



2025

SCSB Sustainability Report



處處為您著想……

上海商業儲蓄銀行

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

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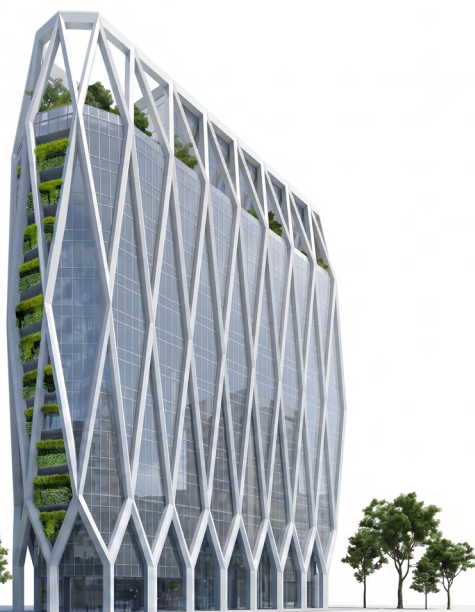
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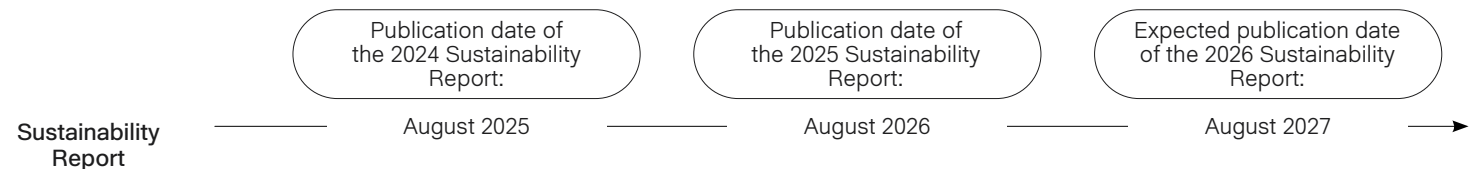


About the Report

The Shanghai Commercial and Savings Bank, Ltd. (hereinafter referred to as the SCSB) has long been caring about the sustainable development trend and disclosed our efforts and achievements in the promotion of sustainable development. The SCSB wishes to use the sustainability report as a communication tool to respond to the issues that stakeholders from all sectors are concerned with. The aim is to keep the annual growth and sustainable development of the SCSB.

Reporting Period

Since the publication of its first report in 2007, the SCSB has issued Sustainability Reports on an annual basis for 19 consecutive years. The 2025 Sustainability Report (hereinafter referred to as the report) shows the information on performance of sustainable development and material topic management from January 1 to December 31, 2025. The period of the report is the same as the period of the annual financial statement. To provide comprehensive performance data to readers, some contents cover the information from previous years and the information for the year 2025.



Scope of the Report

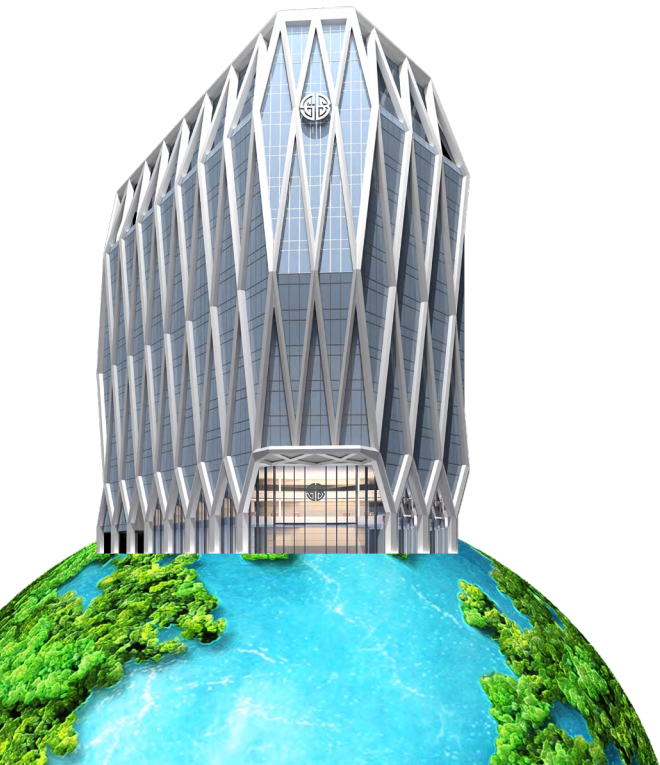
The report discloses the performance of the SCSB on sustainable development in governance, economy, environment, and people (including human rights). The scope of the report completely covers the SCSB's locations of operations in Taiwan, overseas branches as well as overseas offices, and partially covers operations in subsidiaries including the Shanghai Commercial Bank (the SCB), the SCSB Leasing (China) Co., Ltd. and AMK Microfinance Institution Plc.¹. The scope of sustainability disclosure the report mainly covers the SCSB's business in Taiwan and Hong Kong (accounting for 95.87% of the SCSB's consolidated net income). If data presented is associated with a different scope, it is specified within the respective section. Financial data is based on NT\$ and the disclosure scope of financial date is consistent with the SCSB's consolidated financial statement. The social charity information covers performance data of the SCSB, the SCSB Cultural & Educational Foundation and the SCSB Charity Foundation.

Basis of the Report and Information Assurance

The report is in accordance with the basis of Universal Standards, Sector Standards and Topic Standards (GRI Standards) published by the Global Reporting Initiative (GRI), and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. In addition, the report is also disclosed based on the SASB Standards published by the International Sustainability Standards Board (ISSB) and the Task Force on Climate-related Financial Disclosures (TCFD).

The financial information in the report has cited the annual financial report certified to by CPAs and adopted by the SCSB. In addition, the accounting firm Deloitte & Touche has been entrusted to provide limited assurance to this report for specific performance indicators in accordance with the Statement of Assurance Engagements Standards (hereinafter referred to as TWSAE) No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (based on the International Standards on Assurance Engagements (hereinafter referred to as ISAE 3000 Revised) issued by the Accounting Research and Development Foundation. For more information of assurance, please see "5.8 Independent Auditors' Limited Assurance Report" in the appendix of this report for the CPA's limited assurance report.

¹ AMK Microfinance Institution Plc. was approved by the local regulator on March 11, 2026, to convert into a commercial bank and was renamed AMK BANK PLC



The conforming standard and inspection institution of all kinds of information are as follows :

Information Type	Conforming Standard	Verification /Assurance Institution
Sustainability information	Statement of Assurance Engagements Standards (TWSAE) No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"	Deloitte Taiwan
Financial information	Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Generally Accepted Auditing Standards	PwC Taiwan
Environmental data SGS Taiwan	ISO 14064-1:2018 Greenhouse Gases Part 1	SGS Taiwan
	ISO 14067:2018 Carbon Footprint Verification (Credit and Debit Card Carbon Footprint Verification)	SGS Taiwan
Management System	Taiwan Intellectual Property Management System (TIPS) (Grade A)	Industrial Development Bureau, MOEA
	ISO 10002:2018 Customer Complaint Management System	BSI Taiwan
	ISO 14001:2015 Environmental Management System	SGS Taiwan
	ISO 20400:2017 Sustainable Procurement-Guidance	BSI Taiwan
	ISO 22301:2019 Sustainable Procurement - Guidance	BSI Taiwan
	ISO 27001:2022 Information Security Management System	BSI Taiwan
	ISO 45001:2018 Occupational Health and Safety Management System	SGS Taiwan
	ISO 46001:2019 Water Efficiency Management Systems	SGS Taiwan
	ISO 50001:2018 Energy Management System	SGS Taiwan

Report Preparation and Approval Process

To ensure accuracy of the information disclosed, the report is provided by the senior managers of the relevant units of the Sustainable Development Committee after they have completed the fact check, then the senior managers will provide information. Summarization and internal reviews are performed by the Head Office to ensure accuracy and consistency of information.

Report Preparation



- Each unit drafts annual plan and performance and provides data.
- The Head Office gathered information and prepared the sustainability report.

Content Review



- Functional teams of Sustainable Development Committee examine the content of sustainability report.
- The annual material topics are reported to the board of directors.

Internal Audit



- The Auditing Department has audited the accuracy of part of the information and data.

Verification and Assurance



- Selected management systems and data are verified and assured by external independent units and accounting firms.

Finalization



- After being reviewed by the President and approved by the board of directors, the sustainability report will be announced.

Contact Information

For any concerns or opinions on this report or suggestion on the implementation of sustainable development in the SCSB, please advise as necessary.



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Message from the Chairman

Global sustainable development is currently at a critical turning point. Geopolitical dynamics, supply chain restructuring, and fluctuations in trade policies have introduced numerous uncertainties into the global landscape, placing financial institutions under unprecedentedly complex challenges. Against the backdrop of the World Economic Forum (WEF) in 2026 emphasizing "Rebuilding Cooperation," we have come to a profound realization that financial institutions are not only providers of capital, but also pillars of social stability and the most trusted partners for clients in their transformation journeys.

In the face of climate impacts and the restructuring of the international order, our Bank has, since 2024, aligned with the IFRS Sustainability Disclosure Standards S1 and S2, and further aligned with international frameworks such as the Science Based Targets initiative (SBTi), TCFD, and TNFD. We have systematically incorporated climate and nature-related risks into our decision-making framework, thereby strengthening governance resilience.

■ Rooted In Prudence, deepening the value of legacy

The trust accumulated by the SCSB over more than a century is our most valuable asset. Amid a changing environment, we consistently uphold a sustainability mindset, steadfastly maintaining asset quality and capital adequacy. Leveraging the advantages of our presence across Taiwan, Hong Kong, and Mainland China, we assist small and medium-sized enterprises in strengthening their cross-border deployment. For us, "legacy" of assets is not merely the transfer of wealth, but the intergenerational continuation of management wisdom, trusted relationships, and social responsibility. We aspire not only to safeguard our clients' family businesses, but also to protect the environment we all share.

■ Advancing Sustainable Finance and Expanding Transformation Impact

We firmly believe that "support rather than exclusion" is the key to driving collective progress across industries. The SCSB actively implements sustainable finance by incorporating environmental and social factors (ESG) into investment and financing decisions, and by expanding commitments to green buildings, ESG-related industry lending, and sustainable development bonds. Through "sustainability-linked loans" and differentiated interest rate mechanisms, we provide tangible incentives to enterprises actively pursuing transformation, guiding capital flows toward low-carbon pathways and extending our impact from the banking sector to the broader value chain, thereby ensuring that sustainable value is truly put into practice.

■ Empowering Through Intelligent Innovation To Strengthen Long-term Competitiveness and Outlook

In response to the evolution of financial technology, the SCSB continues to enhance decision-making quality and operational efficiency through digital enablement, providing more precise and real-time financial solutions. Looking ahead to 2026, we will, under the central theme of "Inheritance and Sustainability, Intelligence Innovation," adopt a dual-track strategy built upon a foundation of prudence and stability, accompanying our clients through every mile of their transformation journey.

We will internalize the principles of sustainability into our corporate culture, creating enduring value for clients, society, and future generations in an era of challenges, and steadily advancing toward our corporate vision of becoming "the best Chinese bank in the Asia-Pacific region."



President

Kuo, Ching-Yi

Message from the President

In 2025, on the basis of sound operations, the SCSB's sustainability performance continued to receive high international recognition. We were not only once again selected as a constituent of both the World and Emerging Markets indices of the Dow Jones Best-in-Class Indices (DJBIC), but also maintained an AA rating in the MSCI ESG Ratings. In addition, our Sustainability Report was awarded the TCSA Platinum Award for consecutive years, and we ranked among the top 5% of listed companies in the Corporate Governance Evaluation, demonstrating our ongoing progress and achievements in governance transparency, sustainability management, and information quality.

■ Creating Sustainable Value Through Scientific Management, Green Finance, and Environmental Action

The SCSB advances net-zero transformation in a prudent and pragmatic manner by integrating climate and nature-related risk management into decision-making processes. In alignment with the TCFD framework, we strengthen the identification of climate-related risks and progressively incorporate nature-related risks into our overall risk management system. At the same time, based on the Science Based Targets (SBT), we expand green financing, sustainability-linked loans, and credit facilities for equipment upgrade projects. Through engagement mechanisms, we assist clients in planning decarbonization pathways and encourage the disclosure of their carbon reduction actions, guiding capital toward low-carbon transition needs and leveraging the influence of finance.

In terms of environmental action, the SCSB continues to promote energy-saving and carbon reduction measures, supports the "Tainan Qigu Salt Pan Bird Conservation Promotion Project," and advances tree planting, ecological conservation, and deeper employee engagement. In doing so, we extend environmental benefits from internal operations to social initiatives, fulfilling our long-term commitment to environmental sustainability.

■ Deepening Inclusive Finance, Supporting Small and Medium-sized Enterprises, and Expanding Public Welfare Engagement

As the most steadfast partner of small and medium-sized enterprises, the SCSB provides diversified and flexible financial solutions to assist businesses in undertaking equipment upgrades and operational optimization. Through concrete actions, we support enterprises in their sustainable transformation and promote industries' progress toward net zero.

Inclusive finance is a core mission of the SCSB. Through user-friendly product design and enhanced services across local branches, we are committed to making financial services more accessible to different generations, vulnerable groups, and residents in rural and underserved areas. In 2025, the SCSB launched the "GoRich Intelligent Wealth Management" system, offering more comprehensive cross-generational service solutions to meet the needs of diverse customer segments, while lowering the threshold for wealth management within the system, enabling younger populations and rural residents to access financial services at lower cost. In addition, the SCSB continues to promote social welfare initiatives and volunteer programs. From financial education and environmental sustainability to community care, we deepen connections with local communities through employee participation, thereby expanding our positive social impact.

■ Enhancing Information Transparency, Strengthening Technology Governance, and Advancing Talent Development

Continuously strengthening the sustainability governance framework, refining sustainability information management processes and cross-departmental collaboration, and enhancing the credibility and consistency of ESG disclosures, so that stakeholders can more clearly understand the SCSB's sustainability actions and management effectiveness.

In terms of technology governance, the "Digital Technology Department" centrally coordinates resources, and through organizational specialization, strengthens cybersecurity resilience and improves resource efficiency, ensuring that AI technology development, strategies, and business needs are closely aligned. At the same time, we promote the "Digital AI Seed Talent Development Program" and internal employee training, gradually embedding sustainability and digital AI into the organization's competitive capabilities.

Upholding the service philosophy of "Always Placing Customers' Needs First," characterized by "Warmth, Ease, and Respect," we continue to deepen sustainable finance and intelligent services. We support our clients with more inclusive, resilient, and sustainability-driven financial solutions, continuously expanding our positive contributions to society and the environment, and striving to become the most trusted long-term partner for the public.

SCSB'S KEY ACHIEVEMENTS IN SUSTAINABILITY IN 2025



GOVERNANCE & ECONOMIC ASPECTS

- Continues to be listed in both the Dow Jones Best-in-Class World Index (DJBIC World) and DJBIC Emerging Markets.
- Be included in FTSE4Good TIP Taiwan ESG Index.
- Included as a constituent stock of the Taiwan High Compensation 100 Index.
- Rated B in management level of Carbon Disclosure Project (CDP).
- Selected for the S&P Global Sustainability Yearbook 2026. Ranked in the top 5% of ESG sustainability scores among the global banking industry.
- ISO 10002: 2018 complaint management system certification was reviewed again, and it continues to meet the certification requirements in 2025.
- Received the 2025 "Award for Supporting the Diverse Development of SMEs and Micro Enterprises" from the Small and Medium Enterprise Credit Guarantee Fund of Taiwan.



ENVIRONMENTAL ASPECT

- The Science Based Targets initiative (SBTi) was submitted in 2024 and passed the review in January 2025.
- Approved 1,068 green building loan applications with a total credit balance of NT\$ 13.08 billion.
- Credit extended to the six core strategic industries amounted to NT\$ 152.918 billion, among which NT\$ 53.484 billion was allocated to green energy and renewable resources.
- Greenhouse gas emissions in Scope 1 and Scope 2 per NT\$ million in revenue decreased by 7.9% compared to last year, achieving the target of a 3% year-on-year.
- Renewable energy purchased reached 2,755.8 thousand kWh and 2,853 renewable energy certificates were obtained.



SOCIAL ASPECT

- 444 students received a total of NTD 14 million worth of scholarships from the SCSB Cultural & Educational Foundation.
- Organized sustainable finance talent cultivation series courses, with a total of 133 participants trained during the year.
- Sponsored Laonong Elementary School in a remote area for its "Centennial Anniversary Celebration and Sports Field Inauguration Ceremony".
- The balance of loans extended to SMEs reached NT\$ 301.4 billion, accounting for 78.27% of the SCSB's corporate loans in Taiwan.
- Organize the "Walk with Trees" wellness walking campaign with udn online, the Kaohsiung I-plant-tree Association, and Walkii, encouraging employees to incorporate walking into their daily lives and accumulate steps. During the campaign period, participants collectively walked 34,218.97 kilometers, reducing carbon emissions by a total of 6,941.6 kg and cumulatively planted five trees.
- Launched the "Love Earth - Sustainable NT\$ Fixed Deposit Project for Wild Birds," attracting 661 participants with a total deposit amount of NT\$1.884 billion.



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About The Shanghai Commercial & Savings Bank

- 1.1 Stakeholder and Material Topics
- 1.2 Sustainable Development Strategies
- 1.3 Alignment with IFRS S1 and S2 Sustainability Disclosure Standards
- 1.4 Overview of the SCSB
- 1.5 Operating Performance
- 1.6 Tax Governance



GRI DISCLOSURE ITEMS

GRI 2 General Disclosures

GRI 3 Material Topics

GRI 201 Economic Performance

GRI 207 Tax

KEY MATERIAL TOPICS

None

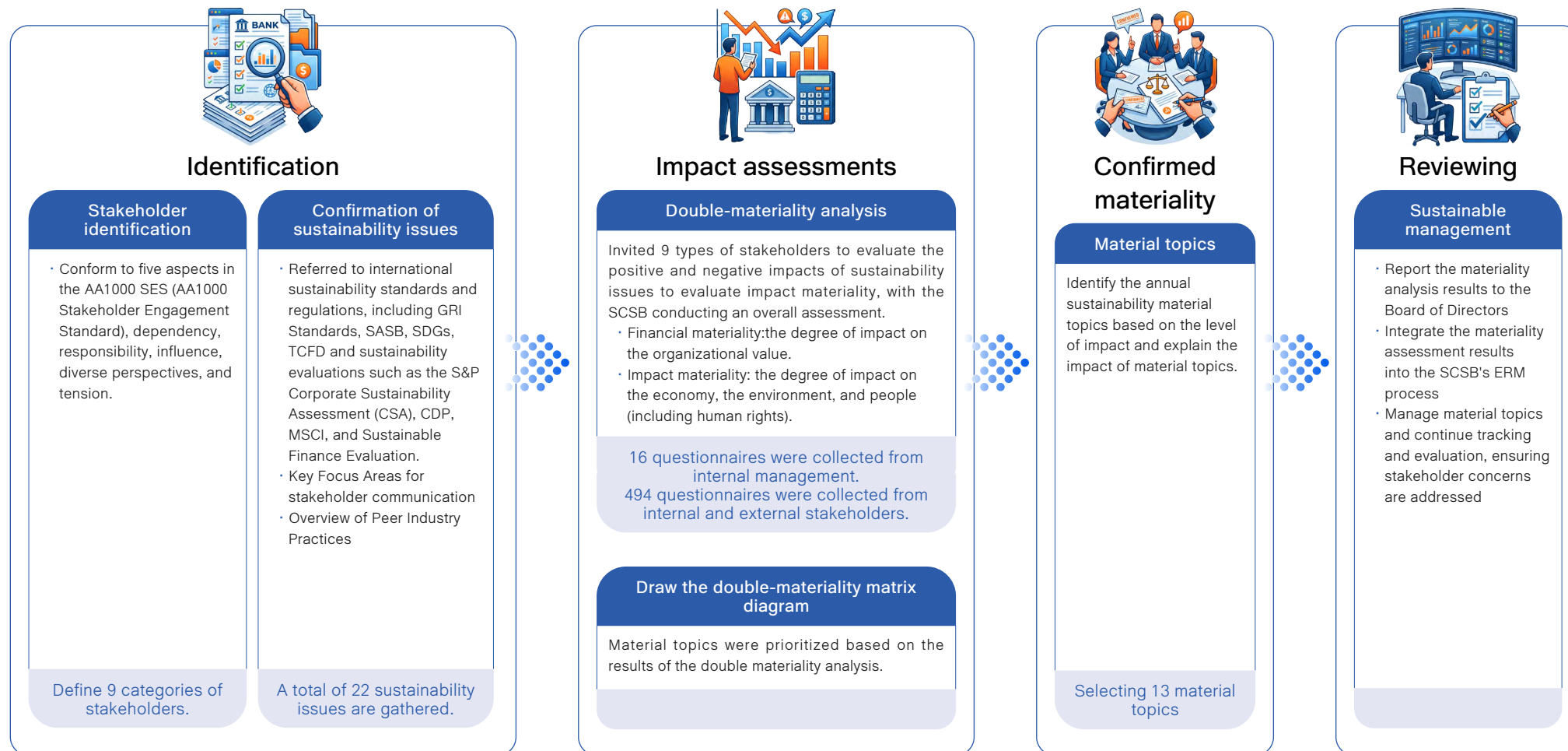
PRIORITIZED STAKEHOLDERS FOR READING

All Stakeholders



1.1 STAKEHOLDER AND MATERIAL TOPICS

Identification Process



1.1.1 STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

After internal discussion on the survey and reference to peer industry practices for stakeholder identification and engagement, the SCSB identified 9 types of possible stakeholder groups based on the AA1000 Stakeholder Engagement Standard (AA1000SES), namely government and competent authorities, employees, customers, shareholders and investors, suppliers, financial peers, community-related organizations, organizations associated with environment and media. To understand how each stakeholder evaluates the level of impact of sustainability issues, the SCSB designed a questionnaire and distributed it to the stakeholder groups to be completed. The questionnaire can also be filled out on the SCSB's website. The results of stakeholder engagement and impact assessment of material topics are reported to the Board of Directors in accordance with the material topic management process and incorporated into the SCSB's Enterprise Risk Management (ERM) process.



Sustainability
Impact
Assessment
Questionnaire

Results of Stakeholder Identification

Stakeholder	 Government and competent authorities	 Employees	 Customers	 Shareholders and Investors
Materiality	The financial industry is closely supervised by the government and the SCSB attaches great importance to its compliance with the requirements of all applicable laws and regulations.	The SCSB places strong emphasis on talent cultivation and spares no efforts in providing on-the-job training to employees to enhance the overall competitiveness of the SCSB.	In preparing business guidelines and manuals, the six business departments of the SCSB (Corporate Banking, Personal Banking, Customer Finance, Treasury, Deposits and Digital Banking) have taken customer factors into account.	Thanks to the long-term and strong support from shareholders, the SCSB can achieve its current size of operations and market competitiveness.
Communication Channel	The SCSB cooperates with the competent authorities conducting audits Communication Frequency Irregularly Filing of all kinds of reports and public information Communication Frequency Regularly Irregularly	Morning meetings by the department Communication Frequency Weekly Labor – management meetings Communication Frequency Quarterly President's email Communication Frequency Real-Time iTalking email Communication Frequency Real-Time Forum Communication Frequency Irregularly	Service quality survey by a third party Communication Frequency Annually A customer service center and email box Communication Frequency Real-Time Discussions and meetings with the customer relationship managers (RM) Communication Frequency Irregularly Anonymous satisfaction survey Communication Frequency Irregularly Forum Communication Frequency Irregularly	Regular shareholders' meeting Communication Frequency Annually Release of public information Communication Frequency Regularly Forum Communication Frequency Irregularly
Top 5 Impactful Issues assessed by Stakeholder	Information Security Privacy Information Protection Ethical Management Financial Fraud Prevention Compliance	Privacy Information Protection Information Security Occupational Health and Safety Ethical Management Talent Attraction and Retention	Privacy Information Protection Compliance Information Security Financial Fraud Prevention Ethical Management	Privacy Information Protection Information Security Corporate Governance Operating Performance Sustainable Finance
Corresponding sections	2.2 Ethical Management 2.3 Compliance 2.4 Risk Management 2.5 Information Security 2.6 Customer Relationship Management 2.7 Privacy Information Protection 4.7 Sustainability and Financial Education	2.2 Ethical Management 2.5 Information Security 2.7 Privacy Information Protection 4.3 Employee Compensation and Benefit 4.4 Occupational Health and Safety	2.2 Ethical Management 2.3 Compliance 2.4 Risk Management 2.5 Information Security 2.6 Customer Relationship Management 2.7 Privacy Information Protection 4.7 Sustainability and Financial Education	1.5 Operating Performance 2.1 Corporate Governance 2.5 Information Security 2.7 Privacy Information Protection 3.1 Sustainable Finance

Stakeholder	 Suppliers	 Financial institutions	 Organizations associated with community	 Organizations associated with environment	 Media
Materiality	All the contracted suppliers are vital partners in the sustainable development and growth of the SCSB.	While competing with financial institutions in the market, the SCSB continues to pursue collaboration in appropriate areas and draws on shared experiences and insights through mutual exchanges as an important basis for continuous improvement and growth.	The SCSB has actively devoted itself to social charity and collaborated with regional organizations and NPOs to expand social influence.	The SCSB focuses on environmental protection and considers and refers to objective opinions from organizations associated with environmental protection.	As the role of offering and collecting information, media is an important channel for us to communicate with stakeholders.
Communication Channel	Communication Frequency Clear requirements for communication are announced during tender invitation and bidding. Every contract signing Forum Irregularly	Communication Frequency The SCSB shares experience with other banks in the associations where it has membership. Irregularly	Communication Frequency Public welfare activity Irregularly Charitable donation Irregularly	Communication Frequency Consult the organizations associated with environmental protection Irregularly Forum and conference Irregularly	Communication Frequency Communication with a designated unit Irregularly Press releases and press conference Irregularly
Top 5 Impactful Issues assessed by Stakeholder	Privacy Information Protection Sustainable Procurement and Supplier Management Compliance Ethical Management Financial Fraud Prevention	Corporate Governance Privacy Information Protection Information Security Financial Fraud Prevention Risk Management	Digital Finance and Service Innovation Operating Performance Tax Governance Sustainable Procurement and Supplier Management Ethical Management	Privacy Information Protection Employee Training and Career Development Information Security Financial Fraud Prevention Digital Finance and Service Innovation	Information Security Corporate Governance Financial Fraud Prevention Operating Performance Sustainable Finance
Corresponding sections	2.2 Ethical Management 2.3 Compliance 2.4 Risk Management 2.6 Customer Relationship Management 2.7 Privacy Information Protection 3.3 Green Operations 4.7 Sustainability and Financial Education	2.1 Corporate Governance 2.3 Compliance 2.4 Risk Management 2.5 Information Security 2.6 Customer Relationship Management 2.7 Privacy Information Protection 4.7 Sustainability and Financial Education	1.5 Operating Performance 1.6 Tax Governance 2.2 Ethical Management 2.8 Digital Finance and Service Innovation 3.3 Green Operations	2.3 Compliance 2.4 Risk Management 2.5 Information Security 2.6 Customer Relationship Management 2.7 Privacy Information Protection 2.8 Digital Finance and Service Innovation 4.2 Employee Training and Career Development 4.7 Sustainability and Financial Education	1.5 Operating Performance 2.1 Corporate Governance 2.3 Compliance 2.4 Risk Management 2.5 Information Security 2.6 Customer Relationship Management 3.1 Sustainable Finance 4.7 Sustainability and Financial Education

Participation in Industry Associations

In addition to active engagement and negotiation with stakeholders, the SCSB actively participates in key industry associations related to sustainability and finance. Through dialogue and collaboration on material issues, these efforts aim to contribute to the continued stability and responsible development of the financial sector.

