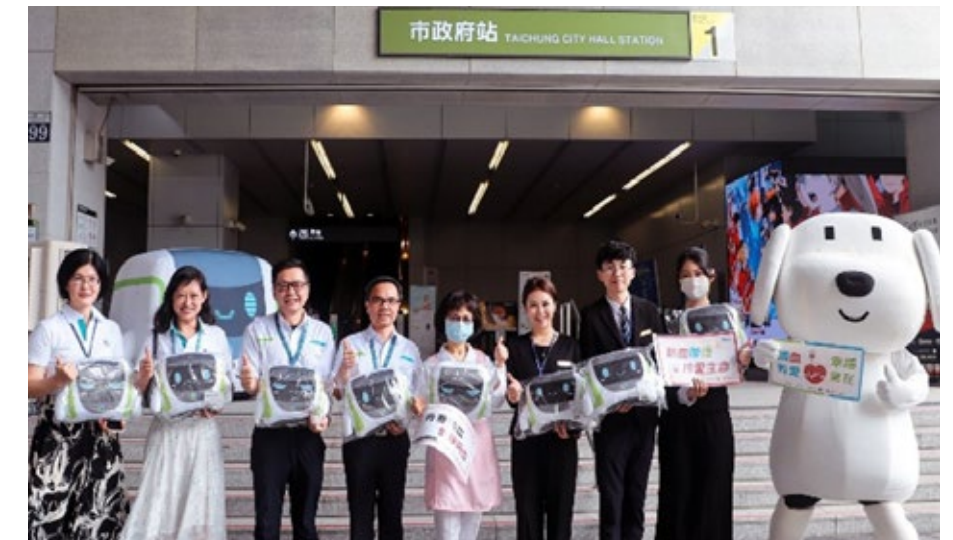
## 03 > Sponsoring LOHAS social welfare events organized by Kaohsiung Metro

- (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.

## 8.3.4 Participating in community-based healthcare

### 01 > Sponsored emergency medical equipment

To ensure the safety of passengers on the MRT system, we sponsored the procurement of Automated External Defibrillators (AEDs) along the Kaohsiung MRT Red Line and were widely recognized and appreciated by the public. In 2024, an additional Automated External Defibrillator (AED) was sponsored for Gangshan Station on the Kaohsiung MRT Red Line. To date, the Bank has sponsored a total of 28 units.



### 02 > Sponsoring and participating in blood drives

Continued participation in sponsoring blood drives organized by Taichung Metro, Best Giving, Dayuan Lions Club, and Lujiang Lions Club.

## 8.3.5 Sponsoring running events

Continued to participate in sponsoring running events held by the Kaohsiung Metro and Taichung Computer Association, with approximately 3,300 participants.

## 8.3.6 Invoice donation box

Uniform-invoice boxes were placed in the business halls of designated branch to collect invoices for donation to The First Social Welfare Foundation.

## 8.3.7 Preferential loans for lottery retailers

Lottery ticket distributors are primarily individuals with physical or mental disabilities, indigenous peoples, or those with low-income status. To assist these disadvantaged groups in achieving self-sufficiency and to alleviate the financial burdens associated with operating their businesses, the Bank offers a preferential loan program specifically for lottery ticket retailers. This program enables lottery ticket distributors to successfully obtain loan funds. In 2024, nearly 300 applicants were approved.

## 8.3.8 Sponsoring campus teaching equipment

To enhance the quality of learning for students, the Bank sponsored the purchase and maintenance expenses of equipment for Tainan Municipal Yongfu Elementary School, assisting the school in improving the teaching environment.



## 8.4 Charity Donations (investment: approximately NT\$10.63 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. We have continued to participate in this program, purchasing PR tickets for annual public performances under this program. In 2024, UBOT continued to purchase tickets for the annual public performance titled “My Undersea Teammate” 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

We collaborated with the Union Culture and Education Foundation to participate in the public welfare event “STARRY NIGHT,” organized by Breeze Charity Foundation, inviting the public to claim the “Wish Boxes” of children’s Christmas wishes, and jointly helped to make the wishes of children from vulnerable families come true.