Name of Association	Role of the SCSB
The Equator Principles Association	Member
Asian Bankers Association (ABA)	Member
The Bankers Association of The Republic Of China	Member
Taiwan Financial Services Roundtable (TFSR)	Member
Securities Investment Trust & Consulting Association of the R.O.C.	Member
Trust Association of R.O.C.	Member
R.O.C. Bills Finance Association	Member
Taiwan FinTech Association	Member
Society for Worldwide Interbank Financial Telecommunication (SWIFT)	Member
National Cheng Kung University - Sustainable FinTech Alliance (NCKU-SFTA)	VIP Member
Insurance Agency Association of the Republic of China (CIAA)	Member
Taipei Foundation of Finance	Member
Asia Pacific and Mainland Financial Research Association	Member

The SCSB was invited to fill out the institutions' surveys such as S&P CSA, CDP, FTSE and GCBSI, enabling ongoing dialogue and review of key issues. In 2023, the SCSB signed a commitment to the Science Based Targets initiative (SBTi) and received approval in January 2025, pledging to pursue a net-zero transition in line with the goals of the Paris Agreement.

Column | Q

Financial Support for Low Carbon Transition — Announce the Declaration on Climate and lead a Sustainable Future

☐ Declaration on Climate

In 2025, the SCSB formally issued its Declaration on Climate, which applies to the SCSB and all subsidiaries, including overseas branches. This initiative aims to strengthen climate-related actions and governance mechanisms, while systematically advancing the development of sustainable finance, demonstrating the SCSB's long-term commitment and strategic direction in addressing the challenges of climate change.

☐ Lobbying Activities and Association Governance Mechanisms

The SCSB actively participates in domestic and international green initiatives and conducts reviews and monitoring of its direct lobbying activities, as well as the industry associations in which it participates, to ensure that their positions and actions are aligned with the goals of the Paris Agreement. In line with the Declaration on Climate and to implement the SCSB's Science Based Targets initiative (SBTi) commitments, the SCSB continues to advance low-carbon and net-zero transition initiatives, while proactively managing climate-related risks and impacts. At the same time, through measures including low-carbon operations, responsible investment and financing, green finance, and sustainable procurement, the SCSB works collaboratively with stakeholders to promote decarbonization across the value chain and deliver on its net zero transition commitments.

☐ Outcomes of Lobbying Activities and Industry Association Engagement

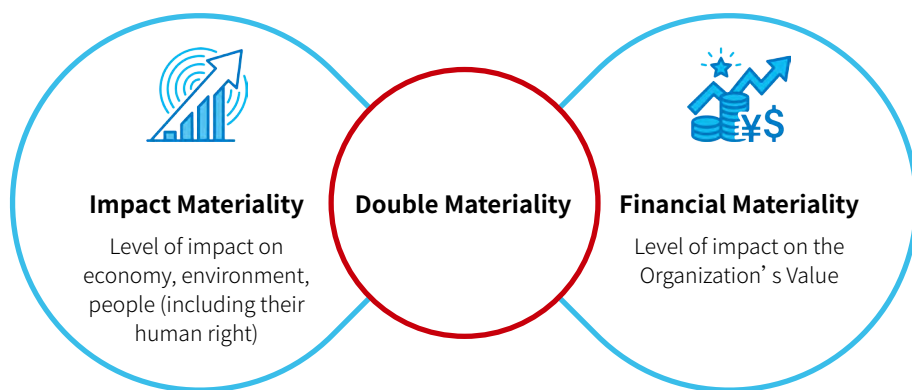
- The SCSB actively participates in a wide range of domestic and international associations, including the National Cheng Kung University - Sustainable FinTech Alliance (NCKU-SFTA), engaging with academia and small and medium-sized enterprises to enhance the green finance ecosystem and ensure sustainable operational resilience and competitiveness.
- The SCSB continues to advance climate-related initiatives, including TCFD-aligned disclosure of climate-related financial risks and opportunities, as well as the implementation of greenhouse gas emissions inventories covering Scope 1, Scope 2, and Scope 3.

1.1.2 IDENTIFICATION OF MATERIAL TOPICS

Double-Materiality Analysis

The SCSB conducts an annual materiality assessment and adopts the EU's "Double Materiality" principle, taking into account both impact materiality and financial materiality in evaluating sustainability material topics. In accordance with GRI 3: Material Topics 2021, the SCSB engaged nine types of stakeholders and internal senior management to assess the actual and potential positive and negative impacts of economic, environmental, and people (including human rights) issues.

Based on the results of the stakeholder concern survey and the impact severity analysis of sustainability issues, the SCSB conducted internal discussions to evaluate the impact materiality and financial materiality of each topic. A topic is identified as material if it meets the threshold for either dimension of materiality.

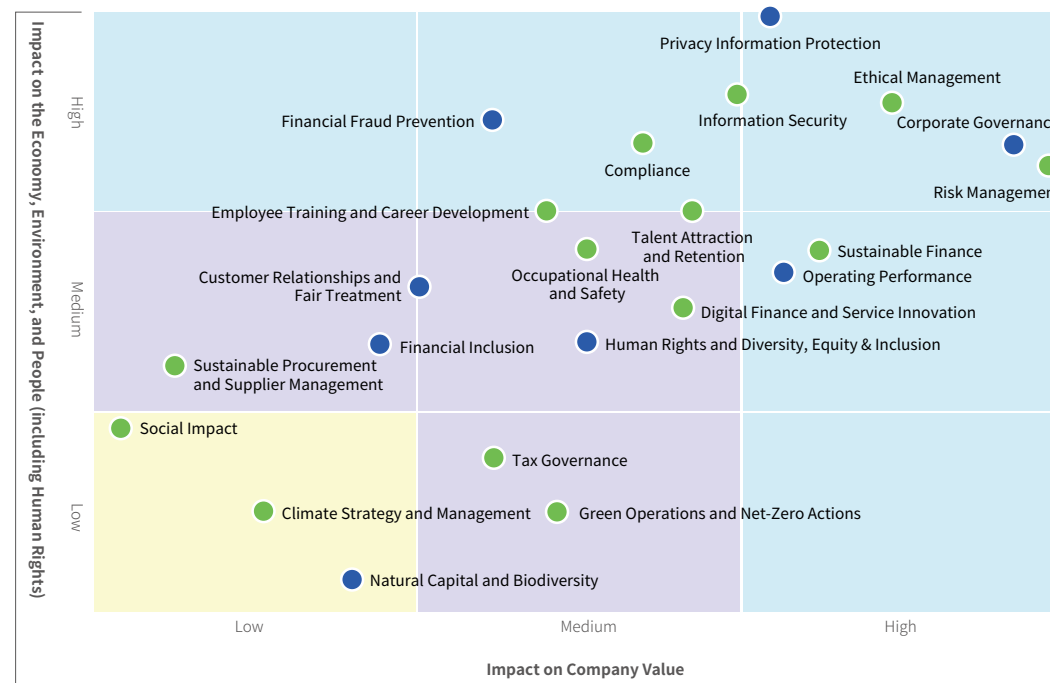


In 2025, a total of 13 material topics were identified, including "Risk Management," "Corporate Governance," "Privacy Information Protection," "Ethical Management," "Information Security," "Compliance," "Sustainable Finance," "Talent Attraction and Retention," "Operating Performance," "Financial Fraud Prevention," "Digital Finance and Service Innovation," "Climate Strategy and Management," and "Green Operations and Net-Zero Actions."

Compared with 2024, two material topics "Financial Fraud Prevention" and "Green Operations and Net-Zero Actions" were newly added, while "Occupational Health and Safety" was removed to reflect current conditions. Looking ahead, the SCSB will continue

to engage with stakeholders through diverse communication channels to gain timely insights into the positive and negative impacts of material topics on the SCSB, as well as to collect stakeholders' feedback and recommendations on the SCSB's actions in response to these impacts.

Matrix of Material Topics



Positive and Negative Impacts of Sustainable Issues

The SCSB further analyzed the positive and negative impacts of each sustainability issue based on the likelihood of occurrence and severity, and ranked the results accordingly.

2025 Sustainability Issue Impact Ranking		
	Positive Impacts	Negative Impacts
No1.	Ethical Management	Privacy Information Protection
No2.	Privacy Information Protection	Risk Management
No3.	Information Security	Information Security
No4.	Financial Fraud Prevention	Compliance
No5.	Corporate Governance	Financial Fraud Prevention

Material Topic Description

Material Topic	Corresponding international standards, themes, and frameworks	Positive/negative impact description	Activities involving impacts			Corresponding chapter
			Upstream	Organizational operations	Downstream	
Risk Management	SASB FN-CB: Systemic risk management	Various risks can lead to cost increases and losses for the SCSB. The SCSB formed a Risk Management Committee to formulate risk management policies in a bid to bolster the functionality of the SCSB's Board of Directors and fortify its risk management mechanism		●	●	2.4 Risk Management 3.2 Climate- and Nature-related Information
Corporate Governance	GRI 405: Diversity and Equal Opportunity	The SCSB strengthened governance performance through system design and implementation. It also looked after the interests of other stakeholders to garner clients' support and trust		●		2.1 Corporate Governance
Privacy Information Protection	GRI 418: Customer Privacy SASB FN-CB information security	The SCSB emphasized supplier/client privacy and data management to ensure that the data held is not exploited for unlawful purposes		●	●	2.7 Privacy Information Protection
Ethical Management	GRI 205: Anti-Corruption GRI 206: Anti-competitive Behavior SASB FN-CB business ethics	Ethical management is the bedrock of business operations, the SCSB not only stressed a corporate culture of ethical management but also established and implemented policies to ensure ethical operations. Moreover, the SCSB also maintained a high level of trust with stakeholders.		●	●	2.2 Ethical Management
Information Security	GRI 418 Customer Privacy SASB FN-CB information security	Failure to maintain information system security can lead to issues such as equipment malfunctions. The SCSB has implemented enhanced protection measures aligned with international information security standards to strength-en the stability and security of its financial services.	●	●	●	2.5 Information secu-ry
Compliance	GRI 417: Marketing and Labeling	Proactively complying with business-related laws and regulations helps enhance governance quality, reduce compliance risks, and strengthen stakeholder trust. However, as regulatory requirements become increasingly stringent and diverse, they also increase the complexity of management and place greater pressure on internal resource allocation.		●	●	2.3 Compliance
Sustainable Finance	SASB FN-CB Incorporation of ESG factors in credit analysis	Promoted ESG credit, ESG investment, and other financial services while incorporating ESG risks into credit and investment considerations. Enhanced the banking industry's sustainable contributions to the environment and society to minimize related impacts. It is hoped to encourage industries, investors, and consumers to prioritize sustainable development through financial markets.		●	●	3.1 Sustainable Finance
Talent Attraction and Retention	GRI 401: Employment	Provided good employee remuneration, welfare, and incentive systems, as well as measures for employee and family care, to enhance employee recognition.		●		4.3 Employee Compensation and Benefit

Material Topic	Corresponding international standards, themes, and frameworks	Positive/negative impact description	Activities involving impacts			Corresponding chapter
			Upstream	Organizational operations	Downstream	
Operating Performance	GRI 201: Economic Performance	The SCSB is committed to advancing the development of its core businesses. By enhancing operating performance, the SCSB continues to increase shareholder value and foster business growth with its customers.		●	●	1.5 Operating performance
Financial Fraud Prevention	Customized topics	Strengthening anti-fraud mechanisms helps enhance customer trust and governance effectiveness; however, it requires additional resource investment and training and may also affect service convenience.		●	●	2.3 Compliance 2.4 Risk Management 2.6 Customer Relationship Management 4.7 Sustainability and Financial Education
Digital Finance and Service Innovation	Customized topics	Promoted fintech-related strategies and increased the quality requirement of digital systems to enhance the convenience, promptness, and customer experience of the SCSB's financial services		●	●	2.8 Digital Finance and Service Innovation
Climate Strategy and Management	IFRS S2 Climate-related Disclosures	Climate change-related impacts can lead to enormous losses across the value chain. The SCSB continued to identify climate change-related risks and opportunities, and the Board of Directors was responsible for supervising the implementation of climate governance policies. At the same time, the aim was to bring climate topics to stakeholders' attention.	●	●	●	3.2 Climate- and Nature-related Information
Green Operations and Net-Zero Actions	GRI 302: Energy GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Waste GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment IFRS S2 Climate-related Disclosures	The SCSB promotes green operations and net-zero actions by implementing energy-saving and carbon-reduction measures, enhancing resource efficiency, and advancing process digitalization to reduce the environmental impacts of internal operations. In addition, the SCSB integrates sustainability principles into supplier management to encourage the supply chain to collectively improve environmental management performance and progress toward net-zero emissions objectives.	●	●	●	3.3 Green Operations

● Activities resulting, facilitating, or directly related to impacts

Upstream

Organizational operations

Downstream

Such as equipment or service providers

Such as personal finance or corporate financial services

Such as corporate clients or individual clients

Material Topic Management

Corresponding
SDGs

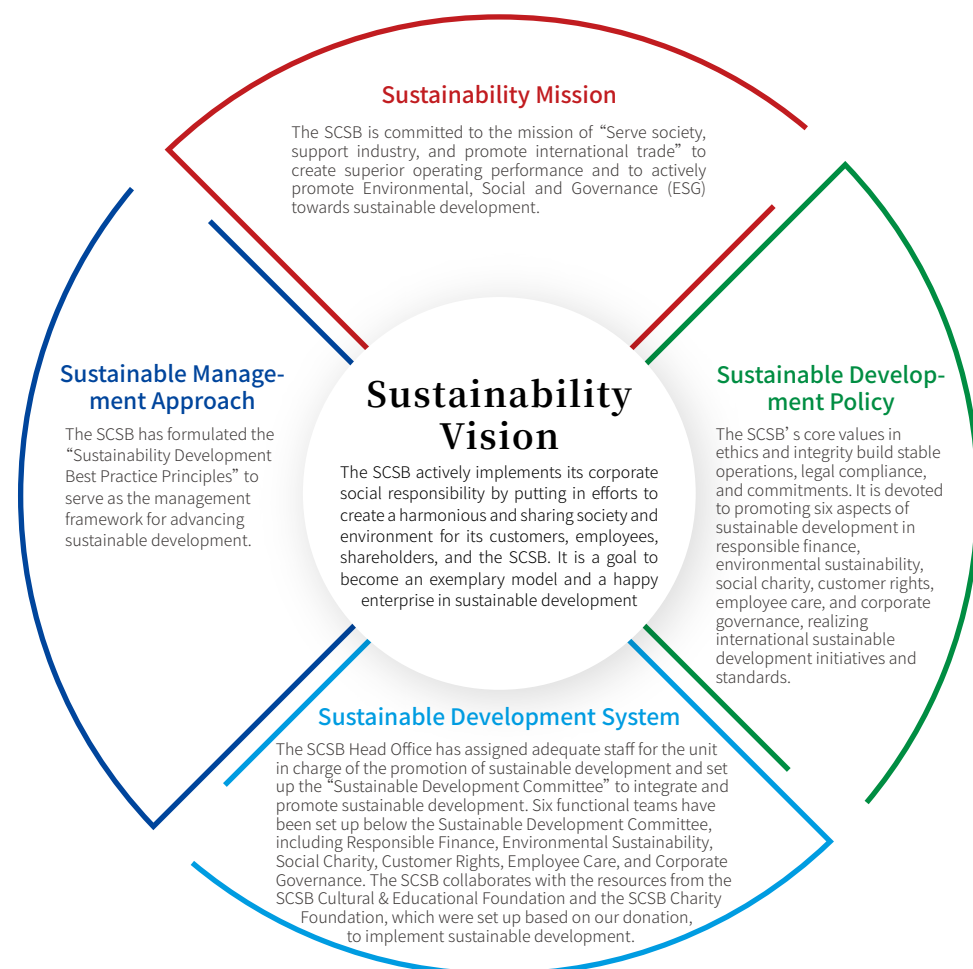
Material Topic	Risk Management	Corporate Governance	Privacy Information Protection	Ethical Management	Information Security	Compliance	Sustainable Finance
Potential Risks	Operational risks	Compliance risks	AI fraud	Corruption risks	Information security risks	Compliance risks	Greenwashing risks
	Business risks	Conflict of interest	False information	Competition and monopoly practices	Equipment mal-function	Money laundering and terrorism financing	Investment and financing risks
			Personal data breach	Compliance risks	Operational disruption	Geopolitics	Customer attrition
					Compliance risks		
Policy and Commitment	Stipulated risk management policies and further formulated risk policies based on business and operational characteristics, such as the "Credit Risk Management Policy"	- Formulated comprehensive corporate governance regulations such as "The Rules of Procedure for the Board of Directors" - Internal evaluations are conducted annually for the operations of the Board of Directors, functional committees, and the performance of board members	"The SCSB Group Personal Data Protection Policy" "The Regulations Governing Reporting and Handling of Personal Information Security Incident"	Formulated the ethical management policy in accordance with the law, including "Ethical Corporate Management Best-Practice Principles," "Code of Ethical Conduct," and "Procedures for Ethical Management and Guidelines for Conduct," etc.	"Information Security Policy" "Regulations Governing Information Security Incident" - Establishment of Information Security Goals - Regularly organized information security drills	"The SCSB Group anti-money laundering policy" "Guidelines for Compliance Risk Management and Supervision Structure"	- Joined The Equator Principles Association "Responsible Credit Extension Standards," "Regulations Governing Responsible Investment" "Regulations for Sustainable Development Engagement" - The "SCSB Sustainability-linked Credit Extension Guidelines"
Action and Performance Review	- All board members received 42.2 hours of risk education and training in 2025 - Quarterly risk management reports were submitted to the Board of Directors	- Enhance the corporate governance structure by establishing a Remuneration Committee, Audit and Sustainable Committee, Risk Management Committee, and Nomination Committee under the Board of Directors - Completed the 2025 director performance external assessment	- Formed the personal data protection team - Executed personal information security incident reporting and handling drills every year - Enhanced access log management and updated user permissions according to the principle of least privilege	- In 2025, 100% of the SCSB's employees received anti-corruption education and training - Execute promotion via morning meetings and The Ethical Corporate Management Best-Practice Principles to reach 100% of the staff	- Acquired the ISO 27001:2022 version conversion verification - Four sessions of information security-related courses were arranged for all employees - Three information security drills were carried out in 2025 (including social engineering drills, DDos and ATM incidents)	- Established a dedicated "Anti-Money Laundering and Counter-Terrorism Financing Center" and a dedicated unit for fraud prevention - A total of 229 employees obtained the Certified Anti-Money Laundering Specialist (CAMS) certification. - In 2025, 102 sessions of anti-money laundering and counter-terrorism financing-related education and training were conducted, amounting to roughly 388 hours	71 sustainability-linked credit extensions, with a total credit balance of NT\$ 17.266billion. - The SCSB has facilitated SMEs' transition toward low-carbon and smart development, as well as optimizing the infrastructure of managed factories and specific factories. The SCSB completed 1,686 applications with a total balance of loans worth NT\$ 5.983 billion.

Corresponding SDGs	8 DECENT WORK AND ECONOMIC GROWTH		8 DECENT WORK AND ECONOMIC GROWTH	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	7 AFFORDABLE AND CLEAN ENERGY	13 CLIMATE ACTION	7 AFFORDABLE AND CLEAN ENERGY	13 CLIMATE ACTION
Material Topic	Talent Attraction and Retention		Operating Performance	Financial Fraud Prevention	Digital Finance and Service Innovation	Climate Strategy and Management		Green Operations and Net-Zero Actions	
Potential Risks	Talent turnover Low birth rate and labor shortage		Business risks Financial risks Geopolitics	Customer attrition Compliance risks	Technology risks Customer attrition Aging population	Climate risks Degradation of nature and biodiversity		Business risks Greenwashing risks	
Policy and Commitment	- Treated employees like family and strived to provide them with the best care and benefits, as well as allowing eligible employees to apply for parental leave, and provided long-term incentive mechanisms. "Standard for Sustainable Development Promotion" "Sustainable Development Best Practice Principles"		- Formulated the annual business plan and operational strategy - The key strategy is "intelligent sustainability and innovative diversity"	Upholding its commitment to anti-fraud efforts, the SCSB has established fraud prevention operating procedures in accordance with regulations and requirements issued by the competent authorities. By integrating technology with process controls, the SCSB proactively identifies fraudulent activities and implements timely intervention measures to safeguard customers' asset security	The SCSB prioritized clients' needs and continued to apply big data analysis to understand demands, integrating innovative services to create a user-friendly and convenient digital lifestyle for clients	"Guidelines Governing Nature and Climate Risk Management" "Declaration on Climate" - Signed the SBTi commitment in 2023 - SBTi target review was approved in January 2025		"Declaration on Climate" "Sustainable Development Promotion Guidelines" "Sustainability Development Practice Principles" "Supplier Corporate Social Responsibility Requirements"	
Action and Performance Review	- In 2025, to care for new employee adaptation, a junior staff survey and follow-up phone care were conducted among employees in business units who had worked for less than one year, with a total of 401 questionnaires collected - Completed the employee engagement and satisfaction survey		- Approved by the FSC to open a new branch - Continued to establish core systems	- The SCSB participated in the Criminal Investigation Bureau's "Hawk Eye Anti-Fraud Alliance" initiative and established a financial fraud detection and early warning mechanism (the Hawk Eye Model) - The AML Center and business units directly conducted anti-fraud education and awareness programs for customers. In 2025, a total of 158 anti-fraud awareness sessions were held, reaching 3,691 customers	- Continued optimization of online banking and mobile service experiences, including the introduction of QR code and PUSH authentication, inbound and outbound remittance instruction functions, scheduled foreign currency transactions, upgrades to scheduled TWD transfers, secondary debit settings for insufficient balances, enhanced online bill payment services, and other related enhancements - In 2025, there is an 4.88% increase in active mobile banking users, a 2.36% increase in active online banking users for promotion of digital financial services, and a 17.9% growth in digital account openings	- Integrated climate risks into the group's overall risk management framework - Signed climate-related scenario analysis		- In 2025, Scope 1 and Scope 2 emissions per million in revenue decreased by 7.9% compared with the previous year - Development of green and environmentally friendly buildings to advance low-carbon operational objectives	

1.2 SUSTAINABLE DEVELOPMENT STRATEGIES

To actively fulfill its commitment to corporate sustainable development and align with the international trend of balancing environmental, social, and corporate governance (ESG) considerations, the SCSB has formulated the "Sustainability Development Practice Principles" and the "Sustainable Development Promotion Guidelines", both of which have been approved by the Board of Directors. These documents clearly define the mission and vision for sustainable development, policy directions, governance and institutional frameworks, as well as concrete implementation plans, serving as the foundation for advancing and implementing sustainable development across the SCSB.

1.2.1 SUSTAINABILITY STRATEGY STRUCTURE

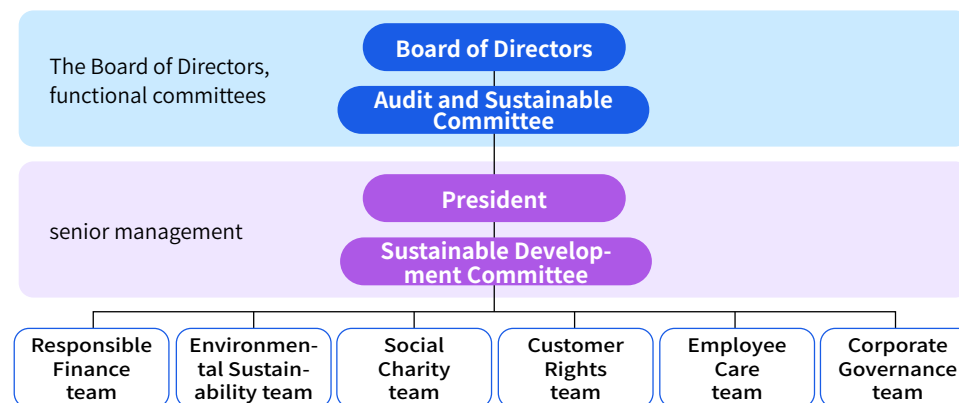


1.2.2 SUSTAINABLE DEVELOPMENT MANAGEMENT

The SCSB's Board of Directors serves as the highest decision-making body and exercises oversight over sustainability matters. To systematically implement and promote corporate sustainability, the Head Office is in charge of planning sustainable development and compiling the sustainability report, as well as appointing appropriate personnel and formulating the "Regulations for the establishment of the Sustainable Development Committee". Members include the President (also the convener), Executive Vice Presidents, and departmental heads at all levels. The committee is responsible for planning and reviewing the outcomes of sustainability strategies. Six functional teams including Responsible Finance, Environmental Sustainability, Social Charity, Customer Rights, Employee Care, and Corporate Governance were established. The subcommittees integrate resources from the SCSB Cultural & Educational Foundation and the SCSB Charity Foundation, ensuring that sustainability efforts are implemented effectively throughout the organization. They report to the Board of Directors every year on their operations and relevant agendas, and a total of one report was submitted to the Board in 2025.

In 2025, four Sustainable Development Committee meetings were convened to report the progress of the six functional teams, updates on climate risk projects, compilation of the sustainability report, discussions, and resolutions on ESG performance and evaluation, sustainable finance evaluation results, progress on the implementation of the IFRS Sustainability Disclosure Standards and planning for renewable energy timelines, etc.