### 8.4.3 Participated in emergency assistance during disasters

#### Noto Peninsula earthquake in Japan

On January 1, 2024, a magnitude 7.6 earthquake struck the Noto Peninsula in Japan, causing severe damage and casualties. Numerous houses collapsed or were damaged, and roads were disrupted in many areas. To assist Japan in disaster relief and reconstruction, the Bank donated 10 million JPY (approximately NT\$2.15 million) to the “Dedicated Disaster Relief Account with the Ministry of Health and Welfare” established by the Ministry of Health and Welfare. The fund will be centrally managed to support subsequent medical care, livelihood, and social reconstruction efforts.

#### Hualien earthquake

On April 3, 2024, a magnitude 7.2 earthquake struck off the coast of Hualien, marking the strongest quake in Taiwan since the 1999 Chi-Chi earthquake. The disaster caused severe damage and casualties in Hualien, including the collapse and destruction of residential buildings, broken bridges, and damaged highways and roads. To support disaster relief and reconstruction efforts, the Bank donated NT\$3 million to the “Hualien County government major disaster social assistance fund” established by the Executive Yuan. The fund is centrally managed to support subsequent medical care, daily living needs, and social rebuilding initiatives.

In addition, in response to the ESG partner Hi-Life’s launch of the campaign “Purchase Hi Café coffee products, and Hi-Life will donate NT\$10 per cup to support disaster relief and reconstruction,” the Bank also promoted and encouraged cardholders to participate in purchasing coffee, jointly engaging in this charitable initiative.

### 8.4.4 Charity donation platform

To benefit the people of Taiwan, we collaborated with the Union Culture Foundation to jointly launch 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 2024 is detailed as follows:

#### Helping vulnerable groups in society

TUBOT 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.





Caring for schoolchildren in rural areas

01 > 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 in 2024, aimed at supporting the children in participating in international competitions as representatives of Taiwan. The children surpassed expectations, proudly winning five gold awards, including a gold award at Vienna's World Peace Choral Festival in the "Youth Choir" category and gold awards in the "Children's choir", "Musica Sacra", "Folksong", and "Youth choir" categories at the Slovakia International Youth Music Festival.

02 > 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 and I-Chu Junior High School, 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 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, 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 in collaboration with social welfare organizations in 2024 include:

01 Eden Social Welfare Foundation

UBOT took part in the "Overcoming the Journey of Growth with Immediate Intervention and Learning Alongside Slow Flying Angels" program, in which Union cardholders were invited to make donations donate to support these "slow-flying angels" as they move toward the future, protecting them with love and funding these children's adventurous journey of growth.

02 Genesis Social Welfare Foundation

UBOT participated in the "2024 Vegetative Patients Are Worthy of Love" project, inviting Union cardholders to donate in support of long-term service expenses for patients in a vegetative state, conveying love and hope. Furthermore, in response to ESG partner Hi-Life's launch of the "MAJOR MADE x Kai Ko Charity Warmth Box" campaign (donating NT\$30 from the sale of each box to the Genesis Social Welfare Foundation), the Bank actively promoted and encouraged cardholders to participate in the purchase of boxes and jointly supported this warmth-giving initiative.

03 Taipei City Association of Parents for Visually Impaired

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.

04 Down Syndrome Foundation of the Republic of China

UBOT participated in the "Unbreakable Force 2024" program while helping the foundation promote Lunar New Year gift boxes.

8.4.7 Meal voucher subsidies for disadvantaged students

To ensure that economically disadvantaged students can have peace of mind during periods when they are not attending school and not worry about the source of their next meal, we have partnered with ESG collaborator Hi-Life to participate in the Kaohsiung City Government's "Safe Meal Digital Voucher Redemption Program." This program subsidizes low-income elementary and junior high school students in Kaohsiung City to redeem meals worth NT\$85 at Hi-Life convenience stores (NT\$65 subsidized by the government, with an additional NT\$20 jointly subsidized by the Bank and Hi-Life). In 2024, nearly 18,000 meals were redeemed, enabling children to have stable meals without going hungry.

8.4.8 Encouraging employees to make charitable donation

Internally, we have actively promoted the employee donation box campaign, raising funds to donate to a total of 12 public welfare organizations, including the Sunshine Social Welfare Foundation, Taiwan Foundation for Rare Disorders, Childhood Cancer Foundation of R.O.C., and Menno-nite Social Welfare Foundation, to support disadvantaged groups such as individuals with physical and mental disabilities, children and the elderly, and those requiring medical treatment for illnesses.



## 8.5 Natural ecological conservation (NT\$24.86 million)

To respond to the United Nations' SDGs and to fulfill a commitment to environmental sustainability, we engage in practical actions to protect Taiwan's diverse local natural resources. These actions include adopting green spaces, conserving wildlife, and participating in the maintenance of natural habitats and species protection. At the same time, through green finance initiatives, low-carbon action plans, and customer engagement, we implement conservation with the hope of rallying public attention and concrete actions toward natural ecological conservation, advancing toward a sustainable future.

### 8.5.1 Adopting a community green space

#### 01 Adopting parks

UBOT has adopted Minyou No. 2 Park in Songshan District, Taipei City for 28 years. 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.



#### 02 Adopting flower garden in school campus

The Bank has adopted the garden in front of Luzhou Elementary School in New Taipei City for 13 years. With regular maintenance and protection of the garden, we have promoted the concept of greening and conservation of the environment among the community and students, which has won the recognition of the school and parents.

### 8.5.2 Adopting animals under conservation

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.



### 8.5.3 Encouraging customers to participate in donations for the ecological conservation of national parks

To instill ecological and environmental protection awareness in children from an early age, the Bank will hold a Children's Charity Drawing Competition in 2024. For each submitted artwork, a donation of NT\$10 will be made, along with all registration fees from the Children's Financial Literacy Camp. These funds will be fully donated to the Shei-Pa National Park Administration to support biodiversity conservation, environmental ecological preservation, and related educational promotion activities. We encourage children to join the efforts in safeguarding the ecological conservation of the national park.

### 8.5.4 Protecting natural habitats of wildlife

The Bank has invested in a ground-mounted solar power plant covering approximately 37.7 hectares in the subsidence area of Pingtung. The land beneath the solar panels is managed through natural grazing. Within this extensive area of land and wetlands, various flora and fauna such as birds, butterflies, fish, snakes, frogs, turtles, and insects naturally grow and reproduce. This contributes to the promotion of sustainable terrestrial ecosystems and helps to prevent the loss of biodiversity.

### 8.5.5 Organizing a paperless fair to encourage customers to “live green”

For over 25 years, the Mother’s Day ESG Charity Fair has been held annually. In previous years, the event utilized paper vouchers. In 2024, to implement environmental protection and carbon reduction, the fair will transition to a paperless system by fully adopting a digital voucher payment system to replace the traditional paper vouchers, thereby saving the printing of approximately 10,000 to 15,000 sheets of paper.

Focusing on green sustainability issues, the event specially established a Green Declaration Zone, allowing participants to voice their support for the Earth through messages. Attendees could also participate in the ESG Experience Zone, featuring environmentally themed interactive games such as “Sorting You and Me,” “Earth Adventure,” and “Penguin Adventure.” Additionally, the Greenpeace Foundation was invited to provide educational outreach on environmental knowledge. Through diverse interactive activities, the event promoted the concept of environmental protection. In addition, a special event titled “Creative Succulent Planting” was organized, where succulent plants were distributed to the public free of charge. On-site instruction was provided on care techniques including pruning, repotting and transplanting, fertilization, and pest and disease control. The finished plants were given to the public to encourage active participation in planting as a means of carbon reduction.

### 8.5.6 Encouraging customers to engage in green consumption

#### 01 Issue “Union Green Card”

The Bank has launched the “Union Green Card,” which is themed around energy sustainability and green recycling. It is the industry’s first credit card to simultaneously issue both environmentally friendly material cards and virtual cards. This initiative aims to encourage cardholders to make purchases through designated green channels, thereby promoting environmental and social sustainability. The Green Card offers designated green consumption channel credit card discount activities including “Electric Cars/Motorcycles,” “Shared Transportation,” “Organic Selected Products,” and “Green Donations.” It also provides up to a 1.5% discount rebate for utility bill payments through automatic deduction. This initiative encourages customers to use public transportation, increase green dietary choices, reduce paper usage, and support environmental protection organizations, thereby achieving energy conservation and carbon reduction, and collectively participating in ecological environment protection.