The Organizational Chart of Sustainable Development Committee



Team	Responsibilities	Description	Department manager in charge
Responsible Finance team	● Set up the Sustainable Development Credit Regulations ● Green finance and responsible finance ● Due diligence investigation	The SCSB strives to expand the scope of green finance, investing in startup services or sectors, and indirectly assisting in social economic development and mitigation of environmental impact. By working with suppliers to build a green operating activity chain, the SCSB attains the goal of responsible finance development.	Head of the Treasury Department
Environmental Sustainability team	● Environmental protection, energy saving, and carbon reduction ● Evaluate climate change risks and propose countermeasures	To deal with the environmental impact incurred from climate change, the SCSB puts climate risk assessment into consideration of the entire operating risk. The TCFD (Task Force on Climate-related Financial Disclosure) was cited to analyze major transformation and physical risk incurred from climate change and propose countermeasures.	Head of the Risk Management Department
Social Charity team	● Promote charity and care for disadvantaged groups ● Participate in community development	Adhering to the idea that "whatever is taken from society must be used for society," the SCSB has established the Cultural & Educational Foundation and Charitable Foundation through donations. The SCSB has also combined the resources of the SCSB and its volunteers for active participation in charitable activities organized by communities to show its care for disadvantaged groups with the aim to further the development of social harmony and the common good.	Head of the Head Office Strategic Planning
Customer Rights team	● Promote the principle of fair customer treatment and maintain customer rights ● Enhance the quality of the financial product and service	Committed to the mission of "serve society, support industry, and promote international trade" and ethical management, the SCSB seeks to build a corporate culture focusing on fair treatment of customers in accordance with the laws and regulations protecting financial consumers in the financial sector. The aim is to provide customers with high-quality financial products and services and ensure the protection of personal information.	Head of the Channel Management Department
Employee Care team	● Stimulate talent cultivation and development ● Enhance human rights protection ● Enhance employee welfare, occupational health, and staff cohesion	The SCSB is active in protecting human rights, attracting talents from diverse backgrounds, and offering a well-designed remuneration system and welfare measures so that employees can benefit from operational performance or results. In addition, the SCSB considers talent cultivation to be essential and has established training programs for the career development of employees and management trainees to achieve our goals of talent recruitment, cultivation, and retention and create an abundant reserve of human capital.	Head of the Human Resources Department
Corporate Governance team	● Improve and enhance the practice and system of corporate governance	The SCSB built a good corporate governance system, offered transparent operating information, and set up a spokesperson system to maintain good interaction and connection with all kinds of stakeholders.	Head of the Secretarial Office of Board

1.2.3 SUSTAINABILITY STRATEGIC TARGET PLANNING

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Dimension | Environment

Corresponding to 6 Sustainable Development Functional Teams : Responsible Finance

Corresponding UN SDGs	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		
2025 Targets	2025 Implementation Status		Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Loans related to green energy and ESG industries to be increased by 10% compared to the end of 2024.	The balance of loans related to green energy and ESG industries amounted to NT\$ 169.9 billion, with a net increase of NT\$ 9.5billion and a growth rate of 5.92% (NT\$ 160.4 billion at the end of 2024)		X ¹	Loans related to green energy and ESG industries increased by 10% compared to the end of last year.			
Green loans grew by 15% compared to the end of 2024	In 2025, the balance of green loans (personal finance) was NT\$ 13.08 billion with a growth rate of 29.5%. (The balance in 2024 is NT\$ 10.1 billion.)		●	Green loans (personal finance) increased by 15% compared to the end of last year.	The number of reverse mortgages increased by more than 50% compared to the end of 2025 (personal finance).	Digitalization of the lien cancellation process (personal finance).	
Plan to issue a sustainable development bond	The SCSB acquired bond issuance permission from FSC. Sustainable development bonds totaling NT\$ 2.5 billion were issued in 2025.		●	Planning to issue a sustainable development bond, including green bonds, social responsibility bonds, and sustainability bonds.	Continued to plan to issue sustainable development bonds	-	
Green investments to be increased by 15% compared to 2024	As of late December 2025, green investments reached NT\$13.9 billion, representing a growth rate of 50% (NT\$9.3 billion in 2024).		●	Green investments to be increased by 15% compared to last year	-	The proportion of companies with ESG considerations in both the stock and bond investment portfolios should be more than 30%.	Sustainable finance*
In conjunction with green financing for urban renewal and reconstruction projects, real estate development trust cases increased by 10% compared to 2024.	The target number of real estate development trust cases for 2025 was 39. As of the end of December 2025, a total of 15 cases were handled.		X ²	Participate in trust promotion and educational events related to ESG aligned businesses, including collaboration with the Trust Association, long term care institutions, social welfare organizations, schools, and associations, as well as projects involving hazardous building redevelopment and urban renewal, inheritance services, and corporate employee welfare programs. The target for 2026 is 20 cases.	In collaboration with the Trust Association, long term care institutions, social welfare organizations, schools, associations, and hazardous building redevelopment and urban renewal projects, trust promotion and educational events will be jointly organized, with an expected 20 to 30 sessions held each year.		

¹ Due to a slowdown in demand from large enterprises, the growth rate fell short of expectations. The SCSB has incorporated the target into branch level annual KPIs and will continue to strengthen promotion efforts.

² Due to the high complexity of urban renewal integration in the Greater Taipei area and the termination of government incentive programs, the target was not achieved. The SCSB continues to closely monitor changes in government policies and proactively identifies opportunities for development projects.

Dimension | Environment

Corresponding to 6 Sustainable Development Functional Teams : **Responsible Finance**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION		
2025 Targets	2025 Implementation Status		Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Evaluate new products on the wealth management website to incorporate ESG indicators according to sustainable finance policies. The SCSB aims to add at least 5 new products that meet ESG criteria to the portfolio.	6 ESG related overseas bonds and 13 funds were added in 2025.		●	In accordance with sustainable finance policies, product launch evaluations incorporated ESG indicators, with at least 6 new products meeting ESG criteria added to the portfolio.	ESG education and training courses were developed for reserve financial advisors (including trainee financial advisors) and conducted once annually.	Dedicated ESG webpages were planned, providing customers with access to at least 50 products.	
Implementing RPA for insurance agent registration and training completion record management	The "Insurance Agent Training Completion Record Inquiry and Consolidation Process (via the Taiwan Insurance Development Center)" adopted Robotic Process Automation (RPA) starting from May 21, 2025.		●	-			Digital finance and Service innovation*
Evaluate new insurance products to incorporate ESG indicators according to sustainable finance policies. The SCSB aims to add at least 5 new insurance products that meet ESG criteria to the portfolio.	In 2025, a total of 8 ESG related insurance products were launched.		●	In accordance with sustainable finance policies, ESG indicators were incorporated into insurance product launch evaluations, with at least 5 insurance products featuring ESG indicators available on the shelf.	-	-	
Addressing an aging society by promoting active and sustainable healthy aging, and driving a 15% increase in retirement and elderly care insurance product sales	As of the end of December 2025, retirement and elderly care products totaled 1,316 cases, exceeding the annual budget target of 733 cases.		●	In response to an aging society and efforts to expand new customer segments, the number of retirement and elderly care products increased by 15%.			Digital finance and Service innovation*
Online digital transactions to be increased by 8% compared to the end of 2024.	The number of online digital transactions reached 12.6 million in 2025, representing a growth rate of 5%.		X ¹	The number of online digital transactions increased by 5% compared to the end of 2025.	Reconstruction of the web based corporate internet banking platform.	Enhancement of the mobile payment ecosystem	

¹ The SCSB has updated its online banking interface and introduced new service offerings to enhance customer experience and convenience.

Dimension | Environment

Corresponding to 6 Sustainable Development Functional Teams : **Environmental sustainability**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION						
2025 Targets	2025 Implementation Status				Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)	
Compared to the previous year, overall gasoline consumption, electricity usage, water consumption, and waste generation across the SCSB were each targeted to be reduced by 3%.	- Gasoline consumption decreased by 9.47%. - Electricity usage decreased by 10.10%. - Water consumption increased by 3.47%. - Waste generation decreased by 11.16%.				X ¹	Overall gasoline, electricity, water consumption, and waste usage decreased by 3% year on year.	- Waste weight was reduced by 4% compared to 2020. - A target has been set to achieve a 30% green electricity usage ratio by 2027, with annual milestone planning and implementation. - Rooftop solar power generation was completed at one Bank owned building.	- Waste weight was reduced by 5% compared to 2022. - A target has been set to achieve a 30% green electricity usage ratio by 2029, with annual milestone planning and implementation. - Carbon emissions are targeted to be reduced by 42% by 2030 compared to the 2022 baseline year. - As part of energy saving and carbon reduction initiatives, the usage rate of gasoline and diesel vehicles is targeted to be reduced by 90%. - One building has obtained green building, smart building, and LEEDS certifications.		
Completed the GHG inventory, verification, and disclosure based on the competent authority's schedule	External verification covering all domestic and overseas sites, as well as subsidiaries and sub-subsidiaries, was completed in March 2025. In addition, the verification statement for the 2024 reporting year was obtained in June 2025, and the relevant information was duly disclosed.				●	Continue to complete ISO 14001, ISO 45001, ISO 20400, ISO 50001, ISO 14064, ISO 46001, and annual external verification			Climate Strategy and Management*	
Continue to maintain certifications of ISO 14001 · ISO 14064 · ISO 20400 · ISO 45001 · ISO 46001 · ISO 50001 and ensure the completion of annual external audits.	- ISO 14001, ISO 45001, and ISO 50001: Data for the 2024 reporting year were inventoried, and external verification was completed in 2025, with verification certificates obtained. - ISO 20400 and ISO 46001: External verification was completed in 2025, and verification certificates were obtained. - ISO 14064: Data for the 2024 reporting year were inventoried, covering all domestic and overseas sites as well as subsidiaries and sub-subsidiaries. External verification was completed in 2025, and a verification statement was obtained.				●	Continue to complete ISO 14001, ISO 45001, ISO 20400, ISO 50001, ISO 14064, ISO 46001, and annual external verification			Green Operations and Net Zero Actions*	
IFRS S2 was introduced, and support was provided for responding to external questionnaires and assessments related to climate and nature related topics.	- The identification of sustainability related risks and opportunities, their financial impacts, and the assessment of material sustainability related financial information were completed in line with the implementation plan. - Responses to external questionnaires and assessments are scheduled to be completed by Q3 2025.				●	The implementation of IFRS S1 and IFRS S2 continues to be carried out as planned. Ongoing support is provided for responding to external questionnaires and assessments related to climate and nature related topics.	In alignment with the implementation of IFRS S1 and IFRS S2, climate change management mechanisms are being strengthened, and the disclosure of climate and nature related financial information is being enhanced to support external questionnaires and assessments.	In conjunction with the implementation of IFRS S1 and IFRS S2, the quality of climate and nature related data repositories continues to be improved.	Sustainable Procurement and Supply Chain Management	

¹ Due to increased water usage arising from irrigation needs for new building landscaping and food preparation in the employee cafeteria, the SCSB will continue to monitor water consumption across the SCSB and promote water conservation practices.

Dimension | Environment

Corresponding to 6 Sustainable Development Functional Teams : **Environmental sustainability**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs							Corresponding Sustainability Topic (*Annual Material Topic)
2025 Targets	2025 Implementation Status	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)		
Carbon inventory for financed and invested assets was conducted in accordance with the PCAF methodology, with efforts made to expand the calculation scope and coverage.	The carbon inventory for financed and invested assets was completed in accordance with the PCAF methodology by June 2025.	●	Conduct a carbon inventory of the SCSB's financed and invested assets in accordance with the PCAF methodology				
Compiled the climate risk scenario analysis in response to the competent authority's request and submitted or disclosed the calculation results.	The analysis results were reported to the FSC Banking Bureau by the end of June 2025 and incorporated into the Sustainability Report and the Climate and Nature Management Report, which were released in August 2025.	●	In response to regulatory requirements, supervisory climate risk scenario analysis models and parameters were updated, and the analysis results were consolidated and reported to the Risk Management Committee, as well as submitted and disclosed externally.				
Submitted the "Science Based Targets initiative (SBTi)" application.	Advancement of Science Based Targets (SBT) ┆ The Risk Management Department communicated the Group's SBT carbon reduction targets and recommendations through authorized internal notices and meetings. ┆ SBT related training and awareness were promoted through Bank wide meetings and corporate banking RM briefings, with external consultants invited to provide SBT aligned action strategy recommendations. ┆ An analysis of the Group's progress toward SBT achievement as of the end of 2024 was completed in June 2025 and submitted to the Sustainability Development Committee in Q2 2025. ┆ A new field was added to the e loan system to identify whether corporate clients have adopted SBTs, with related opinions recorded in applicable cases to enhance RM awareness.	●	Engagement efforts were promoted, with regular tracking and reporting of the SCSB's implementation and engagement progress on Science Based Targets (SBT).	SBT carbon reduction targets are pursued, with 2022 as the base year and 2028 and 2030 as the target years.	In alignment with the SCSB's 2050 net zero target, engagement activities and decarbonization efforts related to investment and financing portfolios continue to be advanced, along with related engagement strategies.	┆ Climate Strategy and Management* ┆ Green Operations and Net Zero Actions* ┆ Sustainable Procurement and Supply Chain Management	
Enhanced the quality of climate and nature related data repositories.	Monthly position inquiry functions for detailed credit exposures under PCAF asset classes (excluding financed emissions) were completed, along with query functions for corporate carbon emissions data and industry carbon coefficients provided by the Directorate General of Budget, Accounting and Statistics for PCAF calculations.	●	Enhanced the quality of climate and nature related data repositories.	Third party verification and assurance of financed emissions were conducted at the entity level.	-		

Dimension | Society

Corresponding to 6 Sustainable Development Functional Teams : **Social welfare**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs						
1 NO POVERTY	2 ZERO HUNGER	4 QUALITY EDUCATION	17 PARTNERSHIPS FOR THE GOALS			
2025 Targets	2025 Implementation Sta-tus	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Continue to obtain the TCSA Platinum Award	Continue to receive the TCSA Platinum Award in 2025.	●	Continue to obtain the TCSA Platinum Award			Social Impact* Financial Inclusion*
Continue to be selected as a constituent stock of DJSI	Continue to be selected as a constituent stock of DJBIC in 2025.	●	Continue to be selected as a constituent stock of DJBIC			
Selected among the top 25% in sustainable finance evaluations	Not selected in the top 25%	X ¹	Aiming to rank in the top 25% in sustainable finance evaluations.			
Consolidate the resources of the volunteer team and the Foundation to host at least 20 public welfare activities annually that are linked to sustainable finance business, SDGs, or the net zero transition.	Completed 17 relevant public welfare activities and 6 volunteer team activities, totaling 23 events.	●	Continued promotion of public welfare activities aligned with sustainable finance, the SDGs, or net zero transition related to core banking operations, totaling 20 sessions.			
Collaborate with the Cultural & Educational Foundation to organize at least ten ESG-related forums for the general public annually	In 2025, a total of 10 ESG related forums were jointly organized in collaboration with the Shanghai Commercial Bank Cultural and Educational Foundation.	●	ESG related lectures and forums organized in collaboration with cultural and educational foundations to promote socio economic development, totaling 20 sessions.			
Collaborated with competent authorities to organize 20 public welfare activities	In 2025, a total of 35 financial literacy outreach activities were completed under the FSC's "Campus and Community Outreach" program, along with participation in the 2025 Financial Services Charity Carnival (Chiayi)	●	Participation in public welfare activities in coordination with regulatory authorities.			

¹ The SCSB will continue to enhance and improve its overall performance.

Dimension | Society

Corresponding to 6 Sustainable Development Functional Teams : **Customer rights**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs							
2025 Targets	2025 Implementation Sta-tus	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)	
Conducted customer satisfaction surveys (complete at least 1,600 customer satisfaction surveys)	In late January 2025, 2,498 questionnaires from 2023 were retrieved, achieving a customer satisfaction of 98.63%		Customer satisfaction surveys were conducted, with over 95% of respondents indicating satisfaction.			Customer Relationships and Fair Treatment of Customers*	
Rank among the top 25% for the FSC's Principle of Fair Customer Treatment evaluation	Rank among the top 25% for the FSC's Principle of Fair Customer Treatment evaluation		Ranked among the top 25% for the FSC's Principle of Fair Customer Treatment evaluation.				
Reduce customer complaints by 12% annually	After excluding 12 complaints withdrawn from the Banking Bureau following proper resolution and 13 complaints related to fraud prevention measures, a total of 78 customer complaint cases were recorded, representing an 11% decrease compared to the previous year.		Reduce customer complaints by 12% annually.				

Dimension | Society

Corresponding to 6 Sustainable Development Functional Teams : **Employee care**

Corresponding UN SDGs	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES		
2025 Targets	2025 Implementation Sta-tus		Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Employee engagement surveys were conducted to strengthen workforce cohesion.	The 2024 Employee Engagement and Satisfaction Survey was conducted by Deloitte. The overall engagement and satisfaction scores were 70.34 and 69.95 points, respectively, representing increases of 0.24 and 0.12 points compared to the previous period.		●	Strengthen employee cohesion (implementation of employee engagement surveys).		Enhance human rights protection (implementation of employee care programs)	Talent attraction and retention*

¹ The SCSB will conduct regular reviews and strengthen relevant mechanisms to achieve the planned objectives.

² The SCSB will continue to improve customer service processes and communication mechanisms.

Dimension | Society

Corresponding to 6 Sustainable Development Functional Teams : **Employee care**

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Corresponding UN SDGs						
3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES		
2025 Targets	2025 Implementation Sta-tus	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Training and development initiatives for new employees.	New employee training and the Mentor system were strengthened to support rapid onboarding and enhance practical capabilities. At the same time, foundational and advanced financial training programs were promoted, covering digital finance, sustainable finance, and artificial intelligence (AI), to cultivate diverse and critical talent.	●	Training and development initiatives for new employees.	Enhance human rights protection (implementation of employee care programs)		Employee Training and Career Development
Continuous cultivation of sustainable finance talent.	A total of 436 participations in external professional training pro-grams were arranged for dedicated digital development staff, including: ┆ Digital finance: 163 partici-pants ┆ Artificial intelligence: 87 participants ┆ Sustainable finance: 186 participants	●	Cultivation of digital and sustainable finance talent.			

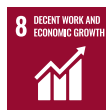
Dimension | Governance

Corresponding to 6 Sustainable Development Functional Teams : **Corporate governance**

Corresponding UN SDGs						
5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	16 PEACE, JUSTICE AND STRONG INSTITUTIONS			
2025 Targets	2025 Implementation Sta-tus	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Amend SCSB's corporate governance-related regulations	In 2025, the Board of Directors approved amendments to 10 internal regulations (such as "The Risk Management Committee Charter" etc.).	●	Amendments to corporate governance related internal regulations.			Corporate governance*
Help directors to partake in functional courses	In 2025, each director attended at least 34.4 hours of courses	●	Help directors to partake in functional courses			
Planning and promotion of education and training courses	In 2025, two promotion programs and 2.5 hours of online courses were conducted for directors.	●	Continue to plan and promote education and training courses			
Continued to update the corporate governance section	A total of 108 applications for changes to advertising channel placements were submitted, and information related to the Corporate Governance section of the SCSB's website was updated and adjusted accordingly in 2025.	●	Continued to update the corporate governance section			

Achievement of Goals: ● Achieved | ▲ In Progress | X Uncompleted

Dimension | Governance

Corresponding to 6 Sustainable Development Functional Teams : **Corporate governance**Corresponding
UN SDGs

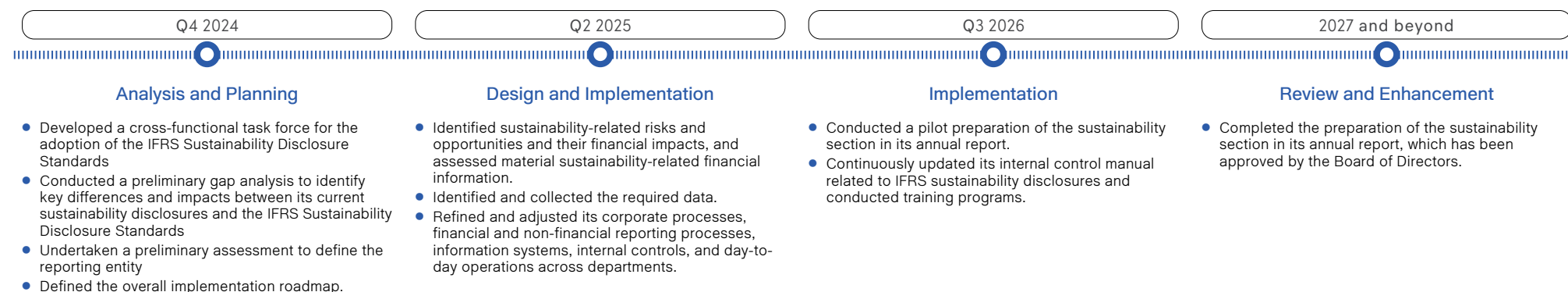
2025 Targets	2025 Implementation Sta-tus	Achievement of Goals	Short-term Targets (One to Two Years)	Mid-term Tar-gets (Three to Five Years)	Long-term Targets (Above Five Years)	Corresponding Sustainability Topic (*Annual Material Topic)
Reinforced the execution of anti-money laundering operations by various units	A total of 10 AML related policies and procedures were established or revised in 2025. Awareness and training were conducted through 16 Bank wide morning briefings, 4 compliance officer meetings, and 11 operational meetings, along with the issuance of 35 authorized notices by unit heads. Implementation status was incorporated into annual KPI assessments and monitored on a quarterly basis.	●	Reinforced the execution of anti-money laundering operations by various units.	Improve system detection and suspicious pattern recognition capabilities to effectively prevent illegal money flows.	Development of automated updates for compliance self assessment items.	
Strengthen compliance with the rule of law and customer data protection among employees.	- To strengthen employee compliance with the rule of law and customer data protection, four compliance officer meetings and four operational meetings were held, and 10 authorized notices were issued by unit heads in 2025. - All employees completed the signing of the "The Shanghai Commercial & Savings Bank Employee Integrity Declaration" for 2025. - From July to September 2025, a series of online courses on "Legal Education for Bank Staff" were delivered to branch employees, emphasizing proper conduct of duties and adherence to integrity and fiduciary obligations. - All employees completed the "2025 Personal Data Protection Compliance Training Program."	●	Continued strengthen compliance with the rule of law and customer data protection among employees.	Urge business management units to enhance personal data protection management mechanisms.	-	Ethical management* Compliance Risk Management*
Laws promulgated during the year are communicated to various responsible units, and they are tracked to ensure the completion of relevant rule-making procedures	In 2025, 955 law and regulations news items were forwarded to relevant units, and continuous monitoring of their respective action plans was carried out. Responsible units were requested to enhance adjustments for 45 cases	●	Regulations issued during the year were promptly communicated to relevant responsible units, with follow up tracking to ensure the completion of related internal rules and procedures. Business management units were urged to optimize personal data protection management mechanisms.	The efficiency of compliance risk assessment operations was enhanced through continuous optimization, systematization, and automation of the Compliance Risk Assessment (CRA) system.	Compliance technology was leveraged to improve the effectiveness of AML operations.	
Establish RCSA processes for departments, reviewing and updating at least 120 existing processes to bolster operational risk management	In 2025, reviews of existing processes were conducted for the following departments: - Deposit and Remittance Business Division – 407 items related to NT dollar deposit operations. - Financial Markets Business Division – 79 items related to financial marketing operations.	●	Establish RCSA processes for departments, reviewing and updating at least 120 existing processes to bolster operational risk management.	The SCSB reviewed stakeholder engagement operating procedures and the allocation of roles and responsibilities and optimized the functionality of the stakeholder management system.		

¹ The SCSB has reviewed the deficiencies identified in regulatory sanctions and other supervisory requirements, and has developed and planned corresponding improvement measures.

1.3 ALIGNMENT WITH IFRS S1 AND S2 SUSTAINABILITY DISCLOSURE STANDARDS

Sustainability- and climate-related financial information is increasingly influencing investors' assessments of companies' risk management capabilities and long-term value creation. The SCSB closely monitors international developments in sustainability disclosure. Since 2024, the SCSB has initiated the adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (IFRS S1 and S2), undertaking preparatory work including policy and system reviews, identification of risks and opportunities, and data readiness, to establish a foundation for future sustainability- and climate-related financial disclosures.

The Shanghai Commercial & Savings Bank – IFRS S1 & S2 Adoption Roadmap



During the planning process for the adoption of sustainability disclosure standards, the SCSB referenced the industry-specific disclosure topics for “Commercial Banks” under the Sustainability Accounting Standards Board (SASB) Standards. In 2025, the SCSB conducted a preliminary identification of sustainability-related risks and opportunities, reviewing topics relevant to its operations and long-term development.

Material Sustainability-related Risks



- Risks of information leakage and system disruptions
- Impacts from the low-carbon transition driven by climate change
- Lack of business ethics-related frameworks

Material Sustainability-related Opportunities



- Strengthening the management of systemic risk in financial institutions' operations to enhance operational resilience
- Enhancing information security to improve operational resilience and strengthen customer trust
- Developing employee capabilities to meet financial market demands and foster innovation
- Capturing opportunities in climate change – related low-carbon markets

The SCSB continues to have the Board of Directors oversee the progress of the alignment efforts for sustainability- and climate-related information, and, through cross-departmental collaboration, progressively strengthens data collection, internal control, and disclosure processes in accordance with the adoption plan. The SCSB has completed a gap analysis of its current practices against the IFRS Sustainability Disclosure Standards, covering reviews of operational processes, data collection mechanisms, internal controls, and information systems. Based on the findings, improvement actions have been proposed. In addition, the SCSB has established the "The Shanghai Commercial & Savings Bank Sustainable Information Preparation and Reporting Management Guidelines" and revised the "The Shanghai Commercial & Savings Bank Internal Control System Guidelines", serving as the basis for subsequent implementation and governance. Going forward, the SCSB will, in line with regulatory authorities' policy timelines, practical developments, and the maturity of internal systems, progressively enhance the completeness and accuracy of its sustainability-related information in line with regulatory timelines, practical developments, and the maturity of internal systems, in order to meet the expectations of investors and stakeholders. The SCSB continues to strengthen the systematic consolidation and analysis of sustainability- and climate-related information. The SCSB plans to disclose a dedicated section on sustainability-related financial information for 2025 on its official website in the second half of 2026. This disclosure will further elaborate on the relevance and impacts of sustainability- and climate-related issues across its corporate governance, risk management, and operational activities, and will serve as an important foundation for subsequent alignment with the IFRS Sustainability Disclosure Standards.

1.4 OVERVIEW OF THE SCSB

Mr. K. P. Chen founded the SCSB on June 2, 1915, and it was located on Ningbo Road in Shanghai. The SCSB is committed to the purpose of "serving society, supporting industry, and promoting international trade" and it has been in business for 110 years. The SCSB holds the service tenet "always placing customers' needs first" in mind and continues to seek changes with a social and customer-centric approach. The SCSB was the first bank providing leading financial services such as "Open a Savings Account with One Dollar," "One Teller" and "Small Amount Unsecured Loan," very popular and widely trusted among the public. Our business continues to grow steadily. The SCSB has been rated as excellent for local and foreign long-term issuer credit ratings.

In response to the trends of sustainable business, internationalization, and digitalization, the SCSB will continue to train professionals in sustainable finance, fortify risk management, leverage financial technology, strengthen innovative financial products and low-carbon services, capitalize on competitive advantages, expand niche businesses, and take advantage of opportunities to expand service locations abroad. The efforts are aimed at realizing the SCSB's vision of "becoming the best Chinese bank in the Asia-Pacific region".

Official company name

The Shanghai Commercial and Savings Bank, Ltd.

Location of headquarters No. 2, Sec. 1, Minquan E. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)

Primary types of products or services Deposits, loans, foreign exchange, offshore banking services (OBU), trusts, credit cards, bills finance, proprietary dealing and underwriting of bonds, derivative financial instruments, factoring of accounts receivable, safe deposit boxes, investment, digital finance, wealth management, insurance agency and other banking services.

Nature of company ownership and legal form The SCSB is a private company limited by shares. Its stock code is 5876 (TWSE).

Total number of employees By December 31, 2025, the SCSB had a total of 2,880 employees.