In addition, regarding the spending amount of Green Card holders, the Bank allocated an additional 0.1% to donate to the Taiwan Environmental Information Association, creating a positive cycle of more environmental protection and promotion of environmental education activities. In 2024, the donations exceeded one million New Taiwan Dollars.

#### 02 Collaborating with iPASS to promote green points

In response to the Ministry of Environment’s promotion of net-zero carbon reduction and green living, and to encourage customers to jointly support low-carbon transportation by using public transit to reduce carbon emissions from private vehicles, the Bank’s credit card partnered with iPASS starting in 2024 to launch the “iPASS Green Points Double Rewards” and “iPASS MONEY APP Linked with Union Bank Credit Card for 8% iPASS Green Points Cashback” campaigns. These initiatives encourage customers to use designated Union Bank credit cards with iPASS ticketing functions to pay for public transportation expenses, offering green points as rewards. Each green point can be redeemed as a one-dollar discount on public transportation fares or online utility payments (including parking fees, electricity bills, water bills, and credit card payments). This program aims to promote environmentally friendly consumption patterns and the practice of low-carbon living. In 2024, over 40,000 participants took part, with more than 400,000 public transit rides recorded.

### 8.5.7 Encourage customers to apply for electronic billing.

Applying for electronic billing reduces the carbon emissions generated from delivering paper bills and decreases the number of trees cut down for producing paper bills, achieving the dual benefits of “carbon reduction” and “carbon sequestration.” The electronic billing rate for the bank’s credit card statements in the fourth quarter of 2024 reached 72%, representing a 9% increase compared to 2023. Furthermore, to encourage customers to apply for electronic statements, the Bank’s credit card and digital account services have long offered customers who apply for electronic statements and set up automatic payments various premium financial service benefits, including credit card spending rewards and preferential deposit interest rates. We hope to use this initiative to encourage customers and the Bank to jointly contribute to environmental sustainability.

### 8.5.8 Encouraging customers to apply for business services online

To reduce the paper usage caused by physical application forms and various documents, we offer high-quality digital services such as online account opening, online card application, and online loans. We also provide related promotional activities to encourage customers to apply online (for example, New New Bank offers up to a 10% deposit interest rate for online account openings). We aim to extend energy conservation and carbon reduction to all services, encouraging cardholders to contribute more to environmental sustainability.

### 8.5.9 Sponsorship of environmental protection and carbon reduction activities organized by Taoyuan Metro, Taichung Metro, and Kaohsiung Metro

Annually, we sponsor various environmental protection and carbon reduction activities organized by Taoyuan Metro, Taichung Metro, and Kaohsiung Metro, encouraging the public to participate in environmental and carbon reduction efforts. For example, in 2024, we sponsored special station tours and experiential rides for Taoyuan Metro and Taichung Metro, aiming to cultivate the habit of using public transit among schoolchildren from a young age and to promote awareness of energy conservation and carbon reduction. We also sponsored “Taoyuan Metro’s Hand in Hand: Family Crafts” event and Taichung Metro’s “Christmas Parent-Child Market” event, organizing various DIY activities such as planting and making eco-friendly bags, to encourage parents and children to jointly engage in carbon and plastic reduction lifestyles.



Appendices

1 Index of Contents Disclosed in Code for Reporting of GRI Sustainability

GRI Standards	Disclosure	Chapter	Page
GRI 2: General Disclosures 2021			
GRI 2: General Disclosures 2021	2.1 Organizational details	About UBOT	5
	2.2 Entities included in the organization's sustainability reporting	About the Report	
	2.3 Reporting period, frequency and contact point	About the Report	
	2.4 Restatements of information	No restatement	
	2.5 External assurance	About the Report	
	2.6 Activities, value chain and other business relationships	About UBOT	5,7
		Environmental Sustainability	94
	2.7 Employees	6.1 Employee Structure	50
	2.8 Workers who are not employees	6.1 Employee Structure	50
	2.9 Governance structure and composition		
	2.10 Nomination and selection of the highest governance body	4.1 Governance Structure	19-20
	2.11 Chair of the highest governance body		
	2.12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance and Performance	3
		Stakeholder engagement	10-13
		Corporate Governance	19-22
	2.13 Delegation of responsibility for managing impacts	1.1 Sustainable Development Governance Structure	3
		4.1 Governance Structure	19
	2.14 Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Governance Structure	3
	2.15 Conflicts of interest	Corporate Governance	21
	2.16 Communication of critical concerns	3.2 Channels of Communication with Stakeholders	10-13
	2.17 Collective knowledge of the highest governance body	Corporate Governance	20-21
	2.18 Evaluation of the performance of the highest governance body	Corporate Governance	21
	2.19 Remuneration policies	Corporate Governance	22
	2.20 Process to determine remuneration	Corporate Governance	22

GRI Standards	Disclosure	Chapter	Page
GRI 2: General Disclosures 2021	2.21 Annual total compensation ratio	Corporate Governance	22
	2.22 Statement on sustainable development strategy	A Message from the Chairman	1
	2.23 Policy commitments	4.2 Ethical Management	23
		5.1 Responsible Credit	36
	2.24 Embedding policy commitments	5.2 Responsible Investment	38
		6.2 Protection of Employees' Rights and Interests	52
	2.25 Processes to remediate negative impacts	4.2 Ethical Management	23-24
		5.8 Customer Relationship Management	49
		6.2 Protection of Employees' Rights and Interests	52
	2.26 Mechanisms for seeking advice and raising concerns	4.2 Ethical Management	23
	2.27 Compliance with laws and regulations	4.3 Legal Compliance	24
	2.28 Membership associations	2.7 Participate in Various Associations and Organizations	9
	2.29 Approach to stakeholder engagement	3.2 Channels of Communication with Stakeholders	10-13
	2.30 Collective bargaining agreements	6.5 Employee Relationship	61

GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.3 Process of Identifying Material Topics	13
	3-2 List of material topics	3.4 Confirmation of Material Topics	14
	3-3 Management of material topics	3.6 Strategies, Objectives, and Achievement Status of Material Topics	16-18

2 GRI Standards with Specific Topics

GRI 200: Economic Topics			
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	2.4 Operation Performance	7
	201-2 Financial implications and other risks and opportunities due to climate change	Environmental Sustainability	64-68
	201-3 Defined benefit plan obligations and other retirement plans	6.2 Protection of Employees' Rights and Interests	52
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	6.4 Employee Salaries and Benefits and Employee Care	58
GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	5.4 Inclusive Finance and Services	41-43
	203-2 Significant indirect economic impacts	8.1 Educational Promotion	95



GRI Standards	Disclosure	Chapter	Page
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	No corruption-related risks occurred during this year	23
	205-2 Communication and training about anti-corruption policies and procedures	4.2 Ethical Management	
	205-3 Confirmed incidents of corruption and actions taken		
GRI 206 Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such matter this year	
GRI 207 Taxation 2019	207-1 Approach to tax	2.5 Tax Policy	8
	207-4 Country-by-country reporting		

GRI 300: Environment series			
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Based on power consumption, the Bank's annual power consumption in 2024 totaled 14,666.738MW/H, which was 52,800,258MJ (10 to the 6th Joule) converted into energy consumption.	
	302-4 Reduction of energy consumption	Using electricity consumption as the calculation basis, the Bank's total power usage decreased by 194.63 MWh in 2024 compared to 2023.	
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Sustainability	84-85
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-4 GHG emissions intensity	Environmental Sustainability	84
	305-5 Reduction of GHG emissions	Environmental Sustainability	87
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	7.3 Supply Chain Management	94

GRI 400: Social series			
GRI 401 Labor and Employment Relations 2016	401-1 New employee hires and employee turnover	6.1 Employee Structure	50
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Employee Salaries and Benefits and Employee Care	58
	401-3 Parental leave		
GRI 403 Occupational safety and health 2018	403-3 Occupational health services	Employee care	59-60
	403-5 Worker training on occupational health and safety	6-6 Labor Occupational Safety and Health Training and Measures	61
	403-6 Promotion of worker health	Employee care	59-60