Paid-in capital 48,616 in million NTD

*Note 1. The SCSB does not provide products or services that are prohibited in specific markets.

*Note 2. The employees include 8 contract employees, excluding the ones in overseas branches or subsidiaries.

Major country or market

including the distribution of location of operations

Taiwan

The SCSB's operations cover all regions of Taiwan, with a total of 78 operating locations in Taiwan as of the end of 2025.

Greater China

Hong Kong Branch, Wuxi Branch, Hong Kong Subsidiary (Shanghai Commercial Bank) and China Subsidiary (The SCSB Leasing (China) Co., Ltd.)

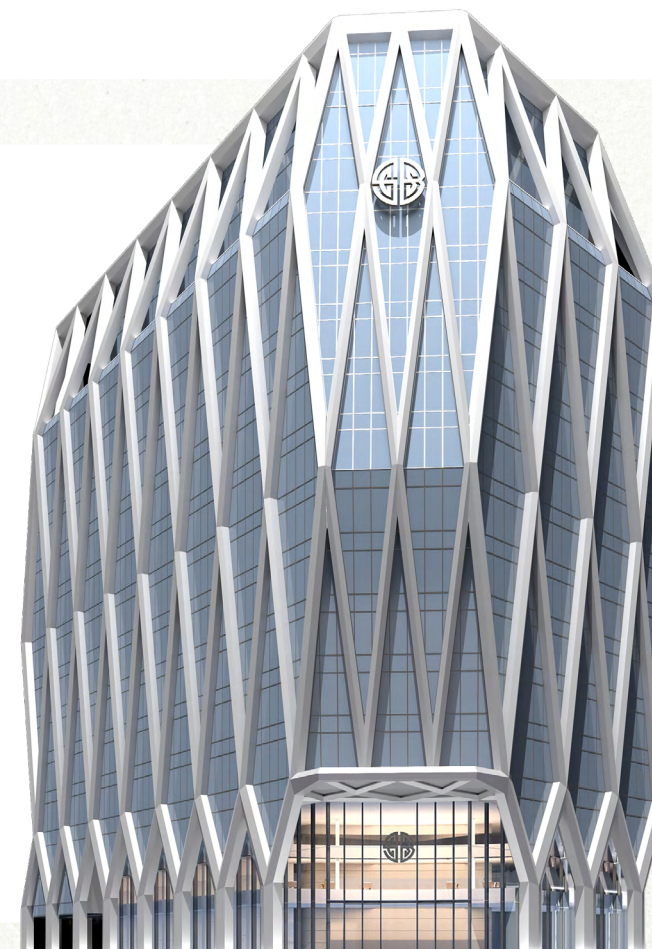
Southeast Asia

Vietnam Dong Nai Branch, Singapore Branch, Bangkok Representative Office, Phnom Penh Representative Office, Jakarta Representative Office, Vietnam Bac Ninh Representative Office and Cambodia Subsidiary (AMK Microfinance Institution Plc.¹)

The U.S. and Europe

Great Britain (London Branch of Hong Kong Subsidiary), the U.S. (New York Branch, San Francisco Branch and Los Angeles Branch of Hong Kong Subsidiary)

¹ AMK Microfinance Institution Plc. was approved by the local regulator on March 11, 2026, to convert into a commercial bank and was renamed AMK BANK PLC.



1.4.1 KEY PRODUCTS AND SERVICES

Number of ac-accounts (thou-sand)		Total deposit (million in NT\$)
Deposit service	Individual Customers	2,842
	Corporate Customers – Total	277
	Corporate Customers – SMEs	128
	Corporate Customers – Microenterprises	146
	Total	3,119
		1,264,857
Number of accounts (thousand)		Credit balance(million in NT\$)
Credit business	Individual Customers	44
	Corporate Customers	34.9
	Total	78.9
		862,294
Number of Active Cards (thousand)		Credit balance(million in NT\$)
Credit card services	Total	384
		20,687
Number of Active Accounts(thousand)		Number of transactions(million)
Digital business	Total	359
		12.60

Note 1. The number of deposit accounts includes both cash accounts and checking accounts.

Note 2. Microenterprises are defined based on the FSC's classification of SMEs; those with paid-in capital under NT\$30 million are categorized as microenterprises.

Note 3. The number of corporate loan cases includes those from overseas branches and Offshore Banking Units (OBUs).

1.4.2 OPERATING VALUE CHAIN

type	Banking relationship	Subjects included
Upstream	Supplier Deposit customer and other banks	Provide the SCSB products and services Provide the source of funds Product Suppliers Professional Service Providers Individual Customers Corporate Customers
Downstream	Customer Other banks	The SCSB provides its financial services Fund lending Individual Customers Corporate Customers Financial Institutions Investee Companies
Others	Business partner	Business collaboration with the SCSB Strategic Partners NGOs and Industry Associations
	Supervisor and the person who provides feedback	Perform business supervision on the SCSB or provide feedback to the SCSB Regulatory Authorities Shareholders and Investors Environmental and Social Stakeholders Media

Note: There were no significant changes to the SCSB's upstream, downstream, or business relationships compared to the previous year.

1.4.3 LIST OF OPERATING LOCATIONS

 Taiwan	Headquarters (Taipei), International Department, Business Department, Trust Department, Off-Shore Banking Unit, 73 domestic branches, with a total of 78 operating locations	 Thailand	Representative office	 Cambodia	Representative office and subsidiary	 Indonesia	Representative office
 Hong Kong	Branch and subsidiary	 Vietnam	Branch and representative office	 Singapore	Branch	 Mainland China	Branch, branch of subsidiary and subsidiary
 U.K.	Branch of subsidiary					 U.S.	Branch of subsidiary

1.4.4 IMPORTANT AWARDS AND ACHIEVEMENTS

Sustainable development

Organizer/ Evaluation Organization	Participation in Evaluation/Selection Index Outcome
TWSE	Ranked among the top 5% for corporate governance evaluation
MSCI	Achieved AA rating in the MSCI ESG evaluation
S&P Global	Selected for the Dow Jones Best-in-Class Indices (DJBIC) – World Index and Emerging Markets Index Recognized as a member of the Sustainability Yearbook and ranked among the top 5% in the industry
CUHK Business School	Recognized as a Pace-setter in the Greater China Enterprise Sustainability Index Ranked among the Top 20 companies in the Greater China Enterprise Sustainability Index
TAISE	Awarded the TCSA Platinum Award
TWSE	Included in the TWSE Taiwan High Compensation 100 Index
Taiwan Index Plus Corporation	Selected for the TIP Customized Taiwan Smart Factor 50 Index Selected for the TWSE Corporate Governance 100 Index Selected for the TIP TAIEX+ Customized High Dividend Minimum Variance Index Selected for FTSE4Good TIP Taiwan ESG Index
Intellectual Property Office, Ministry of Economic Affairs	Awarded Grade A Certification under the Taiwan Intellectual Property Management System (TIPS)

Financial Services

Organizer/ Evaluation Organization	Participation in Evaluation/Selection Index Outcome
The Bank of New York Mellon	Received the STP Award
Wells Fargo Bank	Received the Operational Excellence Award
J.P. MORGAN SE	Received the 2024 Euro Clearing Elite Quality Recognition Award
Australia and New Zealand Banking Group Limited	Received the 2025 STP Award
FSC	Awarded the Best Engagement Award for 2025 Financial Education Contribution Award
Trust Association of R.O.C.	Received the Outstanding Collective Trust Account Management Award and the Trust Promotion Contribution Award
Overseas Credit Guarantee Fund	Received the Insurance Finance Capital Amount Excellence Award and Branch Insurance Application Excellence Award for Overseas Credit Guarantee Business Excellent Financial Institution
Business Today	Awarded First Place – Best Marketing Innovation Award in the 19th Wealth Management Bank and Securities Evaluation
Economic Daily News	Awarded the Best Brand Trust Award and the Best Age-Friendly Award in the 2025 Outstanding Bank Awards
Taiwan Clearing House (TCH)	eACH Direct Debit Excellence Award eDDA Transaction Excellence Award Designated Business Promotion Award

Social Prosperity

Organizer/ Evaluation Organization	Participation in Evaluation/Selection Index Outcome
Sports for All Agency, Ministry of Sports	Ranked First Place in the Sports Calendar Ecosystem Points Competition
National Association of Architects, ROC	Honorable Mention, 2025 Taiwan Architecture Award
Health Promotion Administration, Ministry of Health and Welfare	Certified as Qualified under the 2025 Workplace Health Promotion Self-Assessment, covering the headquarters building and 20 branch locations

Note: For a comprehensive list and details of the awards received, please visit the SCSB "Awards and Recognition" page on the official website.



1.5 OPERATING PERFORMANCE

In 2025, the SCSB adopted "Sustaining the Legacy, Intelligent Innovation" as its strategic theme to sustain its entrepreneurial spirit, enrich its operating capital, advance sustainable developments, and create its long-standing sustainable value. At the same time, the SCSB leverages financial technology and develops artificial intelligence to innovate products and services and expand diversified business opportunities. In addition, the SCSB continues to increase the proportion of its green finance business in response to the global net-zero transition. Amid an environment of economic and financial volatility, the SCSB aspires to pursue innovation-driven sustainability and excellence as its operating objectives, delivering more convenient, secure, and diversified financial products and services to its customers.

1.5.1 Financial Performance

In 2025, the SCSB's average deposit balance amounted to NT\$ 1,982.3 billion, while the average loan balance reached NT\$ 1.168 billion. Consolidated profit before tax totaled NT\$ 18.5 billion, showing a 9.4% YoY increase. Likewise, consolidated profit after tax amounted to NT\$ 16.9 billion, reflecting a 17.2% YoY increase. Lastly, consolidated earnings per share (EPS) after tax were NT\$ 3.06, representing a 10.1% increase compared with the previous year.

Consolidated financial performance for the past three years

Unit: EPS is expressed in NT\$; all other figures are in thousands of NT\$.

Fiscal Year	2023	2024	2025
Interest income	80,871,931	85,500,720	75,625,192
Interest expense	(41,720,357)	(46,794,868)	(38,826,851)
Net non-interest income	10,159,627	12,698,123	16,505,989
Operating expense	(18,199,784)	(19,298,954)	(20,657,803)
Employee welfare expense	(11,114,704)	(11,549,980)	(12,339,779)
Depreciation and amortization	(1,883,004)	(1,947,125)	(1,998,437)
Other business and management	(5,202,076)	(5,801,849)	(6,319,587)
Provision for Bad Debts, Undertakings, and Guarantee Liabilities	(9,882,613)	(15,177,363)	(14,128,485)
Net profit before tax	21,228,804	16,927,658	18,518,042
Income tax	(3,803,667)	(2,488,350)	(1,598,482)
Net profit after tax	17,425,137	14,439,308	16,919,560
EPS	3.02	2.78	3.06

Note: For detailed financial information, please refer to the official SCSB Financial Reports.

1.6 TAX GOVERNANCE

Transparency of corporate tax disclosure is getting more attention nationally and internationally these years. The SCSB set up the "Guidelines Governing Financial Dealings between Affiliates." Since 2020, the SCSB has formulated the tax governance policy, which echoes to our spirit that we carry out the operating strategy for expanding business scope based on our core principles, which are integrity and stability. It responds to our vision for sustainable development. The SCSB fulfills its corporate sustainability responsibility by committing to tax practices whilst devotes to the goal of co-creating societal prosperity. Meanwhile, the SCSB complies with international policies requiring corporations to fulfill tax liabilities, effectively manage tax risk and create long-term value for the company. The tax governance policy is explained as follows:



Compliance

The SCSB comply with local tax laws and their underlying principles, accurately calculate and file taxes within statutory deadlines, fulfill tax obligations, and adhere to international tax standards and the Arm's Length Principle.



Tax Planning

Draw up an optimal tax policy for our entire tax liability that complies with laws. Carefully evaluate tax risk and countermeasures against regulatory change of international tax.



Information transparency

Ensure transparency of tax information. Comply with rules for financial reporting standards and annual report disclosure. Consult with external professional institutions in time to control tax risks.



Talent cultivation

Cultivate talents via national and international education training to enhance professional competence of taxation.



Comply with economic substance

Related party transaction must meet rational business purposes. Pricing of transactions should be able to reflect economic substance. Transactions shall not be made for tax avoidance. It is not allowed to use tax havens for tax planning.



Honest communication

Maintain a relationship of mutual trust and honest communication with taxation agencies. Join tax seminars to exchange ideas and views on industrial practice. Assist in improvement of taxation environment and system.

The Accounting Department serves as the tax management unit of the SCSB, regularly reporting to the Board of Directors to make sure that the governance unit understands the implications of tax risks and the response measures. When faced with gray areas in the application of tax laws, the SCSB actively seeks the advice of the tax authorities and participates in public hearings to keep track of the latest tax law developments. In 2025, the SCSB continued to send employees to partake in tax-related courses organized by the National Taxation Bureau to improve their tax-related knowledge. For the SCSB's tax governance policy, please refer to:



The SCSB's Country-by-Country Tax Information in 2025:

Unit: person, thousand in NT\$

Business region(tax jurisdiction)	Primary operating activity	Number of employees	Net interest income	Operating revenue	Net profit before tax	Income tax expense	Income tax payable
Taiwan	Financial service under regulation	2,692	16,450,332	26,367,804	13,176,135	1,410,222	1,728,300
Hong Kong		2,054	18,111,057	26,542,722	5,513,019	242,606	2,846,842
Vietnam		39	244,433	304,962	241,295	48,053	43,380
Singapore		21	109,691	241,453	164,399	-	-
China		25	151,863	166,846	66,688	11,707	17,381
Others		3,920	1,730,965	(319,457)	(643,494)	(114,106)	(35,475)
Total		8,751	36,798,341	53,304,330	18,518,042	1,598,482	4,600,428

Note: For the details of taxation information, please refer to the SCSB's 4Q25 Consolidated Financial Report.

The SCSB's effective tax rate, cash tax rate, and differences over the last two years are shown below:

Unit: person, thousand in NT\$

Fiscal year	2024	2025	Two-year Average
Pre-tax Net Income	16,927,658	18,518,042	17,722,850
Income Tax Expense	2,488,350	1,598,482	2,043,416
Effective tax rate (pre-adjustment)	14.70%	8.63%	11.53%
Adjustment - Tax-exempt income	-	-	--
Adjustment - Temporary differences	-	-	--
Total adjustments	-	-	--
Effective tax rate (adjusted)	14.70%	8.63%	11.53%
Income tax paid	6,227,570	4,600,428	5,413,999
Cash tax rate	36.79%	24.84%	30.55%

Note: According to the "CSA Handbook 2026" by S&P Global, the average effective tax rate for the global banking industry is 21.29%; the cash effective tax rate is 19.94%.

Note: The difference between the effective tax rate and the industry average effective tax rate is explained below: More than 90% of the total income of the SCSB and its subsidiaries comes from Taiwan and Hong Kong. In Taiwan, the statutory income tax rate under the general tax system and the minimum tax system is 20% and 12%, respectively. Hong Kong adopts a two-tier tax rate (8.25% and 16.5%).

2

GOVERNANCE ALWAYS ETHICAL

- 2.1 Corporate Governance
- 2.2 Ethical Management
- 2.3 Compliance
- 2.4 Risk Management
- 2.5 Information Security
- 2.6 Customer Relationship Management
- 2.7 Privacy Information Protection
- 2.8 Digital Finance and Service Innovation

Speaking of corporate operation, the SCSB views ethics and integrity as its two most pivotal pillars to ensure smooth and responsible daily operations for its diverse stakeholders. By enacting key operational policies and regulations, including "Corporate Governance Best-Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Code of Ethical Conduct", all SCSB staff cautiously comply with the SCSB's existing guidance accordingly. Furthermore, through delegating roles and responsibilities clearly, strengthening the horizontal coordination and consolidation function, and cautiously monitoring regulatory discrepancies between the internal control system and financial regulations, the SCSB is then able to cultivate its sound ethical company culture. Lastly, the SCSB is projected to enhance the degrees of transparency and integrity of its disclosed information on sustainability reports to critically achieve expectations and trust held by shareholders, customers, the public, and government authorities.



THEMES IN LINE WITH GRI TOPIC STANDARDS

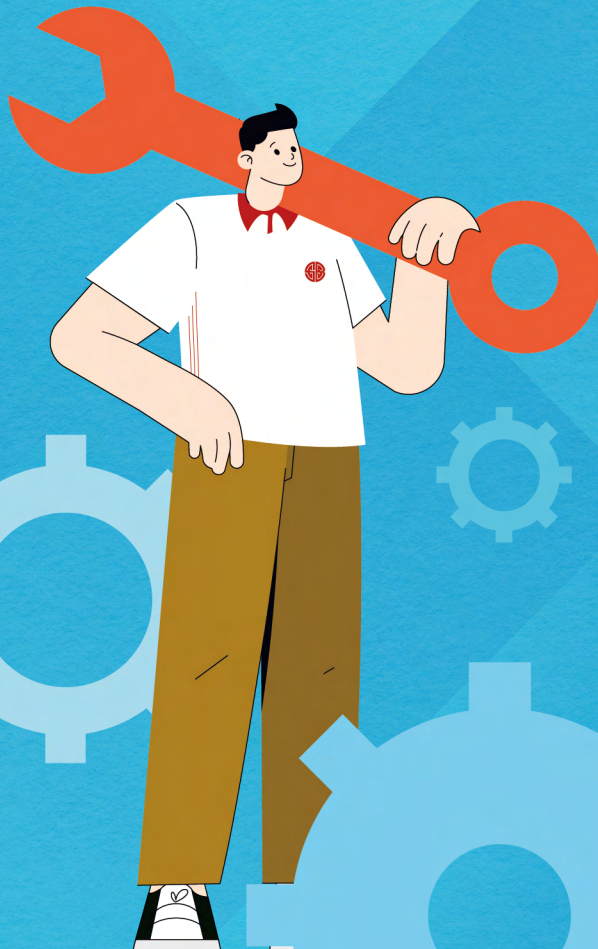
- GRI 205 Anti-bribery
- GRI 206 Anti-competitive Behavior
- GRI 405 Employee diversity and equal opportunities for employees
- GRI 417 Marketing and Labeling
- GRI 418 Customer Privacy

KEY MATERIAL TOPICS

- Risk Management
- Corporate Governance
- Ethical Management
- Information Security
- Compliance
- Privacy Information Protection
- Digital Finance and Service Innovation

PRIORITIZED STAKEHOLDERS FOR READING

All stakeholders



2.1 Corporate Governance

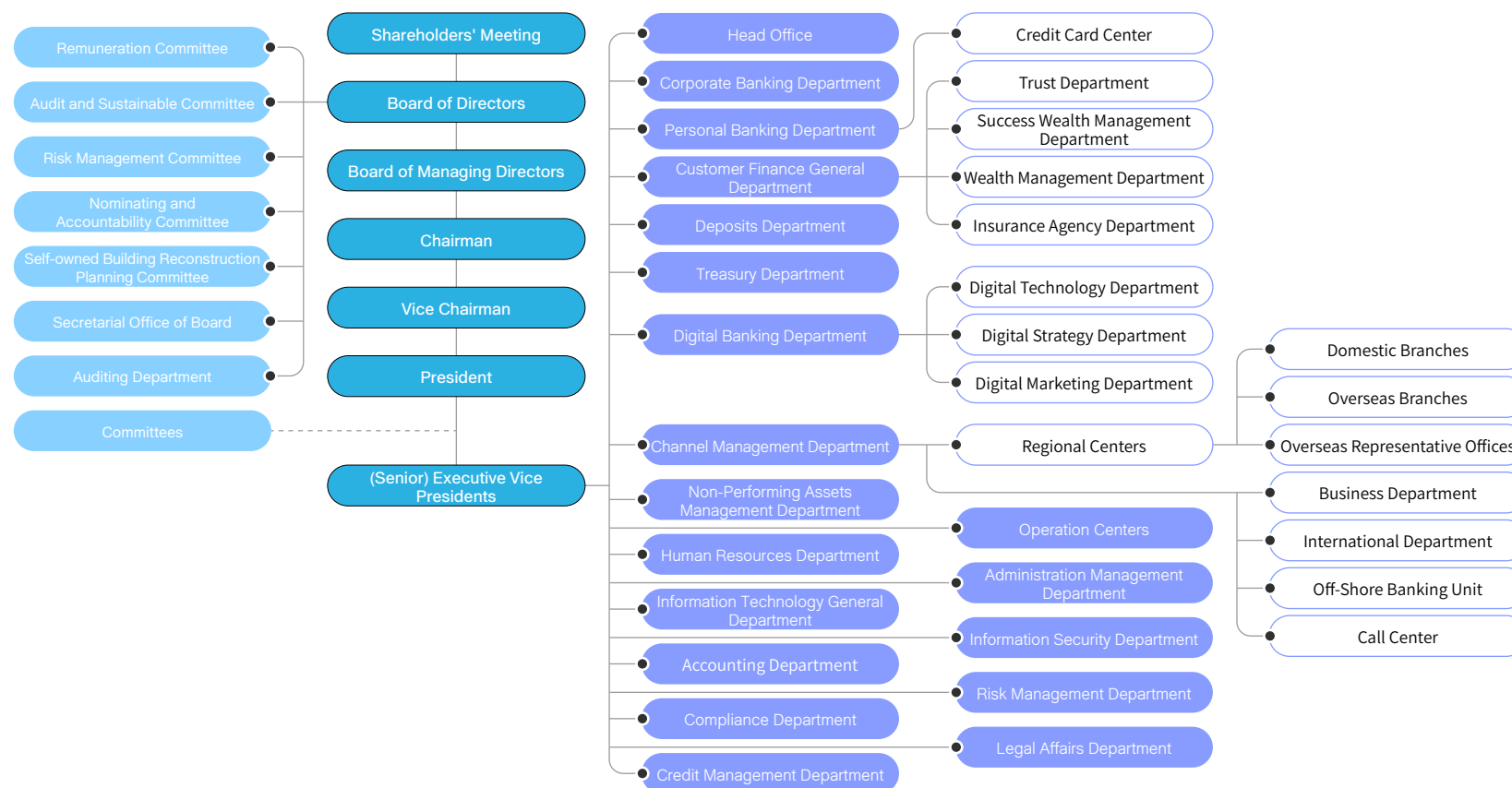
Due to the rapid developments of globalization within the financial market, issues ranging from responsible corporate performance to managing stakeholders' expectations, risk management, and information transparency are then put under the spotlight. To implement business operations effectively and gradually improve measures targeting corporate governance, the scsb has created "corporate governance best-practice principles" and assigned chief corporate governance officer to strengthen the powers of the board of directors and reinforce the duties of the functional committees under the board of directors. In addition, by building up comprehensive regimes and organizational structures, optimizing corporate management efficiency, critically supervising managers' behavior, achieving business objectives, and attaining profit maximization whilst ensuring the board of directors and senior management team function properly, the SCSB has prominently enhanced its overall competitiveness.

2.1.1 THE ORGANIZATIONAL STRUCTURE OF THE SCSB

Corporate Governance Best Practice Principles

Main content

- To ensure compliance and improve internal management
- To protect the interests of shareholders
- To strengthen the functions of the Board of Directors
- To ensure the Audit and Sustainable Committee functions well
- To respect the interests of stakeholders
- To improve information transparency



The SCSB has established an Audit and Sustainability Committee, with Independent Managing Director Chen Mu-Tsai serving as the Convener, demonstrating the board's governance and supervisory responsibility regarding corporate sustainability issues. Senior management fulfills its oversight responsibilities for sustainability issues through the Sustainability Development Committee, which is responsible for implementing sustainability initiatives across the SCSB and reporting implementation outcomes to the Board of Directors.

2.1.2 COMPOSITION OF THE BOARD OF DIRECTORS

Record date: 12/31/2025

Members of the Board of Directors

The SCSB's Board of Directors functions in accordance with applicable laws, the Articles of Incorporation and resolutions of the Shareholders Assembly. The Board currently consists of six directors and three independent directors who hold meetings on a quarterly basis. Directors have served for an average of 16 years. In addition, 3 Managing Directors will be elected from the Board of Directors, and 1 of whom will be an independent director. Lastly, the managing directors' meetings are set to be held on a monthly basis.

Name	Title	External Independence (Note 1)	Nationality	Gender	Age	Professional qualifications and experience (Note 3)	Tenure	Board of Directors Attendance Rate (%) (Note 4)
 Lee Ching-Yen Stephen	Chairman, Managing Director	Non-executive director Independent director	Singapore	Male	>50	Finance, industrial, non-essential consumer goods	47	100%
 Yung Con-Sing John Representative: Magnetic Holdings Limited	Vice Chairman, Managing Director		Hong Kong	Male	>50	Finance, non-essential consumer goods, real estate	23	100%
 Chen Mu-Tsai	Independent Director, Managing Director		Republic of China (Taiwan)	Male	>50	Finance	8	100%
 Yung Chu-Kuen	Director		Republic of China (Taiwan)	Male	>50	Finance, non-essential consumer goods	35	100%
 Chiou Yi-Jen	Director		Republic of China (Taiwan)	Male	>50	Finance	20	100%
 Huang Hui-Chu Representative: Tilsbury Investments Inc.	Director	Executive Director	Republic of China (Taiwan)	Female	>50	Non-essential consumer goods, information technology	2	100%
 Kuo Ching-Yi	Director		Republic of China (Taiwan)	Male	>50	Finance	2	100%
 Tseng Kuo-Lieh	Independent Director		Republic of China (Taiwan)	Male	>50	Finance, real estate	5	100%
 Fung Yen-Ling	Independent Director	Non-executive director Independent director	Republic of China (Taiwan)	Female	>50	Finance, information Technology, non-essential consumer goods, healthcare	2	100%

NOTE 1 A director is evaluated as the independent director by complying with external independence based on the standard below. The director must be a non-executive director and he must meet at least four indices out of the nine indices below and must meet at least two indices out of the first three indices:

- (1) The director must not have been employed by the company in an executive capacity within the last year.
- (2) The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year," other than those permitted by SEC Rule 4200 Definitions.
- (3) The director must not be a "Family Member of an individual who is employed by the company or by any parent or subsidiary of the company as an executive officer."
- (4) The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.
- (5) The director must not be affiliated with a significant customer or supplier of the company.
- (6) The director must have no personal services contract(s) with the company and cannot be a member of the company's senior management.
- (7) The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- (8) The director must not have been a partner or employee of the company's outside auditor during the past year.
- (9) The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

NOTE 2 According to Article 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, our independent director must not concurrently serve as an independent director of more than three public companies.

NOTE 3 Evaluate the director's experience in the industry based on GICS Level 1.

NOTE 4 According to the SCSB's "Articles of Incorporation", the proportion of each director attending the board meeting in person should reach more than 80% every year. Moreover, it's required to seek shareholders' approval before making any changes to the bylaws.

NOTE 5 Based on "Company Act of Taiwan", directors are legally obligated to fulfill their duties of loyalty and the duty of care of a good manager. Articles 193 and 200 of the Company Act specify that if a director violates the law or the company's Articles of Incorporation, resulting in damages to the company, they shall be liable for damages to the company. This responsibility is a mandatory legal regulation and cannot be restricted or exempted through internal company rules or Articles of Incorporation. The SCSB does not have any clauses or agreements that limit directors' responsibilities, so in the corporate governance structure, directors' responsibilities are not limited.