GRI Standards	Disclosure	Chapter	Page
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	6.3 Continuing Education and Training of Employees	55
	404-2 Programs for upgrading employee skills and transition assistance programs		
GRI 405 Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Corporate governance	20
	405-2 Ratio of basic salary and remuneration of women to men	Employee care	54
GRI 406 Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.2 Protection of Employees' Rights and Interests	52-53
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.1 Responsible Credit	41
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	8.1 Educational Promotion	95-98
		7.3 Supply Chain Management	94
GRI 415 Public Policy	415-1 Political contributions	2.7 Participate in Various Associations and Organizations	9
GRI 417 Marketing and Signs 2016	417-1 Requirements for product and service information and labeling	Sustainable Finance	41,46
	417-2 Incidents of non-compliance concerning product and service information and labeling		
	417-3 Incidents of non-compliance concerning marketing communications		
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.6 Protection of Customer Rights and Interests	44

Consideration	Description	Chapter	Page
GRI G4 Supplementary Guidance on Financial Services Sector			
Product Portfolio			
FS1	Policies with specific environmental and social components applied to business lines	Sustainable Finance	36
FS2	Procedures for assessing and screening environmental and social risks in business lines		
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	5.4 Inclusive Finance and Services	41
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	8.1 Educational Promotion	95
		5.3 Sustainable Products	40
		8.5 Natural Ecological Conservation	105


3 SASB Commercial Banking Indicator Comparison Table

Topics	Indicator Code	Metric	Chapter/Description	Page
Information Security	FN-CB-230a.1	(1) Number of data breaches	Corporate Governance	35
		(2) percentage that are personal data breaches		45
		(3) number of account holders affected		
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	4.7 Cyber Security Management	33
Financial Inclusion and Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	Sustainable Finance	43
	FN-CB-240a.2	(1) Number and (2) amount of past due and non-accrual loans or loans subject to forbearance that qualify for programmes designed 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	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Relevant data is not yet available	
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Social inclusion	97
Incorporate environmental, social and governance factors into the credit risk assessment process	FN-CB-410a.1	Industry exposure	Please refer to P93-94 of the Bank's 2024 Individual Financial Statements for details	
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	7.1 Task Force on Climate-Related Financial Disclosure (TCFD)	66-72
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Corporate Governance	26
	FN-CB-510a.2	Description of whistleblower policies and procedures	4.2 Ethical Management	23
System Risk Management	FN-CB-550a.1	Global Systemically Important Bank (GSIB) score, by category	Union Bank is not a G-SIB Therefore, this indicator does not apply	
	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	Information on capital adequacy management is disclosed in P.108-110 of 2024 Individual Financial Statements	
Indicator	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	About UBOT	5
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		

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

Method	Content	Chapter	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	10
	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.	Appendices 1~3	107
	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.		
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	35
	1 Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Sustainable Finance	45
	2 Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	Sustainable Finance	43
	3 Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	Sustainable Finance	97
	4 Products and services designed by individual operating units to create benefits for the environment or society.	Sustainable Finance	40
		Social inclusion	106
Article 4-1	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 5	110
	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	84-85





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**INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT**

Union Bank of Taiwan Co., Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report (“the Report”) of Union Bank of Taiwan Co., Ltd. (“the Company”) for the year ended December 31, 2024.

**Subject Matter Information and Applicable Criteria**

See Appendix 1 for the Company’s selected performance indicators (“the Subject Matter Information”) and applicable criteria.

**Responsibilities of Management**

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

**Auditors’ Responsibilities**

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, observation, and analytical procedures to obtain evidence supporting limited assurance.

- 1 -

**Inherent Limitations**

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

**Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Conclusion**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

**Other Matters**

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Han-Ni Fang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

June 30, 2025

Notice to Readers

*For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.*

- 2 -



APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information					Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports
1.	In 2024, the Bank experienced zero incidents of information leakage. The proportion of information leakage incidents related to personal data was 0%. The number of customers affected by the aforementioned information leakage incidents was zero.					Corporate Governance Sustainable Finance	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-3, No. 1
2.	Product Type	Service Recipient	Product Content	Number of Cases	Balance (NT\$ Millions)	Sustainable Finance	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-3, No. 2
	Loan	SMEs (including those considered SMEs)	To assist small and medium-sized enterprises (SMEs) (defined by the Ministry of Economic Affairs' Standards for Identifying Small and Medium-sized Enterprises, including small-scale businesses that meet the requirements of Article 5 of the Business Registration Act and are guaranteed by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan) in successfully obtaining funds for their operational turnover or capital financing.	17,909	149,805			
3.	Project Name	Target Audience	Project Content	Number of Claims		Social Inclusion	Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-3, No. 3
	Children's financial management camp	Students from disadvantaged/ welfare groups and rural schools	To implement inclusive finance by providing educational resources to disadvantaged students, invitations to events in 2024 were sent to the Department of Social Welfare and Department of Education of the six municipalities, inviting various public welfare organizations as well as schools to register, and a waiver of registration fees for students from remote (rural), disadvantaged, and public welfare social service groups was also offered. In December, for the first time, a special children's financial literacy camp was held at Chajiao Forest Experimental Elementary School, which is designated by the Ministry of Education as a rural area.	300 people				
	"Understanding Risks for the Elderly/ Introduction to Elder Care Trusts" seminar	Senior citizens	Promotion of the fundamental concepts of elder care trusts.	188 people				
	"Trusts for persons with disabilities" seminar	Persons with disabilities	Promotion of the fundamental concepts of trusts for persons with disabilities.	15 people				
	Booths at the Taoyuan Metro's "Family Hand-in-Hand" and "Family Reading and Weekend Theater" events	Single women/married women	Set up the "UBOT Women's EMPOWER Knowledge Station" to target both single and married women and teach them how to manage finances and allocate assets through various financial instruments at different stages of life, while promoting awareness of financial fraud prevention.	1,200 people				
	Booth at the "Meco Paskong Pinoy 2024" event	Foreign migrant workers	Established a digital financial service station in collaboration with Eastern Union Interactive to teach migrant workers how to use the app and online financial transaction services. This enables them to complete remittances safely and quickly, sending funds back to their home countries.	108 people				
	Total			1,811 people				

#	Subject Matter Information			Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports
4.	Category	Benefits For The Environment Or Society	Year-end Balance (NT\$ Millions)	Sustainable Finance, Social Inclusion	Products and services designed by individual operating units to create benefits for the environment or society.	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Article 4, Paragraph 1, Table 1-3, No. 4
	Loans to six core strategic industries	In alignment with government policies and to assist the transformation and upgrading of Taiwan's industries, credit services are actively provided to sectors including "information and digital technology," "cybersecurity," "medical technology and precision health," "national defense and strategy," "green and renewable energy," and "strategic stockpile." Through efforts in information security, national defense, health, and livelihood protection, the welfare of the people is safeguarded, generating social benefits and assisting the green energy industry in the mitigation of and adaptation to climate change, thereby achieving environmental sustainability.	62,903  (Among them, 1,537 clients are in the green energy and renewable energy industries, with a credit balance of NT\$18.853 billion)			
<ul style="list-style-type: none"><li>Union Green Card</li></ul> <p>The Green Card offers designated green consumption channel credit card discount activities including "Electric Cars/Motorcycles," "Shared Transportation," "Organic Selected Products," and "Green Donations." It also provides up to a 1.5% discount rebate for utility bill payments through automatic deduction. This initiative encourages customers to use public transportation, increase green dietary choices, reduce paper usage, and support environmental protection organizations, thereby achieving energy conservation and carbon reduction, and collectively participating in ecological environment protection.</p> <p>In addition, regarding the spending amount of Green Card holders, the Bank allocated an additional 0.1% to donate to the Taiwan Environmental Information Association, creating a positive cycle of more environmental protection and promotion of environmental education activities. In 2024, the donations exceeded one million New Taiwan Dollars.</p>						