Diversity and Independence of Directors

The SCSB set up the Nominating and Accountability Committee. Based on the candidate nomination system formulated according to the Company Act, the Nominating and Accountability Committee nominates all director candidates and checks their qualifications. After the Board of Directors makes the decision to approve the nomination, the list of director candidates is submitted to the shareholders' meeting for election. The composition of the members of the Board of Directors must be diverse, according to Article 26 of the SCSB's "Corporate Governance Best-Practice Principles". It is recommended to be no more than one-third of the directors may concurrently serve as the company manager. An adequate diversity approach shall be formulated based on the operation, operating type, and development need of the Board of Directors. It shall include but not be limited to the standards in the following two aspects:

1. Basic requirements and values : Gender, age, nationality, race and culture.
2. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills and industry experience.

The Ability the Overall Board of Directors Possesses



Our directors generally have the knowledge, skill, and competence required for the occupational activity. They receive regular education training, including specific industrial, environmental, social, and governmental knowledge, ensuring the Board of Directors are competent enough to deal with detrimental impacts exerted on organizations. In 2025, no director served as the representative of vulnerable groups or specific stakeholders. Furthermore, none of our independent directors is under any of the circumstances in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. Refer to our "Disclosure of Directors' professional qualifications

and Independent Directors' independence information" for evaluating the external independence of the director.

Recusal of Directors Over Conflict of Interest

To create a good governance system for the SCSB's Board of Directors with comprehensive oversight and strengthened management functions, the SCSB has established the "Rules of Procedure for the Board of Directors", which specifically govern the recusal of directors over conflict of interest. It requires the director not to participate in any discussion, voting, or cast a vote on behalf of any other director if the director or the legal entity he represents has stakes with SCSB. This requirement aims to effectively prevent any director from using his/her authority to transfer any improper benefit and undermine the interests of the SCSB. In 2025, the SCSB's Board of Directors and Board of Managing Directors functioned well and the directors complied with the applicable requirements in recusing themselves from decisions in which they had stakes.

Remuneration Policy for the Board of Directors

In accordance with the SCSB's Articles of Incorporation and applicable laws and regulations, an amount of legal reserve is set aside from the annual net operating profit as remuneration for the directors of the SCSB after all taxes have been paid and after the losses of the previous years have been offset¹. An amount of special reserve is then set aside or reversed pursuant to applicable laws and regulations or based on operational needs. Any remaining profit shall be included together with the undistributed profit accumulated during the previous years in a proposal for distribution to be approved by the Board of Directors and submitted to the regular meeting of the Shareholders Assembly for ratification. If the SCSB has earned any profit during the current year, an amount of no more than 0.6% of the profit for that year shall be distributed as the directors' remuneration. However, if the SCSB still has any accumulated losses, it shall be offset.

In addition, the remuneration for the Board of Directors puts the result of performance evaluation for the Board of Directors and each director into consideration. The degree of understanding of the overall goal and mission, operating engagement and internal control by the Board of Directors and each director are assessed. The assessment includes our goal and strategy for sustainability development and ESG (Environmental, Social, and Governance), to ensure that the directors understand our sustainability risk and effectiveness of supervision. In 2025, the directors' remuneration amounted to NT\$ 45.5 million (excluding the remuneration for part-time employees) which was submitted to the Board of Directors for approval in March 2026.

Evaluation of the Performance of the Board of Directors

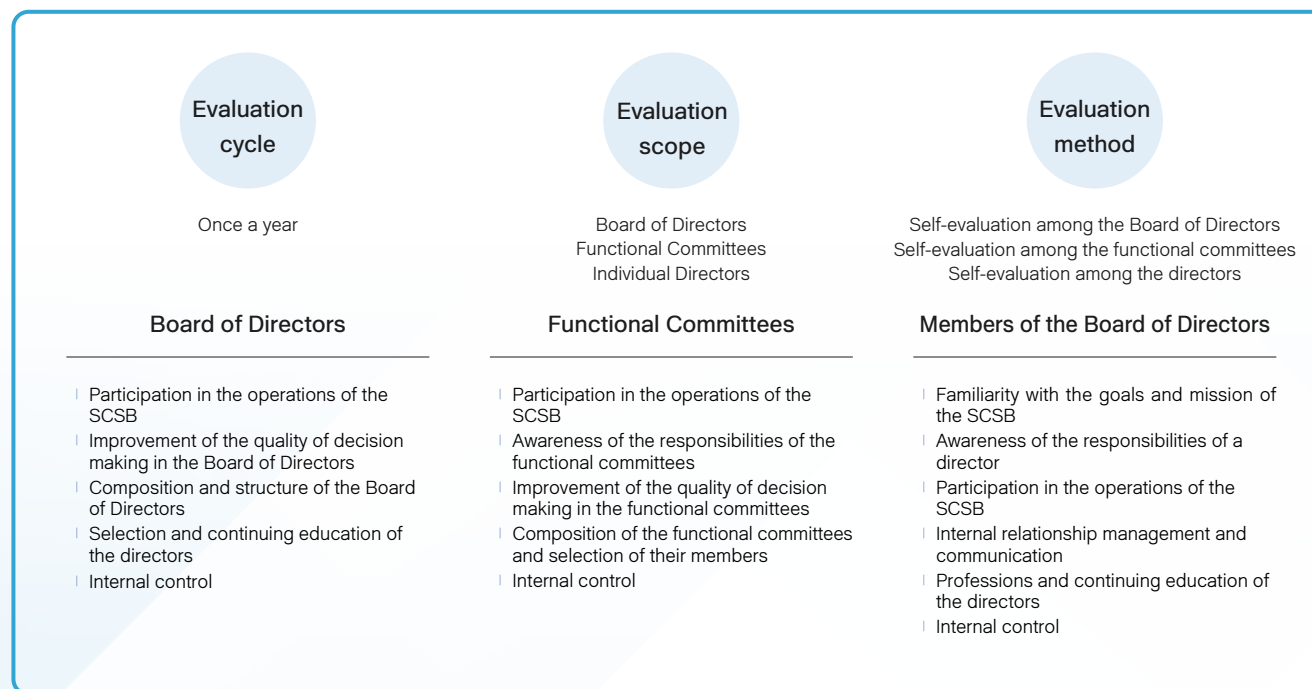
To implement corporate governance, enhance the functions of the Board of Directors, set performance targets and increase the operational efficiency of the Board, the SCSB established the "Rule for Performance Evaluation of Boards". Internal evaluation will be conducted annually on the status of operation of the Board and functional committees and the performance of the Board members. In addition, evaluation may be conducted by external independent organizations or expert teams every three years.

¹ Note 1: Unless the legal reserve has reached the total amount of capital

External evaluation

From 2021, according to the "Rule for Performance Evaluation of Boards", the performance of the Board of Directors is conducted once every three years by an external independent professional institution or a panel of experts and scholars. Evaluation includes the composition, guidance, authorization, supervision, communication, internal control, risk management, self-discipline of the Board of Directors, and others such as the meeting of the Board of Directors and support system. The latest performance evaluation was completed in 2024. The evaluation result showed that several functional committees are established under the Board of Directors to gradually optimize the corporate governance structure. Since the SCSB became a listed firm, the SCSB has been included in several component stocks with specific ESG screening criteria, the Corporate Governance 100 Index, the Dow Jones Best-in-Class (DJBIC) World Index as well as Emerging Markets Index, etc. In recent years, facing the retirement wave, potential talent succession gap, external environmental challenges, and promoting the talent development and succession plan applied to the high management level, co-operated by the Board of Directors, the Nomination and Accountability Committee, and the Remuneration Committee, how to discover outstanding talents and accelerate job rotations to cultivate and advance human capital have become highly dependent for a firm's sustainable operation. The SCSB will gradually improve the execution of the Board of Directors by referring to the independent third-party evaluation result continually.

Internal evaluation



The result of the performance evaluation of the directors in 2025 is shown below, and the evaluation result is deliberated by the Nominating and Accountability Committee and reported to the Board of Directors alongside the Remuneration Committee as a reference for director selection or nomination and remuneration formulation.



Rule for Performance
Evaluation of Boards

Evaluation item		Evaluation Results
Evaluation of the performance of the Board of Directors		Good
Performance evaluation for the functional committees	Audit and Sustainable Committee	Excellent
	Remuneration Committee	Excellent
	Risk Management Committee	Excellent
	Nominating and Accountability Committee	Good
	Self-Owned Building Reconstruction Planning Committee	Good
Performance evaluation for individual directors		Good

2.1.3 FUNCTIONAL COMMITTEES

To ensure the function of the Board of Directors and reinforce the Board's supervising and management abilities, the Remuneration Committee, Audit and Sustainable Committee, Risk Management Committee, Nominating and Accountability Committee, and Self-Owned Building Reconstruction Planning Committee have been established under the Board accordingly. Furthermore, the Board passed the following resolution in the 3rd meeting of the 22nd Board of Directors on November 15, 2024. The resolution determines that the Audit and Sustainable Committee supervises and reviews sustainable development issues, and the members of the Committee consist of independent directors.

Record date: 12/31/2025

Committee	Responsibilities	Members and the attendance	Basis of establishment
Remuneration Committee	- To assist the Board of Directors in formulating and regularly reviewing the policies, system, standards and structure of performance evaluation and remuneration for directors and managers. - To regularly assess and establish the system, standards and structure of remuneration for directors and managers. 6 meetings have been convened in 2025.	Chen Mu-Tsai, Independent Managing Director, 100% Tseng Kuo-Lieh, Independent Director, 100% Huang Hui-Chu Director, 100%	The Remuneration Committee Charter 
Audit and Sustainable Committee	- To fairly present the SCSB's financial statements. - To selection (dismiss) CPAs and evaluate their independence and performance. - Appointment of the manager for finance, accounting or internal audit - To effectively implement the SCSB's internal control. - To ensure the SCSB's compliance with applicable laws, regulations and rules. - To control the existing or potential risks of the SCSB. - Relevant corporate sustainable development items 9 meetings have been convened in 2025.	Chen Mu-Tsai, Independent Managing Director, 100% Tseng Kuo-Lieh, Independent Director, 100% Fang Yen-Ling Independent Director, 100%	The Audit and Sustainable Committee Charter 
Risk Management Committee	- To review the risk management policy. - To review the risk management strategy, including risk appetite and limits. - To review the appropriateness of risk management mechanisms and structures to ensure adequate resources and systems for the implementation of risk management. - To review the risk management reports submitted regularly by the management, including credit risk, interest rate risk, market risk, country risk, operational risk, liquidity risk, capital adequacy management, risk pressure testing and risk assessment for transactions of derivatives. - To review the risk management mechanisms for new types of business - To review all matters related to risk management that shall be reported to the Board of Directors pursuant to the requirements of domestic and foreign competent authorities. 4 meetings have been convened in 2025.	Chiou Yi-Jen, Director, 100% Tseng Kuo-Lieh, Independent Director, 100% Fang Yen-Ling Independent Director, 100%	The Risk Management Committee Charter 
Nominating and Accountability Committee	- To review the list of candidates for independent directors. - To review the candidates for appointed senior managers (job grade of 12 or higher) based on the standards of diverse backgrounds including the professional knowledge, skills, and experience required for appointed senior managers. - To evaluate the performance of appointed senior managers and regularly review the succession plan. 7 meetings have been convened in 2025.	Lee Ching-Yen Stephen, Chairman, 100% Yung Con-Sing John, Vice Chairman, 100% Chen Mu-Tsai, Independent Managing Director, 100%	The Nominating and Accountability Committee Charter 
Self-Owned Building Reconstruction Planning Committee	- Reviewed the matters associated with self-owned building reconstruction 4 meetings have been convened in 2025	Lee Ching-Yen Stephen, Chairman, 100% Yung Con-Sing John, Vice Chairman, 100% Chen Mu-Tsai, Independent Managing Director, 100% Chiou Yi-Jen, Director, 100% Kuo Ching-Yi, Director, 100%	Owned Building Reconstruction Planning Committee Charter 

To set up a robust remuneration system for directors and managers, the SCSB established the Remuneration Committee to regularly review the performance evaluation of directors and managers, and the policy, system, standards, and structure of remuneration, regularly evaluate and formulate the remuneration for director and manager, and propose suggestions to the Board of Directors for further discussions. For other mechanisms associated with directors and managers (e.g. bonus, termination payments, the claw back provision, and retirement benefits), there' ll be applicable compensation relevant guidelines to follow.

The SCSB carries out the market pay rate evaluation every year to examine the market position of the fixed salary of the manager and makes sure that the fixed salary is competitive in the market. The variable pay of the manager depends on our "Remuneration Policy", "Regulations for Remuneration Management", "Regulations for Employee Remuneration Distribution", and "Regulations for Employee Treatment". Remuneration is closely associated with operational performance. Evaluation includes financial indicators such as goal achievement rate, income before tax, ROE and EPS, and non-financial indicators such as risk management policy, customer policy, internal control, compliance and the comparison of the aforementioned indicators with the performance of peers.

To strengthen corporate governance and ensure a close linkage between the compensation, management performance, and future risk management related to the appointment of managers, the company implements a policy whereby 30% of the performance bonuses for managers at the Deputy Executive Vice President level and above, appointed through a twelve-grade ranking system, are deferred and paid out over three years. However, in the following circumstances, all or part of the deferred bonuses may be forfeited:

1. If there are accountable misconduct circumstances, confirmed by the Board of Directors to warrant disciplinary action, the deferred bonus, in whole or in part, may not be paid out.
2. If the manager resigns or is dismissed due to not meeting retirement requirements, all unpaid deferred bonuses will be forfeited.

2.1.4 SUSTAINABILITY PERFORMANCE AND COMPENSATION

To embed sustainable development in daily operations, the SCSB has established a linking mechanism between compensation and various performance indicators. According to the "Measures for Performance Management and Development of The Shanghai Commercial & Savings Bank", the annual performance goals of senior executives (Deputy Executive Vice President and above) are divided into two categories, namely work objectives (80%) and leadership competency (20%). In the work objectives, KPIs are listed on the balanced scorecard (BSC) including the annual ESG goals, and relevant indicators as well as weights will be set under the business indicators according to the responsibilities of executives, and the sustainability team's annual goals will be included together. For the remuneration part, annual performance bonuses are issued in accordance with the "The Shanghai Commercial & Savings Bank Regulations for Remuneration Management" based on the SCSB's profits and the personal performance of senior executives.

Performance Target Indicators and Weights for Senior Executives

Indicator and weight	Description of indicator
 Work objectives 80%	
Financial and operating performance	- Financial performance includes per department's budget control, annual income, net profit before tax, etc. - Operating performance is determined according to the department's responsibilities, such as lending market share, customer satisfaction, completion of system construction, etc.
Implementation and progress of annual ESG goals (at least 5%)	According to the responsibilities of the six working teams and the SCSB's Sustainability Strategy Target Plan, formulate corresponding KPIs for senior executives, including digital financial innovation, climate governance, energy conservation and carbon reduction, information security, personal privacy, climate scenario analysis and operational risk management, occupational health and safety, employee training, etc. (For the sustainability development goals of each task force, please refer to "Section 1.2.3 Sustainability Development Strategy and Goal Planning."
Personal training and career development	Strengthen the professional functions of personnel, enhance the employee's competitiveness, and obtain professional certificates in foreign languages, finance, information, digital finance, etc.
Internal audits & controls	Including the self-check results of each department, risk control and the number of risk events within the unit, etc.
 Leadership competency 20%	
	The evaluation dimensions include Leadership, Innovation, Accountability, Discovery, and Service

Note: The annual compensation of the President was 12.04 times the median employee compensation in 2025 and 12.75 times of the median employee compensation in 2024

President and Senior Executive Vice President's Short-Term ESG-related KPIs

(*Annual Material Topics)

Corresponding Sustainability Issues		Work Goals	Weights (%)
Sustainable Finance*	Customer Aspect	Amounts of green lending and green investment increased by 15% compared with the previous year.	2
Customer Relationship and Fair Customer Treatment	Customer Aspect	Rank among the top 25% for FSC's Treating Customers Fairly Principles Assessment Program	2
Digital Finance and Service Innovation*	Logistic Aspect	Completed no fewer than five artificial intelligence (AI) application scenarios and increased the proportion of digital financial transactions to at least 85%.	3
Climate Strategy and Management* Green Operations and Net Zero Actions*	Finance Aspect	Completed the "Climate and Nature Environment Management Report" and the "Sustainability Report" on schedule and disclosed them on the SCSB's official website; green electricity usage accounted for 12% of the SCSB's total electricity consumption.	5
	Logistic Aspect	Completed greenhouse gas inventory, verification, and disclosure as scheduled in accordance with the regulatory authorities' timeline, and advanced the adoption of the IFRS S1 and S2 Sustainability Disclosure Standards.	2
	Logistic Aspect	Implemented the carbon reduction pathway as planned in accordance with the Science-Based Targets (SBTs) submitted by SCSB.	2
	Logistic Aspect	Energy and resource reduction targets: – Greenhouse gas emissions intensity per unit of revenue (entity's net income) for Scope 1 and Scope 2 decreased by 3% compared with 2020. – Absolute greenhouse gas emissions for Scope 1 and Scope 2 decreased by 4% compared with 2020.	2
	Learning and Growth Aspect	In line with strategic priorities and operational objectives, the SCSB focuses on cultivating key talent required over the next three to five years, including 30 professionals each in international finance, digital finance, sustainable finance, information technology, artificial intelligence (AI), and business-line marketing.	2
Occupational Health and Safety*, Employee Training and Career Development	Learning and Growth Aspect	To foster a healthy workplace environment, the SCSB completed employee engagement and satisfaction surveys to enhance and optimize the overall employee experience.	2
Legal Compliance*, Information security*, Data Privacy and Protection*	Internal Control Aspect	No major anti-money laundering deficiencies or information security incidents occurred throughout the year	4
The total proportion of short-term ESG-related KPIs			26

President and Executive Committee Members' Multiple of Base Salary

In December 2025, the President of the SCSB possessed 1,142,135 shares with 5.92 times of his base salary, the Senior Executive Vice President held 700,000 shares with 6.53 times of his base salary, and the First Executive Vice President held 788,251 shares with 7.36 times of his base salary.

Note: The calculation of multiple of base salary (number of shares held by a person* share price at the end of FY25, namely NT\$ 40.6)/ base salary of a person

2.1.5 APPOINTMENT OF THE CHIEF CORPORATE GOVERNANCE OFFICER

In order to effectively help members of the Board of Directors obtain required information and ensure the Board of Directors exercise their function efficiently, the SCSB has appointed an officer from the Secretarial Office of the Board of Directors as the Chief Corporate Governance Officer to oversee all governance-related matters and formulate SOPs for addressing board requests, thereby creating a comprehensive operating process. In 2025, the SCSB continued to offer directors legal information, promote board performance, and arrange ongoing corporate governance training courses for all directors.

In 2025, each director completed at least 30 hours of educational courses, totaling 380 hours of training and an average of 42 hours of training per director. The courses covered a range of issues, including global trends in sustainability and financial development, FinTech, artificial intelligence, carbon pricing, impact investing, and the practice of the SDGs. Director expertise and training were also included in performance evaluations to continuously enhance director professionalism and optimize their supervisory functions.

2.2 ETHICAL MANAGEMENT

The SCSB stays committed to ethical management. Besides following all kinds of regulations strictly, the SCSB continues to enhance the system and process. In order to strengthen our ethical management culture, the SCSB formulated the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", and "Procedures for Ethical Management and Guidelines for Conduct". These three rules specify precautions for employees when carrying out tasks and strictly require the operations management team and employees to adhere to ethical management regulations, including prohibition of unjust enrichment, corruption, illegal charitable gift-giving and illegal political donations. Regulations and donation amount are openly disclosed for public view. Via education training and campaign and in-depth implementation of three lines of defense for internal control, the SCSB continues to enhance thorough and transparent information disclosure, internal control and audit system. Through internalization of ethical management into corporate culture, external stakeholders will better elevate their faith in us. The Secretarial Office of Board assesses ethical management compliance and reports the assessment result to the Board of Directors regularly.

Name of the regulation	Code of Ethical Conduct	Ethical Corporate Management Best-Practice Principles	Procedures for Ethical Management and Guidelines for Conduct	Regulation Governing Outward Donations	Preventing Insider Trading Administration Measures
Main content	- To prevent conflicts of interest - To prevent any opportunity to seek personal gain - Duty of confidentiality - Fair trade - To protecting and properly use the assets of the SCSB - Compliance with applicable laws and regulations - To encouraging the reporting of any act that is illegal or violates the Code of Ethical Conduct - Penalty measures	- Prohibition of unjust enrichment, corruption and illegal charitable gift-giving - Prohibition of illegal political donations - Protection of trade secret - Prohibition of unfair competition - Protection of consumer rights - Whistleblowing system - Risk assessment	- Regulations for acceptance of any kind of advantage - Regulations for whistleblowing of corruption, bribery and unethical conduct - Regulations for political donation - Procedures for charitable giving	Amount of donation, division of administration authority	- Subjects governed by insider trading laws - Insider trading situation - Authority for event handling - Violation penalty



Procedures Tailored to Whistleblowing

"Procedure for handling Whistleblowing" have been established to encourage employees to report cases of violations. The SCSB will do its best to protect the whistleblowers, including keeping personal information confidential and making sure that their rights and interests are not affected. The Compliance Department accepts the case and investigates the dedicated unit being reported. When receiving a case, the Compliance Department may ask the relevant unit or the Chief Auditor to appoint auditors to investigate the case. Handling of the case is described below:



The Compliance Department investigates the accepted whistleblowing report itself or asks the relevant unit to initiate investigation and send a report.



The investigation report shall be submitted to the Reported Case Review Committee meeting for review. If directors, executive vice presidents, and other top management are involved within reported cases, reports are then asked to be raised to independent directors and seek further review from the Audit and Sustainable Committee.



The Compliance Department reports the case, handling and improvement to the Board of Directors.



The designated unit takes the responsibility to notify the whistleblower.

Note: The accepted whistleblowing report refers to the whistleblowing report that shall be accepted according to the "Procedure for handling Whistleblowing."

Whistleblowing Processing Method and Channel

Whistleblowing mailbox | compliance@scsb.com.tw

Whistleblowing helpline | (02) 6618-9952

Postal address | No. 2, Sec. 1, Minquan E. Rd., Zhongshan Dist., Taipei City. The recipient information should be stated as the Chief Compliance Officer

Details for the SCSB's announcement | <https://www.scsb.com.tw/content/about/about21.html>

2.2.1 ETHICAL MANAGEMENT

Zero tolerance policy is adopted for violation against internal work rules such as relevant regulations, "Code of Ethical Conduct" and "Ethical Corporate Management Best-Practice Principles". In 2025, the SCSB received a total of 17 reported cases. Among these cases, 8 fell outside the scope defined under the "Procedures for handling Whistleblowing" and were therefore referred to the responsible business units for follow up. In addition, 6 cases were not accepted due to failure to supplement required information, being limited to information transmission only, or requests for withdrawal. A total of 3 cases were formally accepted and processed.

Furthermore, in 2025, the following information is disclosed regarding incidents that were not discovered through whistleblowing: The SCSB was not involved in any cases associated with conflicts of interest, customer privacy information leaks, money laundering and insider trading, anti-competitive practices, antitrust and monopoly behavior, or any relevant legal disputes and penalties regarding market manipulation. In 2025, one incident related to corruption or bribery occurred. For a description of the case, please refer to Section 2.3.1 Compliance Risk Assessment Process.

2.2.2 ETHICAL MANAGEMENT TRAINING AND COMMUNICATION

At SCSB, ethical management is the foundation of stable governance. To make sure that employees understand anti-corruption regulations, besides internal messages, unit managers and announcements to all employees, anti-corruption is also promoted at morning meetings and via the precautions in the Ethical Corporate Management Best-Practice Principles. The promotion covers all employees. As for the Board of Directors, anti-corruption is communicated via corporate governance forum. The anti-corruption trainings are designed for employees based on their job grades and business types (in which visual disabilities are accommodated with oral training sessions instead). The following is the information related to such courses organized in 2025.

Region covered	Course target	Number of employees taking the course	No. of participants	Percentage of participants among the course target
Taiwan, Hong Kong, Vietnam, Singapore, China (Wuxi), Thailand, Cambodia, and Indonesia	Non-managerial employees	2,499	2,499	100%
	Managerial employees	372	372	100%
	Directors	9	9	100%

Note: The statistics are based on employees in service at The Shanghai Commercial & Savings Bank as of the end of 2025. The President is also included in the count of managerial staff for education and training purposes.

Worker group	Coverage (%)	Written/Electronic signing statement (%)	Providing education training (%)
Employees	100	100	100
Contractor/Supplier/Service provider	100	100	100
Subsidiary	100	100	100

2.3 COMPLIANCE

The SCSB conducts its business in accordance with government policies and applicable laws and regulations. The Compliance Department established under the President is responsible for planning and management of the compliance system. A senior manager is appointed as Chief Compliance Officer to coordinate compliance matters and report to the Board of Directors and Audit and Sustainable Committee regarding the status of compliance implementation. The report shall include the causes, possible impact, and improvement suggestions analyzed by each unit for cases of major defects or malpractice in compliance every half year.

The dedicated unit Anti-Money Laundering and Counter-Terrorism Financing Center established under the Compliance Department is in charge of planning, management and implementation of antimoney laundering and counter-terrorism financing. The Chief Compliance Officer is appointed as the functional head. Execution of the anti-money laundering and counter-terrorism financing is reported to the Board of Directors and Audit and Sustainable Committee at least every half year.



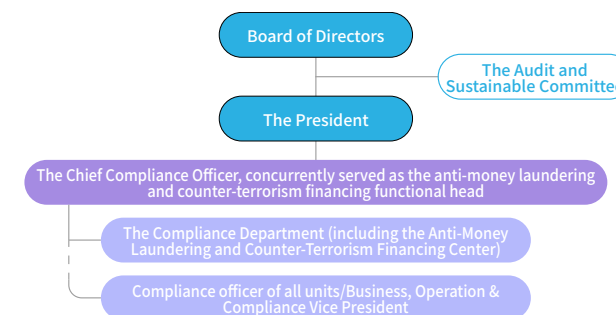
Structure Diagram of Compliance

Over the past two years, the SCSB has not identified any violations of regulations related to product and service information, labeling, or marketing communications. The financial services industry is a licensed sector subject to scrutiny by competent authorities. In response to regulatory changes and requirements from competent authorities, proactive measures must be adopted to prevent legal violations and potential penalties that could hinder the Company's image and business development efforts. The SCSB's "Compliance Policy" (hereinafter referred to as "the Policy") states that legal compliance is not only the responsibility of the legal compliance unit or personnel but also the responsibility of all SCSB employees. Every employee must implement and practice compliance measures, as well as proactively identify and disclose compliance-related risks, and proactively improve relevant business policies, manuals, and regulations. Additionally, they should take improvement actions against non-compliant conducts identified to effectively materialize compliance management. At the same time, the Compliance Department continued to collect information on the latest regulations and disseminate them to relevant units through the "Law and Regulations News system". Relevant units abide by changes made by the latest regulations and modify relevant business regulations and manuals. In addition, the Compliance Department utilizes the "Law and Regulations News system" to track changes and supervise affected units to ensure both operational and management regulations are updated.

The SCSB has appointed Legal Compliance Officers in all units (referred to as the "Business, Operation & Compliance Vice President" in domestic business units) in charge of promoting legal awareness and executing legal compliance operations. Besides supervising the introduction and implementation of relevant regulations by the Legal Compliance Officer of each unit, the Compliance Department also arranged quarterly training courses to promote legal awareness and train the Legal Compliance Officers of various units.

Every unit conducted biannual compliance self-assessments to foster legal awareness and compliance among its employees. In addition, from time to time written reviews were carried out by the Compliance Department to reinforce awareness and implementation of compliance in each unit. Overseas branches were requested to report on compliance and AML/CFT operations every month, and quarterly conferences were conducted with Legal Compliance Officers at overseas branches to strengthen communication and oversight. In addition, subsidiaries report on the implementation status of compliance operations on a quarterly basis, and monthly compliance communication meetings are held with the Hong Kong subsidiary to strengthen two-way communication on compliance-related matters.

The SCSB introduced a compliance system in 2011 when the Board of Directors approved "The Compliance Policy", which is reviewed regularly to ensure legal compliance and updated as necessary. Moreover, the Compliance Department prepares an annual compliance plan based on the SCSB's "Compliance System Measures", which is approved by the President and implemented accordingly. The SCSB places great emphasis on sustainable development issues. Apart from explicitly stating in "The Compliance Policy" that the Board of Directors, top management, and all SCSB personnel must uphold the principles of ethics and comply with local laws and the SCSB's sustainability policies in all business activities, the SCSB has also implemented different measures of the compliance system to create a culture of compliance throughout the SCSB and facilitate sustainable financial development. In addition, the practice of sustainable financial development has been incorporated into the annual compliance plan, which involves establishing relevant compliance self-assessment items and performing written reviews from time to time on specific compliance matters in relevant units. This serves to verify and confirm the implementation of relevant standards for sustainable financial development in operational procedures or relevant control mechanisms.



2.3.1 COMPLIANCE RISK ASSESSMENT PROCESS

The following describes our process for compliance risk management and supervision:

1. To adapt to regulatory changes, the Compliance Department conducted collection and inventory of regulations and created regulatory data file for compliance risk management. Based on the advice on update or adjustment of the content in the regulatory database, the relevant unit reports the Compliance Department to update compliance data file.
2. Based on our Guidelines Governing Risk Management and Supervision Framework of Compliance, the Compliance Department deliberates the key of financial examination carried out by competent authorities, major examination faults caused by banks in Taiwan, competitor sanction case and our internal and external financial examination faults. By carrying out comprehensive evaluation and selection for management issues, the Compliance Department created the self-assessment survey of compliance risk for all units to perform self-evaluation of compliance risk.
3. If the self-assessment result indicate a potential medium-high or high risk, the unit performing the self-assessment proposes improvement measures and the Compliance Department tracks further improvements.
4. The Compliance Department summarized the self-assessment result by all units, and integrated other objective evaluation factors (e.g. maintenance of compliance database, compliance defect or risk incident of the business) to execute the procedure for compliance evaluation.
5. If the result of compliance evaluation indicates high risk or the result of compliance evaluation is significantly different from the self-evaluation result of compliance risk, the compliance test procedure will be activated. If the result is acceptable or poor for a certain unit, this unit shall propose improvement plans. If the Compliance Department believed that the unit needs to be improved, it may require the unit to formulate or modify the plan and track the execution of the improvement plan.

Compliance Incident Management

In 2025, the SCSB was fined NTD 12 million by the competent authority in connection with a former employee's misappropriation of funds and identified deficiencies in the SCSB's management mechanisms for abnormal employee behavior. In response to the supervisory findings and regulatory requirements, the responsible units have continued to review, develop, and implement improvement measures.



2.3.2 ANTI-MONEY LAUNDERING

In order to tighten requirements concerning anti-money laundering and counter-terrorism financing, internal control, and compliance in banks, the SCSB has established a group anti-money laundering policy and the relevant procedure. A dedicated Anti-Money Laundering and Counter-Terrorism Financing Center has been established under the Compliance Department with a responsible officer, and an inter-departmental Anti-Money Laundering and Counter-Terrorism Financing Committee has also been established. Supervisory officers for anti-money laundering and counter-terrorism financing have been appointed to all of our business units to build a top-down hierarchical management system. The external independent verification unit has been authorized every year to conduct the Anti-Money Laundering and Counter-Terrorism Financing Program Review.

Inter-departmental department	Dedicated unit	All operating units of the entire Bank
3rd line of defense	2nd line of defense	1st line of defense
- Internal audit - External independent unit	- Anti-Money Laundering and Counter-Terrorism Financing Center - All business management departments	- Operating unit - All business management departments

The SCSB performs three lines of defense for anti-money laundering and counter-terrorism financing. For the first line, the business unit conducts customer and trade reviews and self-evaluation. (The business exclusive to the business unit is conducted by the business unit.) For the second line, the Anti-Money Laundering and Counter-Terrorism Financing Center (dedicated unit) and all business management departments carry out supervision. In addition to operation planning for anti-money laundering and counter-terrorism financing, the Center and all of these business departments execute activity spot checks and assessments for business units. (The KPI item for the business unit and its compliance manager includes tasks for anti-money laundering and counter-terrorism financing.) For the third line, the internal audit unit and an external independent unit conduct third-party verification at least once a year. The head of the Anti-Money Laundering and Counter-Terrorism Financing Center and managers of all branches discuss on anti-money laundering and counter-terrorism financing issues at quarterly compliance meeting. If any business unit has any concerns about the implementation of anti-money laundering and counter-terrorism financing, it may report its concern to the Anti-Money Laundering and Counter-Terrorism Financing Center via internal consulting form. Through the establishment of an internal counseling system, the SCSB can reinforce the effectiveness of three lines of defense and communication between lines of defense.

In addition, to enhance effectiveness and efficiency of anti-money laundering and counter-terrorism financing education training, the SCSB gradually reinforces application of RegTech. The SCSB uses these technologies for customer due diligence (CDD), regular review, transaction monitoring, and characterization threshold calibration to increase efficiency and reduce labor burden. For example:

1. Developing and utilizing API technology to automatically retrieve ownership structures of corporate customers with complex shareholding structures from official government websites and to calculate ultimate individual shareholdings within the system for the identification of ultimate beneficial owners (UBOs). APIs are also used to integrate information from commercial registration websites, including company operating status (active, suspended, closed, dissolved, or under liquidation), multiple companies registered at the same address, and individuals serving as responsible persons for multiple companies.
2. The SCSB participates in the development of a project for optimization of the CTP system of Taiwan Depository & Clearing Corporation. The multiple layer shareholding information is added to enhance the utilization of domestic shareholding information via the real-time/batch download function of Application Programming Interface (API). This effectively assists in identification of beneficial ownership in the complex shareholding structure for anti-money laundering.
3. Establishing a Hawk Eye early warning model to detect suspicious and potentially unlawful transactions, enabling timely fraud prevention and interdiction.
4. Strengthening preventive fraud controls, such as enhancing review procedures for applications to adjust transfer limits for automated services, and reinforcing controls over higher-risk accounts, including accounts of foreign migrant workers and long-inactive accounts.
5. Developing an "AML Typology Parameter Analysis System" for parameter calibration and optimization.

The SCSB's crime prevention-related management measures are elaborated below:

The SCSB has implemented due diligence policies and procedures for offline and online customers in accordance with the Regulations Governing the Anti-money Laundering of Financial Institutions following:

- Utilize reliable and independent sources of documents, data, or information to identify and verify customer identities, and keep records and copies of customers' IDs
- For transactions made by agents, the SCSB would carefully look into the authenticity of agents and keep reliable and independent sources of documents, data, information, and copies of agents' IDs
- Identify a customer's beneficiaries and apply reasonable measures to verify their identities, including using reliable sources of data or information.
- When it comes to measures to verify customer identities, the procedure should include understanding the purpose and nature of the business and obtaining the necessary information

Ensure updated counter-terrorism lists and sanction lists provided by database vendors through referring to authorities' latest information. Review existing customers on a daily basis targeting counter-terrorism lists and sanction lists daily to ensure existing customers exclude contentious ones. On the other hand, the AML center will conduct real-time verifications against the United Nations Sanction List or OFAC Sanction list to make sure that database vendors update the lists within two working days at the latest.

The SCSB calculates customer risk scores based on factors including geographic location, customer profile, products and services, transactions, or payment channels to generate risk levels (high, medium, and low). The SCSB implemented corresponding control measures for customers with different risk levels by adhering to the spirit of RBA. All politically exposed persons (PEPs) are subject to enhanced due diligence (EDD) and are required to obtain approval from senior management prior to establishing or maintaining a business relationship. In addition, all high-risk customers are required to obtain senior management approval, undergo annual periodic reviews, and are subject to more stringent transaction monitoring thresholds.

When abnormal activities identified during customer account opening, over-the-counter transactions, or the handling of suspicious typology cases in the SCSB's AML system are assessed as high-risk cases involving money laundering, terrorist financing, proliferation financing, or fraud, the cases are reported to the designated supervisor of the Compliance Department for approval, regardless of the transaction amount or whether the transaction has been completed. Upon approval, the SCSB files a Suspicious Transaction Report (STR) with the Investigation Bureau of the Ministry of Justice in accordance with regulatory requirements.

The SCSB joined the Criminal Investigation Bureau's "Eagle Eye Anti-Fraud Alliance" initiative and established a financial fraud detection and early warning mechanism (the Eagle Eye Model) to enable the early identification of suspicious accounts. This initiative enhances employees' capabilities in fraud identification and prevention, thereby curbing the use of mule accounts for fraudulent activities.

In addition, the AML Center, together with business units, conducted direct anti-fraud education and awareness programs for the public and customers. In 2025, a total of 158 anti-fraud training and awareness sessions were delivered to customers, reaching 3,691 participants. These initiatives aim to strengthen fraud awareness, reduce the risk of victimization, and safeguard customer assets, and have received positive feedback.

Anti-money Laundering and Counter-terrorism Financing Education Training

In order to continue to help employees learn more about anti-money laundering and counter-terrorism financing, the SCSB held 102 seminars with a total of 388 hours for anti-money laundering and counter-terrorism financing in 2025. To build a culture that emphasizes anti-money laundering and counter-terrorism financing, the SCSB offers subsidies to help staff become the CAMS international anti-money laundering specialists or take the exams organized by domestic institutions recognized by the Financial Supervisory Commission for Anti-Money Laundering and Counter-Terrorism Financing Specialists. Via E-LEARNING and morning meetings, education training for anti-money laundering and counter-terrorism financing is provided by sharing ideas on a topic. A total of 16 sessions were held during morning meetings in 2025. (A total of 165 sessions were held from May 2017 to December 2025.) All staff were required to attend the seminars.

In addition, the SCSB actively encourages employees to acquire professional licenses for anti-money laundering and counter-terrorism financing and pass the relevant exam. The number of staff with professional licenses for anti-money laundering and counter-terrorism financing and qualifications for passing certain exams in 2025 :

Item	The number of staff
Certified Anti-Money Laundering Specialist (CAMS)	229
Professional Exam for Anti-Money Laundering and Countering Terrorism Financing Specialist	1,227



Column | 🔍

Strengthening of the SCSB's Cultural DNA of Anti-money Laundering and Counter-terrorism Financing

The SCSB gradually continues to promote educational training on anti-money laundering and counter-terrorism financing. Besides courses for relevant staff required by regulations, education training in anti-money laundering and counter-terrorism financing is provided to all compliance officers, Relationship Managers (RM) across all business lines, and staff via all kinds of in-person courses, E-LEARNING, exams and sharing at meetings. The courses are updated regularly. Different training materials are provided for various target audiences. External experts have been invited to deliver speeches at SCSB's compliance quarterly meeting. Moreover, 6 hours of external trainings have been provided to compliance managers. The SCSB strives to ensure anti-money laundering and counter-terrorism financing policies keep up with the latest international trend and create a well-structured culture of anti-money laundering and counter-terrorism financing with fulfilling results as follows:

❖ Continue to promote the education for anti-money laundering and counter-terrorism financing

The SCSB periodically organizes "AML/CFT Learning Sessions" during routine morning meetings of various units. Training materials are developed and topics are designated by the AML Center, and sessions are led by the compliance officers of each unit (who also serve as the supervisory officers for AML/CFT), guiding employees in sharing cases and concepts related to anti-money laundering, counter-terrorism financing, and fraud prevention.

From 2017 to 2025, a total of 165 AML/CFT Learning Sessions were conducted. The content covered topics including money laundering, terrorism financing, fraud, and the rule of law. These learning sessions are ongoing.

❖ E-LEARNING

Each year, the Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) Center produces different training materials. All employees are required to participate in the training and complete post-training assessments to evaluate and verify training effectiveness.

❖ Encouragement and guide employees to acquire the CAMS Certification and the license for counter-terrorism financing

To enhance employees' expertise in anti-money laundering and align with international standards, the SCSB encourages and provides subsidies for employees to sit for the Certified Anti-Money Laundering Specialist (CAMS) examination. The AML Center also serves as the instructor, providing course guidance and support. As of 2025, a total of 229 employees have obtained the CAMS certification, accounting for approximately 7.95% of the SCSB's workforce.

❖ Guide staff to take the exam for the certification of anti-money laundering and counter-terrorism financing

To enhance employees' understanding of AML regulations, the SCSB encourages and provides guidance for employees to participate in the domestic AML/CFT professional qualification examination. As of the end of 2025, a total of 1,227 employees have obtained the qualification, accounting for approximately 42.60% of the SCSB's workforce.

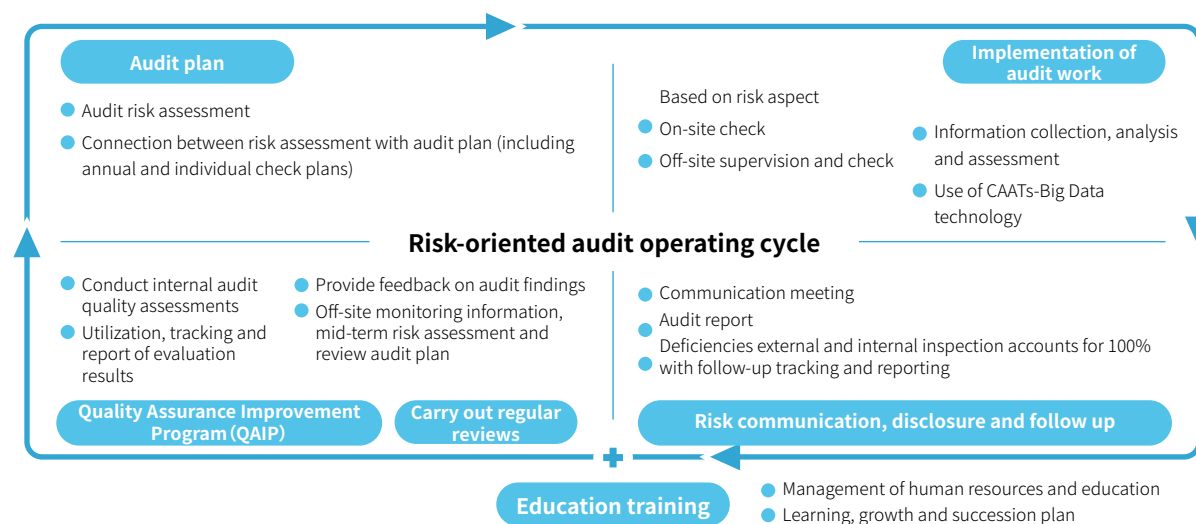
2.3.3 AUDIT MANAGEMENT POLICY

The SCSB's implements a risk-oriented audit system targeting risk assessment results, developing internal audit plans, and further executions. The risk-oriented internal audit mechanism is elaborated below. :

Risk-oriented Internal Audit Mechanism

The risk-oriented internal audit mechanism has been implemented in the SCSB. Risk assessment is carried out once a year. Based on risk characteristics, internal control, and audit implementation, the SCSB utilized auditing staff to formulate the audit plan for the next year according to the risk assessment result and regulations before the end of every fiscal year. The audit plan is submitted to the Audit and Sustainable Committee/Board of Directors for approval and filed to the competent authority as required for enforcement purposes. A differentiated check is performed based on the risk level of the checked item. Regular examination and adjustments are made depending on the actual situation. The key is to focus on major risks, distribute the audit resources in an effective way. The SCSB seeks to improve its internal control system and strengthen its management structure. Self-assessment of internal audit quality is performed, and the evaluation result is used to keep improving the audit activity.

In response to misconduct incidents during the year involving the misappropriation of customer funds or public assets by employees, the SCSB has strengthened communications on compliance with internal work rules and standards of ethical conduct. The SCSB has reinforced the promotion of an integrity-based corporate culture and ethical behavior among employees, enhanced integrity and conduct assessments, and intensified the review of account transaction monitoring, in order to ensure compliance with the SCSB's integrity management requirements.



The SCSB's audit inspection has been implemented thoroughly, including both domestic and overseas operating units, management units and logistics support units, overseas branches, subsidiaries, overseas offices, and the SCSB reinvested overseas holding (paper) companies with a 100% audit coverage rate. The SCSB has performed all kinds of investigations for all units 191 times in 2025. The audit result shows that no severe violation occurred.

Audit Inspection System

High risk	Two times per year	General Audit + Project inspection	No major violation
Medium risk	Once a year	General Audit	
Low risk	Once every 18 months	General Audit	
Overseas offices	Once a year	Report audit	
Domestic and overseas subsidiaries	Two times per year	Financial and risk management and compliance program inspection/report audit	
Overseas subsidiaries	Once a year	General Audit	
The competent authority's letter handling and reporting case investigation	Ad-hoc	Project inspection	

Audit-related Management License

Item	Number of employees acquired the certificate in total
Certified Internal Auditor (CIA)	3
Certified Financial Service Auditor (CFSA)	3
Certified Information Systems Auditor (CISA)	1
Certification in Control Self-Assessment (CCSA)	1
BS 10012 Personal Information Management System (PIMS) Lead Auditor	1
Passed the BS 7799 Lead Auditor Exam	1
Securities Analyst	1
Certified Anti-Money Laundering Specialist (CAMS)	14
Passed the Proficiency Test for Bank Internal Control and Audit	38

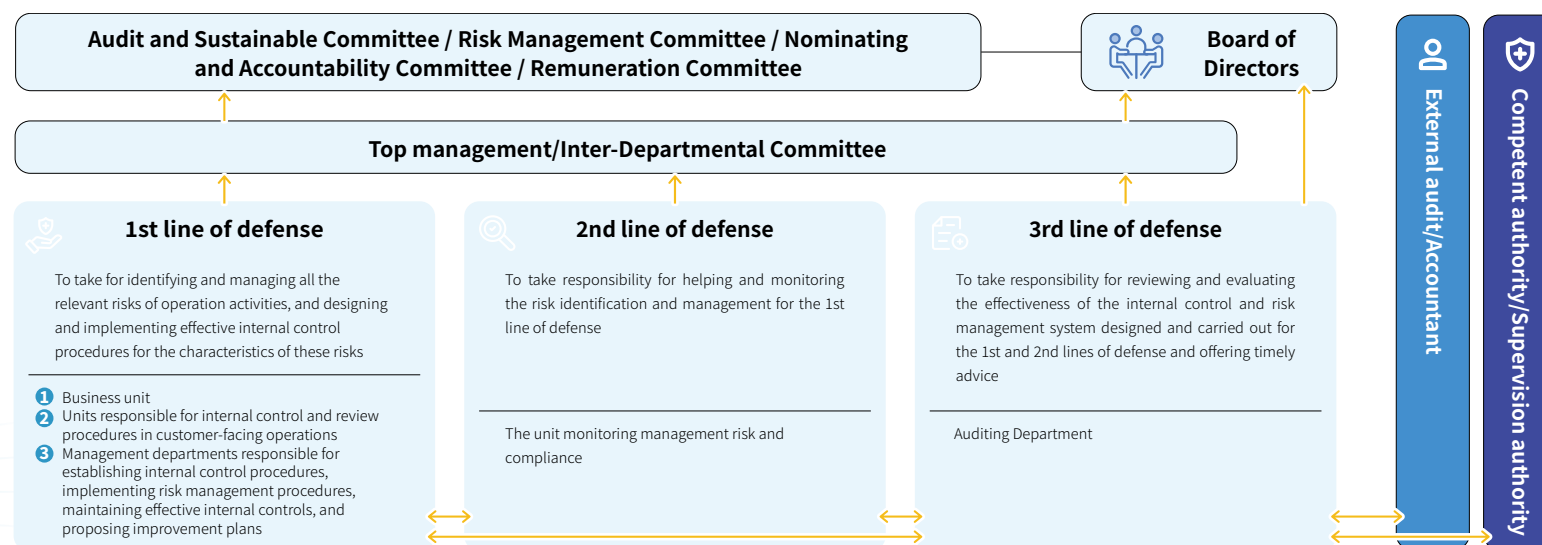
2.4 RISK MANAGEMENT

2.4.1 RISK CONTROL

In the SCSB's risk management organizational structure, the Board of Directors serves as the highest decision-making body. Board members are required to receive at least six hours of risk-related training each year, covering risk control topics such as anti-money laundering, anti-corruption, and information security. A Risk Management Committee has been established under the Board of Directors to oversee bank-wide risk management. Under the President, the Risk Management Department is responsible for establishing a bank-wide risk management framework and independently performing its duties in relation to enterprise-wide risk management. Each responsible unit appoints risk management personnel based on its size, significance, and complexity to carry out unit-level risk management activities. In addition, the Loan Review Committee and the Investment Review Committee, established under the President, are responsible for managing credit risk and investment risk, respectively.

Furthermore, to incorporate risk management metrics into financial incentive mechanisms, the SCSB has established distinct risk management performance indicators for senior management and general employees, embedding a strong risk management culture into employees' daily operations.

Three Lines of Defense for Risk Control



Internal and External Audits

- (1) **Internal Audit** | The SCSB has established mechanisms for internal audit, self-check, compliance, and risk management to ensure the effective and appropriate operation of its internal control system. For detailed information on internal audit practices, please refer to **Section 2.3.3 Internal Audit**.
- (2) **External Audit** | In accordance with statutory supervisory mechanisms, the SCSB undergoes a general on-site examination by the competent authority once every two years and cooperates with ad hoc special examinations as required. Relevant risk management processes and capital adequacy assessment results are included within the scope of regulatory review and inspection. In addition, the SCSB's financial statements are audited by certified public accountants, and external accountants are engaged annually to conduct audits of the internal control system.

Risk Management Training

We have 9 members of the Board of Directors. All of them received at least 42.2 hours of risk educational training in 2025:

Name of the Given Training	Number of Participants	Training Hours Taken
The Board of Directors		
Sustainable Corporate Governance Forum – How the Banking Industry Can Capture Business Opportunities and Strengthen Corporate Governance Amid AI Development Trends	9	27 hours
Sustainable Corporate Governance Forum – Exploring New "E"SG Trends Through the Introduction of Carbon Fees	9	27 hours
2025 AML/CFT E-learning Program – Bank wide Mandatory Training	9	13.5 hours
2025 Personal Data Protection and Compliance Workshop – Bank-wide Mandatory Training	9	27 hours
2025-1 Awareness Training on Common Cyber Attacks and Social Engineering – Bank-wide Mandatory Training	9	9 hours
2025-2 Risk Management of Suppliers and Emerging Technologies – Bank wide Mandatory Training	9	4.5 hours
2025-3 Opportunities in Digital Transformation of the Financial Industry and Cybersecurity Risks of the Internet of Things (IoT) – Bank-wide Mandatory Training	9	10.8 hours
2025-4 Information Security Awareness Training – Bank-wide Mandatory Training	9	27 hours
2025 Intellectual Property Protection Awareness and Protective Management Training – Bank-wide Mandatory Training	9	9 hours
2025 Financial Friendly Service Measures – Bank-wide Mandatory Training	9	18 hours
2025 Principles of Fair Treatment of Customers in the Financial Services Industry – Bank-wide Mandatory Training	9	33.3 hours
Water Financing – Water Resource Circulation and Utilization – Bank-wide Mandatory Training	9	13.5 hours
Corporate Governance Seminar on Corporate Sustainability – Awareness Training on Short-Swing Trading and Insider Trading (For Managerial Level and Above)	9	9 hours
Corporate Governance Seminar on Corporate Sustainability – Integrity as Our Core Value – Bank-wide Mandatory Training	9	13.5 hours
Evolution of Anti Fraud Regulatory Measures and Legal Enhancements – Bank-wide Mandatory Training	9	9 hours
Prevention of Sexual Harassment and Unlawful Infringement During Duty Performance (Advanced)	9	9 hours
Prevention of Sexual Harassment and Unlawful Infringement During Duty Performance – Bank wide Mandatory Training	9	18 hours
Front line Banking Fraud Prevention Awareness – Bank-wide Mandatory Training	9	9 hours
Effectiveness of Whistleblowing Systems from the Perspective of Integrity Management – Bank-wide Mandatory Training	9	9 hours
Practical Analysis of the Carbon Economy and Credit Practices in the Financial Industry – Bank-wide Mandatory Training	9	13.5 hours

Name of the Given Training	Number of Participants	Training Hours Taken
Director		
Asia Asset High-Level Forum – Supervision of Wealth Management Strategies for High-Net-Worth Clients and Excellence in Corporate Governance	4	12 hours
Cybersecurity Governance and Management Under Geopolitical Risks	2	6 hours
Current Global Economic Conditions and the Impact of New Trump Policies (IFRS Update) Impacts of IFRS 18 and Amendments to IFRS 9	2	6 hours6 hours
AI + ESG: A Required Course for Corporate Innovation and Sustainable Transformation	1	3 hours
HKIB Annual Banking Conference 2025	1	5.5 hours
Insider Trading Prevention Awareness Seminar	1	3 hours
Asia Asset Advanced Workshop – Trends, Strategic Transformation, and Case Studies in High-Net-Worth Wealth Management	1	3.5 hours
Overview and FAQs on Asset Disposal, Credit Extension, and Credit Guarantee Standards	1	3 hours
In-service Training Program for Supervisory Personnel in the Trust Industry	1	6 hours
Emerging Financial Crime Trends in AML: Cases and Preventive Measures	1	3 hours
Optimizing Innovative Intellectual Property Management for Sustainable Governance in the Digital Era	1	3 hours
Tax Challenges and Strategies in Family Wealth Succession	1	3 hours
Preparing for IFRS 18 – Major Changes in Financial Performance Presentation	1	3 hours
How Boards of Directors Respond to 12 ESG Risk Issues	1	3 hours
How Board Meetings Are Conducted: Common Deficiencies in Board Operations of Listed Companies – Practical Sharing	1	3 hours
Office Ergonomic Hazards and Prevention in the Financial and Insurance Industry – Bank-wide Mandatory Training	1	1 hours
Data Governance Executive Seminar and Bank wide Lecture – Bank-wide Mandatory Training	1	0.5 hours

The SCSB provided staff of the Risk Management Department with all kinds of internal and external education training ranging from sustainable responsible finance, climate risk management, credit risk, operational risk, liquidity risk, and market risk. Furthermore, employees are arranged with diverse risk management courses with detailed training outcomes in 2025 as below:

Course category	Target audience	Number of participants	Average training hours
Anti-money laundering	All active staff during the courses holding period	2,868	5.24 hours
Anti-corruption	All active staff during the courses holding period	2,856	0.99 hours
Information security	All active staff during the courses holding period	2,871	5.96 hours

Risk Management KPIs Set-up

The SCSB asks managers and employees of the Risk Management Department to set up specific KPIs and job objectives that critically incorporate the risk management metrics into financial incentives. In 2025, the KPIs of the Deputy Executive Vice President of the Risk Management department can be seen in the table below.

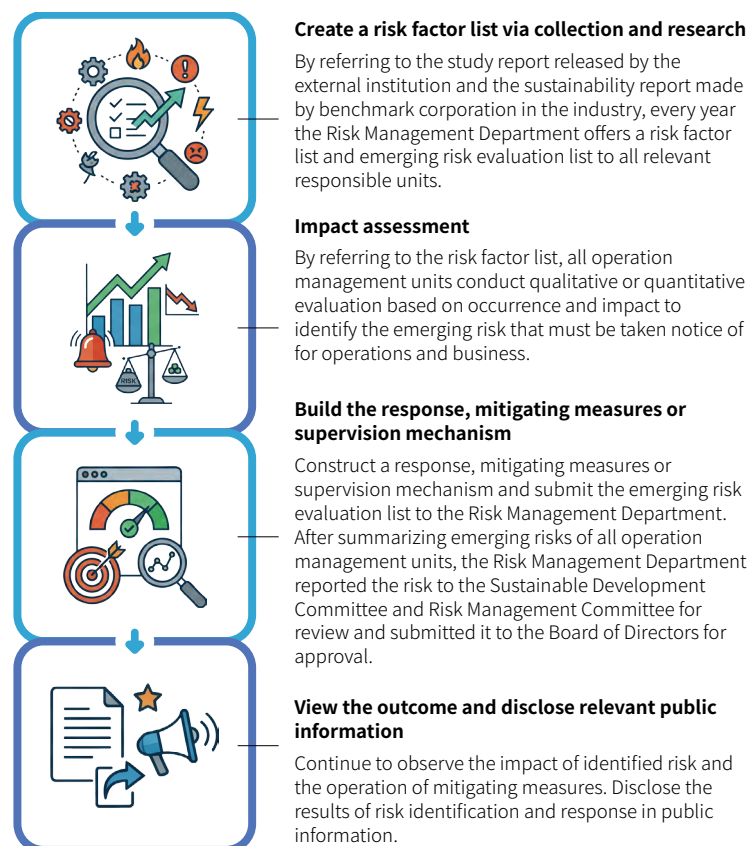
Corresponding ESG Risk	KPIs and Job Objectives in 2025	Weight (%)
Market Risk	Conduct Bank-wide monitoring of trading positions and profit-and-loss (P&L). When necessary, notifications are issued to relevant units, and management results are regularly reported to senior management for decision making reference.	4
Operation Risk	- Initiated the Risk and Control Self-Assessment (RCSA) process focusing on key business areas subject to regulatory inspections, and updated at least 120 items in existing procedures. - Strengthened risk controls, with zero internal operational risk incidents reported within business units throughout the year. - Complied with the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA) by completing due diligence and reporting for existing customers of both domestic and overseas branches within the statutory deadlines.	14
Credit Risk	In coordination with the deployment of the new e loan system for overseas branches, the SCSB established an overseas branch credit rating system and assisted overseas branches in optimizing their rating processes. The system build-out is expected to be completed in the first quarter, with phased rollout thereafter.	3
Country Risk	In response to the impact of the U.S. political and economic environment, the SCSB strengthened controls over high-risk countries, industries, and corporate groups. It conducts regular reviews of relevant financial indicators by country, examines corporate and retail credit portfolios, analyzes problem assets by country, industry, and borrower, and implements dynamic monitoring and early warning measures in a timely manner, with records retained for reference.	3
Climate Risk	- Completed the "Climate and Nature Environment Management Report" and disclosed it on the SCSB's official website. - Formulated the Group's Science-Based Targets initiative (SBTi) decarbonization pathway plan, and periodically monitored the implementation progress of the Group's engagement activities and SBT aligned emission reduction targets. - Led business units and the Hong Kong subsidiary in conducting carbon inventories for financing and investment activities, and promoted decarbonization and transition initiatives for financing and investment portfolios in line with the Bank-wide strategic objectives. - Completed external questionnaires and assessments related to climate- and nature-related risks in accordance with the responsibilities of the Risk Management Department. - Assisted business units in establishing climate related data repositories for the SCSB's financing and investment activities.	11
others	- The capital adequacy management targets for 2025 are set at no lower than a Capital Adequacy Ratio (CAR) of 13%, a Tier 1 capital ratio of 11%, and a Common Equity Tier 1 (CET1) ratio of 10%. - Energy and resource reduction targets: - Greenhouse gas emissions intensity per unit of revenue (stand alone net income) for Scope 1 and Scope 2 to be reduced by 3% compared with 2020. - Absolute greenhouse gas emissions for Scope 1 and Scope 2 to be reduced by 4% compared with 2020. - Enhanced the SCSB's risk rating framework and strengthened the establishment or revision of Key Risk Indicators (KRIs) and business risk indicators for key units.	9



2.4.2 RISK IDENTIFICATION AND RESPONSES

The SCSB designs the "Risk Management Policy" in the hope of setting up a comprehensive risk identification and response process. Moreover, the SCSB also critically manages material risks including market, credit, geopolitical, operational, asset and liability-oriented, as well as climate change risks. On the other hand, by incorporating global ESG trends and the annual analysis of material topics into the SCSB's risk identification process, reactive measures tackling emerging risks as well as the mitigating and monitoring mechanism are then created to eliminate the risk exposure rate and potential impact on the SCSB.

EMERGING RISKS IDENTIFICATION PROCEDURE



Risk Appetite

Risk appetite represents the level and types of risks that the SCSB is willing to accept in the process of achieving its strategic objectives and business plans. Building upon this, the SCSB establishes risk management and quantitative procedures as well as sets both qualitative statements and quantitative limits. The risk appetite and various limits are determined annually based on factors including annual operational targets, statutory capital adequacy ratio requirements for the SCSB and its subsidiaries, financial budgets, business planning, and historical credit utilization rates. These are then submitted to the Risk Management Committee and the Board of Directors for further discussion.

Furthermore, the SCSB reasonably allocates various limits by considering the business portfolios, business scale, and capital scale of each subsidiary to ensure their risk-bearing capacity. The monitoring results are incorporated into risk management execution reports and submitted to the Risk Management Committee and the Board of Directors for quarterly reporting.

Risk Types	Risk Appetite and Limits	Mitigation Measures and Monitoring Mechanism
Capital Adequacy	- According to the SCSB's internal control ratios for capital adequacy management, the Common Equity Ratio shall be maintained above 10%, the Tier 1 Capital Ratio above 11%, and the Capital Adequacy Ratio above 12% - In accordance with the SCSB's 2026 – 2030 five-year plan, the capital adequacy ratio is targeted to remain above 14.5%, with the Common Equity Tier 1 (CET1) ratio maintained at no less than 11%.	- The Risk Management Department calculates the Capital Adequacy Ratio monthly and reports it to the Asset and Liability Management Committee and the President - Conduct stress tests quarterly to assess loss-bearing capacity and capital adequacy under stress scenarios, and report them to the Risk Management Committee and the Board of Directors - When the SCSB's capital level calculation or assessment indicates potential red or yellow warning levels for internal control ratios within the next two years, the Risk Management Department shall analyze the causes and propose relevant recommendations for discussion at the Asset and Liability Management Committee. Actions shall be taken following the Committee's resolution. The meeting discussion results shall be documented with subsequent implementation tracking and later reported to the Risk Management Committee
Group-wide Credit Risk	The SCSB and its subsidiaries' group-wide credit risk management: - The total credit risk limit for the same group of related parties is 15% of the consolidated net worth - Country risk limits for the SCSB and subsidiaries: US country risk limit is 80% of consolidated net worth, China's country risk limit is 60% of consolidated net worth, and UK country risk limit is 40% of consolidated net worth - Among the engaged industries, the real estate industry limit shall not exceed 1.5 times of consolidated net worth	- The Risk Management Department is responsible for compiling group-wide credit risk management information from the SCSB and its subsidiaries, reporting monthly to the Asset and Liability Management Committee and quarterly to the Risk Management Committee and the Board of Directors, as well as monitoring implementation status - Early Warning Value: When the SCSB and subsidiaries' combined secured and unsecured credit to the same group of related parties exceeds 10% of consolidated net worth, or combined unsecured credit exceeds 6% of consolidated net worth, or when the utilization rate of country and industry risk limits by the SCSB and subsidiary banks exceeds 80%, the Risk Management Department shall compile relevant information quarterly and develop response measures to be reported to the Board of Directors.

Risk Assessment of New Products and Services

Before launching new products or services, the review team will conduct a thorough risk assessment and internal inspections to ensure the optimization of risk management and internal control. Apart from identifying the market risk, the credit risk, the operational risk, the liquidity risk, the compliance risk, the climate risk, emerging risks, and other potential factors that might affect business operations, the review team also looks into various aspects including product traits, business strategies, internal control, and customer right protection. Furthermore, prior to launching trust products, it's pivotal to assess their legitimacy, cost efficiency, risk-return traits, preferred target customers, consistency with the SCSB's risk management criteria, and market demand. In 2025, 136 cases of both domestic and overseas risk assessments were closed.

Rating Risks by Scale

The SCSB incorporates magnitude and likelihood as two important factors into mapping out different risks by scale, where reactive actions and mitigating processes are then developed to cope with risks that could exert prominent impacts on the SCSB. This way, the SCSB is able to reinforce its risk management capability and strengthen the operational resilience consequently.

Risk Items/ Evaluating Items (Ranked by risk, with the most significant risks listed at the top)	Magnitude(from low to high) (15 → 1)	Likelihood(from low to high) (15 → 1)	Emerging Risk
Uncertainties Stemming from Trump's Economic and Trade Policies	4	2	
Reconfiguration of the Global Order and Heightened Geopolitical and Economic Tensions	5	4	V
Operation Risk-Financial (AI) Scams and Trust Issues	6	6	
AI-driven Market Risk	6	7	V
Technology Risk	7	7	
The Potential AI Bubble May Lead to Economic Contraction	7	7	
Financial turmoil triggered by the commercial real estate crisis in Europe and the United States	6	10	
Climate Risk	9	8	
Talent Recruitment and Retention	10	7	
Compliance Risk	8	9	
Country Risk (Whole)	10	8	
Credit Risk (Whole)	9	10	
Market Risk (Whole)	11	10	
Operation Risk (Whole)	11	12	
Liquidity Risk	10	14	

Types of Emerging Risk	Corresponding Material Topics	Affected Duration
Reconfiguration of the global order and heightened geopolitical and economic tensions	Operating Performance / Compliance / Risk management	A 2-3 year mid-term impact
Risk Explanation	Intensifying competition among major economies, rising protectionism, and escalating geopolitical tensions are driving persistent trade policy uncertainty. Corporations and governments face a more contested environment shaped by sanctions, regulatory constraints, capital controls, and the weaponization of supply chains.	
Impacts on the SCSB	- Global economic conditions are affected by Trump's tariff policies, rising trade protectionism and policy uncertainty, weakening market confidence and driving supply chain reconfiguration and cross-border capital volatility. These factors reduce international investment appetite and increase volatility in financial asset valuations and default risks. - Geopolitical conflicts have driven up energy prices and increased risks to shipping and logistics, raising costs and operational disruption risks for clients reliant on specific supply chains, energy sources, or cross-border transportation. This may weaken cash flows and repayment capacity, increasing credit risk and pressure on liquidity and interest margin management. - Prolonged cross-strait tensions and an economic slowdown in China are generating ripple effects across regional markets and global supply chains. The SCSB's exposure to China (including Hong Kong) totaled NTD 37.7 billion, with business volumes declining by 30% and revenue decreasing by approximately NTD 0.6 billion.	
Reactive Measures	- SCSB continuously monitors global economic developments and market disruptions, expands its global business footprint, and enhances regional diversification to mitigate concentration risks. By deepening relationships with high-quality clients, diversifying income sources, and implementing stop-loss mechanisms, SCSB seeks to reduce the impact of a single market, industry, or policy shocks on earnings and asset quality. - SCSB tracks clients' supply chain relocation trends and provides cross-border liquidity arrangements and financing support where appropriate. Geopolitical exposures are dynamically monitored and incorporated into corporate credit assessment models to evaluate client resilience amid geopolitical and economic fragmentation. - SCSB collects and disseminates updates on regulatory requirements and sanctions developments across jurisdictions and adjusts internal policies accordingly. Prior to engaging in business relationships, SCSB conducts due diligence and verifies fund flows to mitigate sanctions exposure and effectively manage client-related operational and compliance risks.	

Types of Emerging Risk	Corresponding Material Topics	Affected Duration
AI-Driven Market Risk	Information Security / Data Privacy Protection / Digital Finance, and Service Innovation / Risk management	A 3-5 year long-term impact
Risk Explanation	As artificial intelligence (AI) is increasingly applied in financial investment and risk supervision, its rapid evolution and growing sophistication make risks more difficult to detect and manage. Without appropriate governance and controls, AI-driven activities may pose material risks to market integrity and financial stability.	
Impacts on the SCSB	1. Large-scale adoption of homogeneous and synchronized AI-driven trading models may amplify correlated market behavior in response to specific information, increasing market volatility, flash crashes, and systemic risk. Under stressed conditions, such dynamics could lead to liquidity shortages and market disorder, heightening risks to market stability affecting SCSB. 2. Biases, computational errors, opacity, or manipulation of AI models may result in flawed decision-making if overly relied upon. This could adversely affect SCSB's business development, undermine customer trust, and pose potential risks to overall operational performance. 3. Rapid advancements in financial technology are accompanied by more frequent and stringent regulatory requirements, requiring increased investment in information security and data governance. This may drive higher compliance and cybersecurity costs and add operational complexity for SCSB.	
Reactive Measures	1. AI models are designed to incorporate diversity-related indicators, while model outputs remain subject to professional human oversight and risk controls. Trading deceleration mechanisms, circuit breakers, and stress testing under extreme scenarios are applied to mitigate market instability risks. 2. Data sources and data architecture are strengthened to ensure transparency and understanding of model decision logic. Where necessary, model explainability is enhanced and cross-validation mechanisms are applied to improve model robustness and regulatory compliance. 3. AI literacy is strengthened through employee training covering tool usage, data privacy protection, risk awareness, and regulatory developments. Work processes suitable for AI support or substitution are assessed, with process reengineering and skills upgrading planned to enhance workforce efficiency and strengthen capabilities in AI, cybersecurity, data governance, and compliance, thereby mitigating operational, compliance, and reputational risks.	

2.5 INFORMATION SECURITY

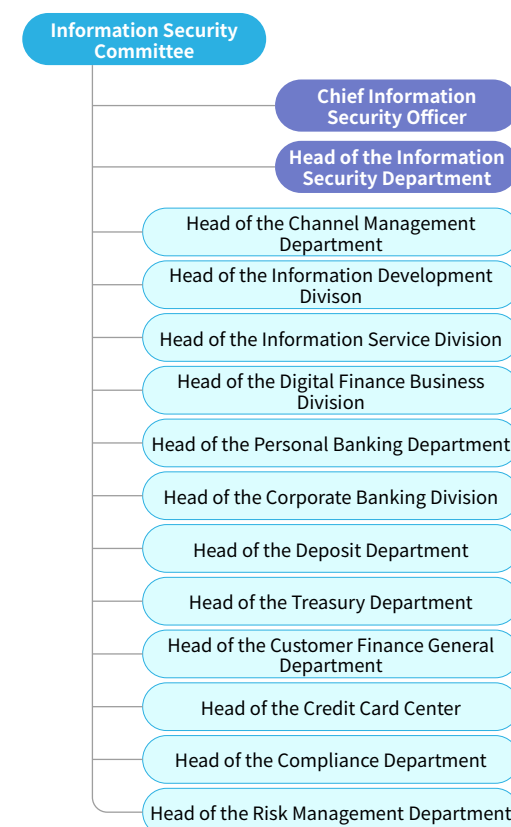
Due to the popularity of digital finance, topics such as personal data protection and information security have received contentious attention within the financial industry in recent years. By acknowledging the importance of information security, the SCSB has acquired the certificate of the ISO 27001: 2022 Information security, cybersecurity and privacy protection- Information security management systems (ISMS) in 2025, set up information security goals, and built up a cross-department information security committee to arrange quarterly meetings and carefully inspect and manage the information security policies, risk assessment, incidents investigation, reports, corrective actions, and regulations.

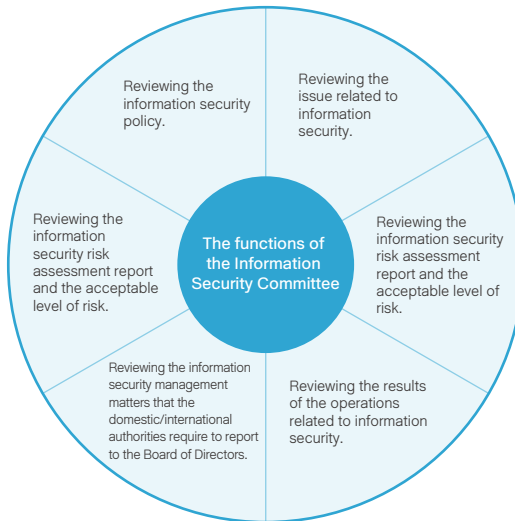
2.5.1 STRUCTURE AND FUNCTION OF INFORMATION SECURITY

Information Security Committee

The SCSB's Risk Management Committee is in charge of supervising information security matters, where members of the committee possess rich information security and industry management experience. In addition, Director Chiu Yi-Jen previously served as the CIO of the SCSB, reflecting his expertise in information systems governance and information security management. Likewise, Director Huang Hui-Chu used to serve as General Manager of Taiwan IBM, which pinpoints her profound experience in running the technology industry and advancing digital development. Both of them reflect that board members of the SCSB have relevant experience, industry knowledge, and practices in the information security governance and technological risk management fields.

On the other hand, the Information Security Committee under the President is responsible for managing the bank-wide information security. The committee will conduct discussions and oversee matters related to critical business and the information security policy, whilst planning the bank-wide information security measures and their implementation. Lastly, in 2025, the CISO role was set up, and the SCSB's Executive Vice President, Lu Shao-Yu, was appointed to serve the position and was in charge of empowering the information security policy and resource allocation.





Information Security Protection Measures

Execution item

- Outsource the establishment of 24/7 "Information security Monitoring Center (SOC)"
- Continue to apply for the e-commerce and information security liability insurance
- Perform the vulnerability scanning regularly
- Perform the penetration testing regularly
- Perform social engineering drill regularly
- Implement ISO 27001 Information Security Management System
- Information system continuous operation drill
- Set up the Demilitarized Zone (DMZ)
- Introduced the Endpoint Detection and Response (EDR) mechanism to bolster the Zero Trust initiative
- Implement ISO 22301 Business continuity management systems

The SCSB has set up the Demilitarized Zone (DMZ) to separate internal and external networks, separate network segments in the internal network based on the business nature, to reinforce the information security protection structure. The following protection measures are established:

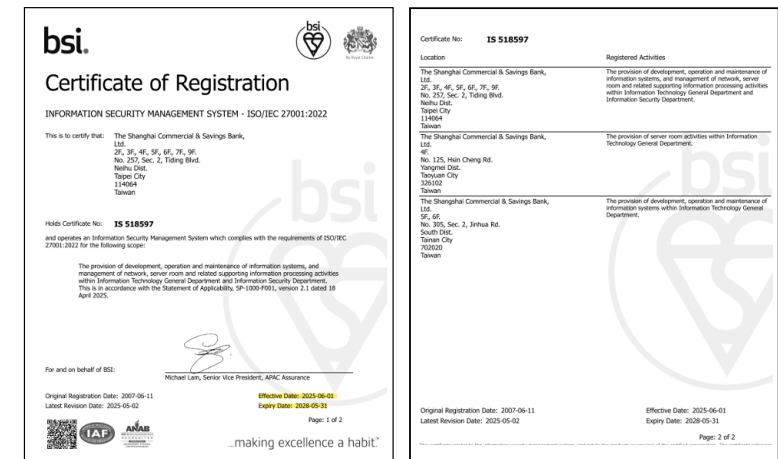
Reinforce the Information Security Protection Measures

Network	System	Application	Data encryption and identity identification	Identity authentication
Intrusion Prevention System (IPS), firewall, (F/W), Distributed Denial of Service (DDoS)	Vulnerability scanning, penetration testing, web application firewall (WAF), and Patch	Source code test, app certification	Certificate	Multi-Factor Authentication (MFA)

2.5.2 KEYS TO INFORMATION SECURITY GOVERNANCE AND IMPLEMENTATION

To ensure our information security management, we strengthen information security awareness and management of all our employees via information security protection, establishment of relevant mechanism and control mechanism and talent training.

ISO 27001 certificate of the SCSB



Information Security 3 policies and 5 goals

Confidentiality, Completeness, Availability

Compliance with domestic/international information security law

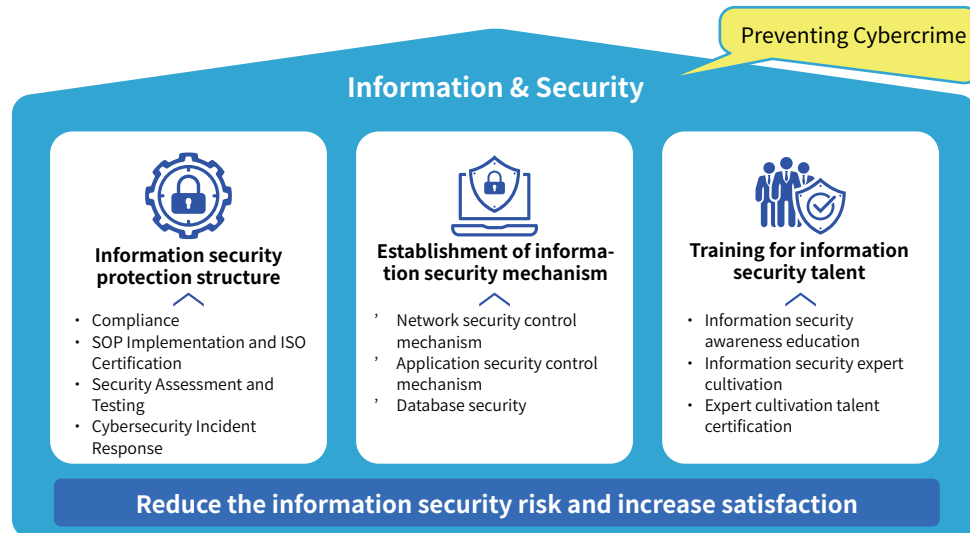
Maintaining the effectiveness of ISO 27001

Regularly reviewing the effectiveness of the information security mechanism

Establishing protection structure for information security

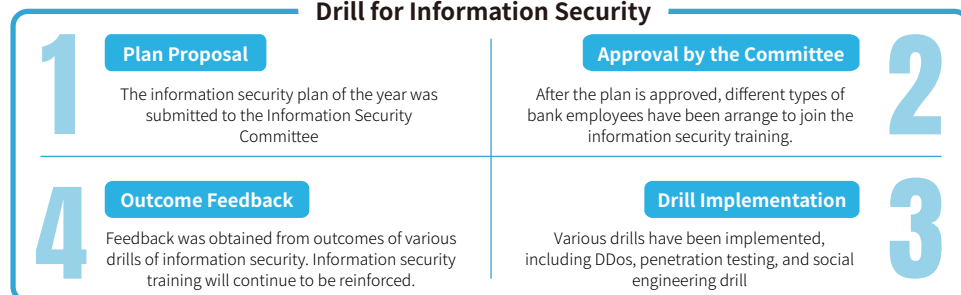
Regularly performing protection drill and evaluation for information security

Three Backbones for Information Security Governance



Our internal information security education training is subject to the "Management Regulations for Information Security Education" we formulated. Courses and training are planned for different types of staff, including new employees, regular employees and the staff of the Information Security Department. The information security education training plan of the year is submitted to the Information Security Committee by the Information Security Department. After approval, the plan is handed to the President for approval. It will be announced and put into practice by the President after approval. The outcome of education training is handed to the Information Security Department for evaluation of management outcome. In 2025, the SCSB organized 2.08 hours of basic information security training for new employees and 4 sessions of information security courses for all employees with a total of 5.7 hours. The courses cover information security awareness, application and risk of emerging technology information security, social engineering, and IoT information security. The SCSB provided 157.04 hours of training for the staff of the Information Security Department, including internal and external trainings. Meanwhile, we perform social engineering drill for the employees and Board of Directors every year. We will assist the department that performs significantly below our expectations based on the result of the drill. We will perform the drill again to evaluate the effectiveness and to ensure the consistency of information security.

Drill for Information Security



Drill for information security in 2025

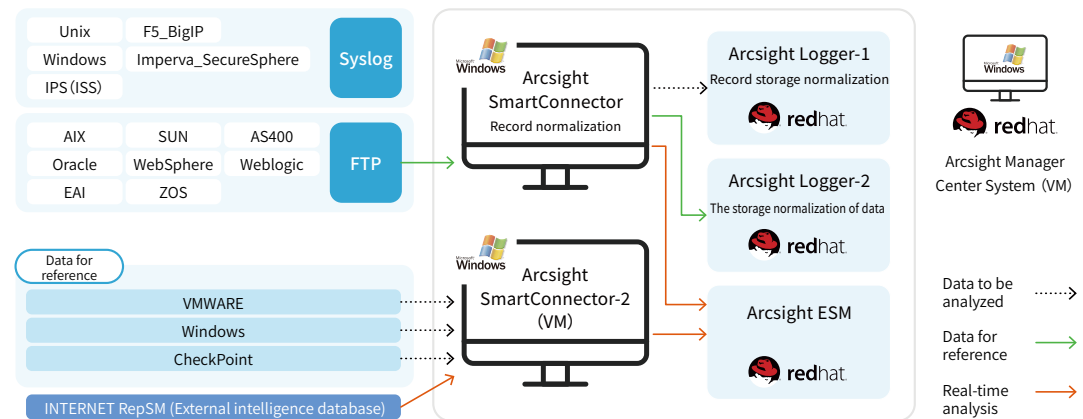
3 times of information security drills were held in 2025 (including the social engineering drill and DDoS attack drill) to help all employees become more familiar with real-time actions taken in response to any form of information security incident.

Drill Item	Drill Frequency	Drill Content	Drill Outcome
Vulnerability scanning	Once a quarter	Use the vulnerability scanning tool to perform scanning and testing for vulnerabilities of the operating system and network service, operating system or network service settings, and account password setting and management. The tool is used to check abnormal incidents during vulnerability scanning	After the vulnerability scan results this year are reviewed, improvements have been made or relevant improvement plans have been arranged for the vulnerabilities that have been patched
Penetration testing	Twice a year	Simulated network penetration technology and invasion technology are used to test the vulnerability of external service websites. Risk evaluation is performed for our existing security control mechanism and the protection capacity of the operating environment, to ensure confidentiality, completeness and availability	After the penetration test result this year is reviewed, all systems continue to adjust the items to be patched based on the risk level
Social engineering drills	Once a year	Through the use of email-based social engineering simulation tools and test emails, the SCSB pretends to be legitimate senders by sending test emails to all employees to assess their awareness of preventing email-based social engineering attacks	After the social engineering drill results this year are reviewed, it is shown that employees are more aware of information security. The SCSB will use promotional materials regularly to raise awareness of employees on information security
DDoS attack drills	Twice in 2025	Test SCSB's ability to effectively block or mitigate the impact of a hacker's DDoS attack through existing intrusion prevention event reporting and response procedures, in turn preventing the constant expansion of the attack's scope	It was determined that SCSB's protection mechanisms could detect and block the attack quickly. The target website service did not fail, fail to open normally, or fail to connect, indicating that the SCSB's protection mechanisms can provide an appropriate defense. Moreover, in 2025, the SCSB successfully passed drills held by the F-ISAC

Establishment of Security Incident Event Management (SIEM)

The SCSB aims to strengthen our capacity for log analysis, information security monitoring, and warning. The SCSB extended Arcsight Log, the existing centralized retention equipment, purchased the Security Incident Event Management (SIEM) platform module, and extended and adjusted the system structure software license to establish our Security Incident Event Management (SIEM) platform. The purpose was to adapt to future needs of retention, analysis, and monitoring of information security incident logs.

To continue to reinforce information security for business needs in 2025, the SCSB activated the establishment project of IoT equipment network segmentation. The targeted benefit is to meet the requirement for IoT physical segmentation specified by the authorities. The goal is also to use firewalls to separate the WAN in the branch based on the operating status. It would be convenient for identification and management, and beneficial to the overall enhancement of information security protection for IoT equipment.



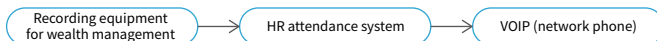
Reinforcement of information security control of IoT

To manage the IoT equipment used for operation management, the SCSB completed the network partition establishment program of IoT equipment. The LAN of the branch is separated by firewalls based on the operating status for easy identification and management. Information security protection of IoT equipment is enhanced. The SCSB continues to strengthen the information security of IoT information systems, raise awareness of correct information security, improve the habit of information security, and avoid information security incidents such as sensitive data exposure.

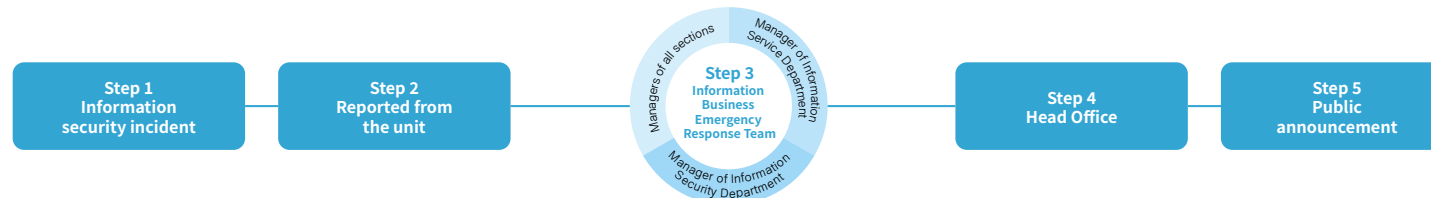
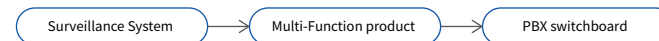
The SCSB explicitly specified the "Regulations Governing Information Security Incidents" and "Establishment Regulations for Information Security Incident Response Team" to define the reporting process and response guidelines for information security incidents. The SCSB is able to resume operation quickly and effectively according to systematic processing procedures and take required improvement measures. When an information security incident occurred, the manager of the Information Service Department, managers of all sections and the manager of the Information Security Department formed the Information Business Emergency Response Team. This team is responsible for taking emergency response measures and activating the continuous operation plan of relevant businesses. Meanwhile, this team helps the Head Office prepare for the press release and explain it to the public. In 2025, there's no detrimental information security-related incident happened in the SCSB.



Connect to the server of Headquarters to conduct control



Standalone operations, non-centralized control



Establishment of a smart green engine room

To further enhance the operational efficiency and security of its information hardware infrastructure, the SCSB has adopted green data center design principles to improve system stability and energy efficiency, while addressing information security requirements and aligning with energy saving and carbon reduction sustainability trends.

2.6 Customer Relationship Management



The SCSB was awarded the "Best Trusted Brand Award" from Excellence Magazine in 2025.

With the service tenets "Always Placing Customers' Needs First" and "Warmth, Ease, Respect" in mind, the SCSB focuses on customer-oriented innovative, convenient service and proactively improves service quality. Currently, the SCSB established "Consumer Protection and Fair Customer Treatment" in Head Office Strategic Planning. It is responsible for integrating the feedback channels for customers' messages, organizing and coordinating, following up and analyzing consumer disputes and customer complaints, and reporting improvement measures to senior management to continue to improve our service quality.

To continuously implement the SCSB's customer-first service philosophy and emphasize the importance of customer feedback, the SCSB officially introduced the international standard ISO 10002 Customer Satisfaction Management System at the end of 2021. This system conducts a comprehensive review of complaint management, strengthens the involvement of senior management, and enhances horizontal cooperation and communication across departments. Through regular management meetings, the possibility of optimization of customer service experience is being discussed for each case. The top management monitors the execution outcome, checks for any chance of improvement in the operating process and service. The SCSB received the ISO 10002:2018 international standard certification in 2022 and continued to maintain the certification through 2025. To improve efficiency and quality for handling consumer disputes, the SCSB added a risk-oriented elevation and complaint mechanism and the SOP for unreasonable customer complaints in the guidelines for complaint handling, to continue to enhance fair customer treatment in the SCSB.



The SCSB obtained certification for the ISO 10002 Customer Complaint Management System. In 2022, the certification was awarded by BSI Group, with the certificate presented by Jun-Hao Hsieh, Chief Operating Officer of BSI, and accepted on behalf of the SCSB by then President Chih-Hung Lin. The SCSB successfully passed the recertification in 2025 and obtained the renewal certificate.

2.6.1 CONSUMER SERVICE AND PROTECTION

The SCSB adheres to the ten principles of fair customer treatment set by the FSC. In serving customers, the SCSB upholds the service philosophy of "Always Placing Customers' Needs First" and fulfills the mission KYC (Know Your Customer) and KYP (Know Your Product). The SCSB examines and customized financial plans carefully for customers, with a sense of mission to "Place customers as the top priority." This ensures that "Warmth, Ease, Respect" become the best impression customers have of the SCSB.

SCSB stipulated the "Guidelines for Consumer Protection" and formulated the consumer protection policy based on the Principle of Fair Customer Treatment. The service provided, the transaction, and all kinds of standard form contracts and terms formulated are based on fair and reasonable equality, mutual benefit, and ethical principles. In addition, the SCSB offers all kinds of customer opinion and appeal channels. The "Elderly Customer" option in the quick voice list of the telephone customer service center is provided for customers aged 65 years and above, which will be put on top priority, to reduce waiting time for a more friendly financial service. Based on the rules for appeal protection principles, SCSB set up dedicated departments and assigned adequate staff for customer appeals, to handle appeals by financial consumers properly and protect the rights of financial consumers.

To materialize and enhance the protection of senior clients' rights, the SCSB continued to update various consumer protection and fair customer treatment-related regulations. These include revisions to the "ISO 10002 Complaint Handling Management System Operation Directions", "Principles for the Fair Treatment of Elderly Customers", "Principles for Friendly Financial Service", "The Policy for the Principle of Fair Customer Treatment", "Regulations for Establishment of Consumer Protection and Fair Customer Treatment Committee", "Guidelines for Consumer Protection", and "Customer Information Management Guidelines" in a bid to reinforce the management of appellants' personal information in disputed cases.



Guidelines for Consumer Protection

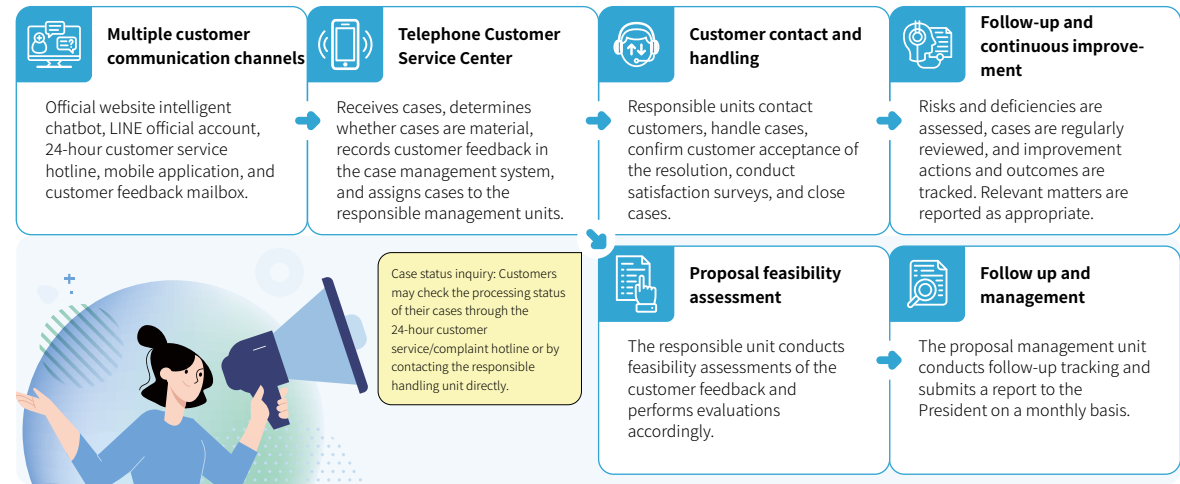
2.6.2 LISTEN TO THE CUSTOMERS

The SCSB collects customer feedback through various channels and has formulated the "Customer Information Management Guidelines," setting out procedures for handling customer feedback, response deadlines, customer data confidentiality, follow-up review and audit mechanisms, and personnel training requirements. The SCSB has established a risk-based escalation and reporting mechanism to identify the root causes of customer complaints and to propose timely response measures. Relevant mechanisms continued to pass ISO 10002:2018 certification through 2025. The telephone customer service center utilizes an automated complaint management system that tracks the entire process, from acceptance, handling, and satisfaction surveys to case closure, with an independent case closing mechanism. Upon receiving a customer inquiry, the responsible unit contacts the customer to ascertain the circumstances and actively address the matter, and provides a response on the handling results within 15 days. The management unit regularly collects complaint data and analyzes it monthly and quarterly from various perspectives, including customer, product, channel, and personnel services. Insights derived from the data are used to identify improvement opportunities and enhance awareness of and attention to complaint handling across front-, middle-, and back-office functions. Clients may submit complaints related to consumer rights through the SCSB's 24-hour telephone customer service center, email, or by submitting a signed written complaint. The SCSB maintains documented procedures and processing timelines for the receipt, investigation, and resolution of complaints to ensure the effectiveness of its consumer dispute resolution mechanism. A total of 103 dispute-related cases were handled in 2025.

Diverse Communication Channels for the Customer

Official Website Smart Customer Service	Provides prompt assistance, relevant links, and information. Customers can enter their inquiries directly or use the virtual assistant to quickly locate related topics. Both text-based and voice AI chatbot services are available to support customer inquiries.	
The SCSB's LINE account	Offers personalized binding to the user's LINE account, providing the latest updates, exclusive offers, and promotional information.	
24-hour service hotline	Designated personnel are available to collect customer feedback and address issues promptly in accordance with relevant regulations.	(02) 2552-3111 Free line: 0800-003-111
Feedback mailbox		service@scsb.com.tw

Customer opinion handling process



2.6.3 IMPROVE THE CUSTOMER SERVICE

Throughout its century-long history, the SCSB has embedded a service-oriented mindset into every aspect of its operations. For example, all new employees are required to complete at least five hours of etiquette training. The SCSB has also developed the "5 Heart to Heart Rules Manual in the Business Hall", which outlines key service principles across five key customer touchpoints: welcoming, waiting, counter service, transaction, and walking the customer out. Since the launch of service quality evaluations in 2005, the SCSB has consistently demonstrated steady improvement in performance, thanks to the collective efforts of all staff members.

Customer satisfaction survey

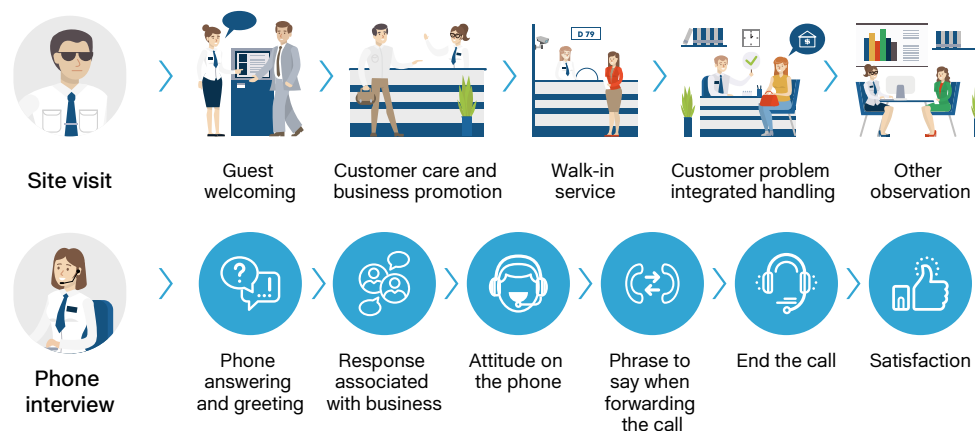
The SCSB attaches great importance to customer rights and customer experience. To further understand customers' perceptions and experiences, a customer satisfaction survey was conducted across all domestic business units, and the results will serve as key references for service improvement initiatives. In 2025, a total of 2,498 questionnaires were collected, with a satisfaction rate of 98.63% and a coverage rate of 100%.

	Actual results for 2025	2025 Targets
Customer satisfaction	In 2025, 2,498 questionnaires were retrieved, achieving a customer satisfaction of 98.63%	Complete at least 1,600 customer satisfaction surveys, achieving a customer satisfaction of 95% and above
Scope of data	across all domestic business units, with a coverage rate of 100%.	

Mystery Shoppers' Survey

In 2025, in addition to the routine questions of the mystery shopper evaluation, the SCSB continuously adjusted its evaluations in line with current trends and incorporated recent friendly financial service-related topics highlighted by competent authorities into the content of counter and telephone assessments at various business units. The approach aims to reinforce employees' competency and familiarity with these practices, thereby enhancing the SCSB's brand value and improving customer experience. In 2025, the SCSB conducted service evaluations for all 74 business units and 37 back-office units through on-site visits and telephone interviews. The evaluations were performed by applying an analysis method that focused on levels of implementation and satisfaction to maximize customer satisfaction..

In 2025, the average service quality score from branch on site visits was 72.21 points, representing an increase of 1.77 points compared to 2024 (70.44 points). The improvement was primarily attributable to most branches demonstrating friendly and courteous service attitudes during customer interactions, as well as patiently verifying information and providing explanations. Notable progress was observed particularly in the "reception" and "counter transactions" service items. The total telephone survey score was 8.22 points out of 10, reflecting a slight improvement of 0.04 points over the previous year. Service staff at business units generally adhered to telephone service etiquette and interacted appropriately with customers.



2.6.4 FINANCIAL FRIENDLY SERVICES

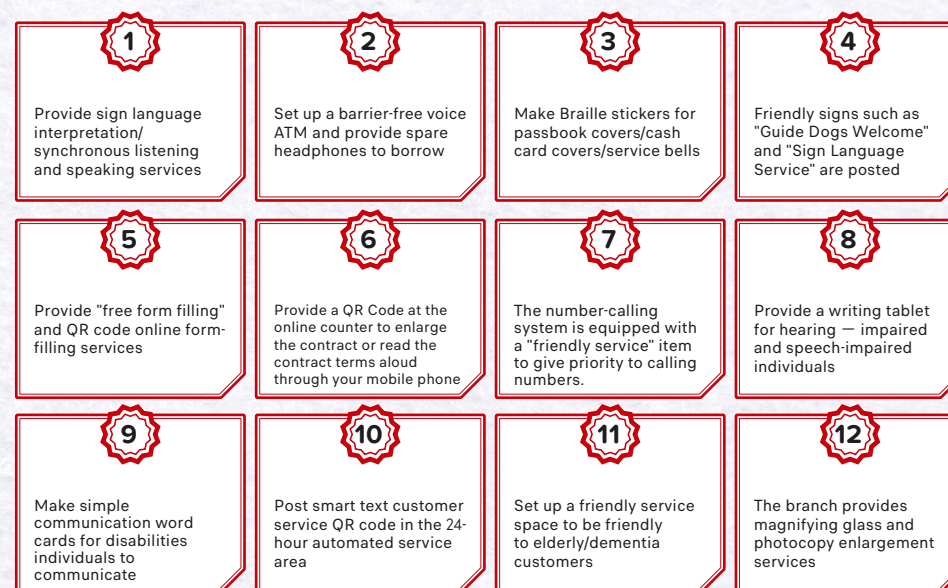
The SCSB has set up "Financial Friendly" and "Elderly Friendly" sections on its official website. The "Financial Friendly" section integrates the implementation status of the SCSB's "Financial Friendly Service Measures", automated service equipment environment inventory and refined lists, Q&A on financial friendly service operations, easy-read version of account opening process, the SCSB's "Accessible Service Facilities (Measures) Available at Each Branch," and applications for people with disabilities through the Internet ATM inter-bank withdrawal fee reductions, and accessible online bank link, which are convenient for customers to refer to. The "Elderly Friendly" section compiles service information tailored to elderly customers, including retirement housing, trust planning, life/medical/security/nursing care insurance, long-term care information from the Ministry of Health and Welfare, whole life insurance, cross-industry services provided by the SCSB, anti-fraud reminders, and more, all aimed at supporting the needs of older adults in a userfriendly manner.

Column | Q

Fair Customer Treatment Competition

To continuously enhance the implementation of the SCSB's Fair Customer Treatment Principles and improve financial friendliness in service delivery, the SCSB has been holding the fair customer service competition since 2022. Every year prior to each event, the competition structure and scoring criteria are reviewed and adjusted based on the previous year's performance and industry highlights in fair treatment evaluations. The 3rd Fair Customer Treatment Competition was held in January 2025, including bonus point categories such as optimization proposals for the Principle of Fair Customer Treatment; case studies of friendly services for seniors and customers with disabilities; participation in consumer protection-related courses organized by competent authorities; participation in events or seminars for vulnerable groups such as seniors or people with disabilities; encouraging hearing-impaired customers to use sign language interpretation services; prevention of fraud against clients; and complaints. Customer complaints are considered for point deduction. Participants are ranked by total score. The top ten receive cash rewards, and units scoring in all categories were awarded achievement bonuses.

Service Highlights of the Year Related to Treat Customers Fairly



Fair customer
treatment



Financial
Friendly



Elderly
Friendly

2.6.5 CUSTOMER SATISFACTION FEEDBACK

Customer feedback for friendly financial services in 2025



Sanchong Branch

Ms. Tsai, aged 77, visited the Sanchong Branch to conduct over-the-counter cash withdrawal and fund transfer transactions. She had previously participated in an anti-fraud awareness session organized by the Branch in July at the New Taipei City Senior Citizens' Club (Zheng An Community Activity Center). During her visit, Ms. Tsai encountered Manager Chang, the Operations and Compliance Supervisor who had also attended the same community outreach session. She greeted Manager Chang and inquired further about the "Three Key Measures for Real Estate Fraud Prevention" introduced during the event. Ms. Tsai expressed her appreciation for the SCSB's efforts in conducting community-based anti-fraud education programs, noting that such initiatives have enhanced senior citizens' ability to recognize fraud schemes and heightened their vigilance. She also commended the proactive assistance provided by branch staff and management, affirming the SCSB's commitment to safeguarding customer assets through public education and attentive frontline service.

2.6.6 FULFILL CONSUMER PROTECTION

The inter-departmental "Consumer Protection and Fair Customer Treatment Committee" has been established to show that the SCSB cares about financial consumer protection and fair customer treatment, and fulfill the Principle of Fair Customer Treatment and handle and track the dispute over financial commodities. The Committee is chaired by the President. The unit supervisor of the relevant unit serves as the committee and director-general. A monthly meeting is held to examine complaints, propose improvements, track improvement measures of all units, reinforce implementation of the Principle of Fair Customer Treatment, and ensure fair, rational customer treatment during product or service provision.

Consumer protection and fair customer treatment committee composition



Besides this, the SCSB complies with the regulations for principles of product or service suitability. Before drawing up a contract for a financial commodity or service with the financial consumer, the SCSB fully understands the information of the financial consumer and checks if the commodity or service is suitable for the financial consumer. For the review meeting regarding the launch of the trust and insurance product, before the launch and sale of any financial management product, the SCSB will assess and review the content, legality, and risk attribution of the product at the aforementioned review meeting. The product can only be launched for sale after its review is approved. The product review mechanism is for the protection of the investors' rights. The mechanism serves as a medium for the SCSB to realize the corporate social responsibility.

If there's a new product/service we have never undertaken, or before each unit submits the application to the competent authority or takes on business, relevant review documents shall be submitted based on regulations and submitted to the Compliance Department for new product and service compliance review. The chief compliance officer of the Head Office claims that the product or service meets legal and internal regulations and leaves a signature to show that he takes responsibility for approval. This ensures that the operating activity meets legal and internal regulations.

When a customer wants to purchase a financial commodity, he/she needs to finish the Know Your Customer (KYC) survey. The purpose is for the SCSB to assess the risk tolerance of the customer

before providing relevant financial services. The sales control mechanism regulates the salesperson to recommend the suitable product (KYP) to the customer based on his/her investment attributes. The trading system of the online bank platform and branch verifies whether the product risk capacity is suitable for the customer. The product cannot be traded if it is not suitable. The mechanism fully implements product suitability review and carefully helps the customer assess the investment and financial management products to be purchased. These will help the customer not to exceed the investment risk he/she can tolerate. To fully know the customer and provide the financial management service that fits the customer's needs, the SCSB established a control mechanism for the after sales service. We will regularly and occasionally review the customer's investment status to secure the customer's investment assets.

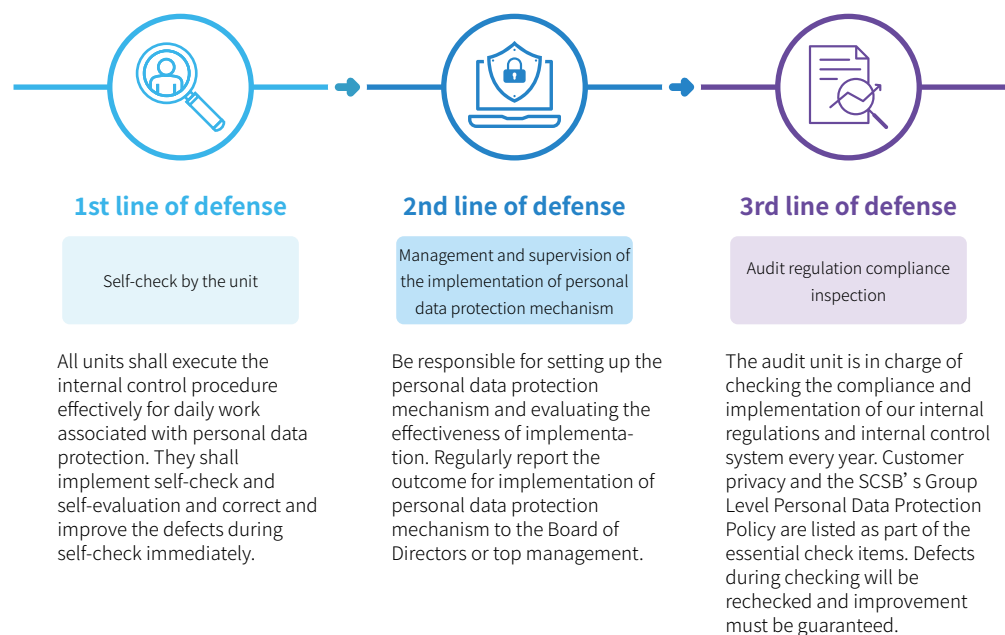
Customer Risk Tolerance Assessment



2.7 PRIVACY INFORMATION PROTECTION

2.7.1 PERSONAL DATA PROTECTION POLICY AND MEASURES

"The SCSB Group Personal Data Protection Policy" has been drawn up to set up the basic management structure of the personal data protection system in the SCSB and its subsidiary. The Policy also guarantees the rights of the party's personal information. In addition, the SCSB's "Personal Data Management Policy" and relevant management guidelines are based on the "Personal Data Protection Act". The SCSB's personal data protection system was certified for Personal Information Management System (PIMS) in 2016. The SCSB set up the Personal Data Protection Management Team. Via risk evaluation, security regulations, system management, process improvement and education training, the SCSB continues to conduct Plan-Do-Check-Act (PDCA Cycle) to strengthen and protect customer's personal data obtained during the personal data life cycle. Meanwhile, the SCSB adopted the three lines of defense of the international management Best-Practice to guarantee customer privacy through systematic group risk management procedure. Collection, handling and use of personal data at the SCSB complies with the "Personal Data Protection Act". On top of this, according to the "SCSB Group-Level Personal Data Protection Policy," the SCSB appointed the Compliance Department as the chief unit in charge of handling privacy issues or concerns. Meanwhile, the privacy policy systems were embedded in group-wide risk/compliance management.



The SCSB includes "Personal Data Protection" as part of the compliance risk self-assessment items from time to time, with each domestic unit performing its compliance risk self-assessment. If any assessment reveals a potential mid-to-high risk or a potential high risk, the unit should propose improvement plans and implement them accordingly. In 2025, the SCSB incorporated Personal Data Protection as a management issue during the compliance risk assessment. Moreover, if the compliance risk assessment tested it as a potential mid-to-high risk, a potential high risk, an acceptable result, or an ineffective unit, an improvement plan will be initiated and tracked to inform implementation.

To prevent customer data breaches and enhance the response capabilities to incidents of personal data infringement, the SCSB has established the "Regulations for Reporting and Handling of Personal Data Security Incident" and the "SCSB Group-Level Personal Data Protection Policy." When a suspected personal data security incident occurs and an incident that breaches the privacy protection policy, the unit's Legal Compliance Officer should report it to the Compliance Department alongside the Audit Department immediately. If the issue management meeting concludes the incident as a personal data security event, the Personal Data Protection Management Team would step in and enact necessary personal data security reaction measures to ensure any personal data security incident is addressed with care whilst protecting the consumer's right at all costs. Moreover, the involved unit will proactively communicate with the party involved about the compensatory scheme and other necessary items. After that, a security incident review meeting will be convened with relevant unit supervisors to formulate mitigation and prevention measures. Lastly, disciplinary actions will be placed on the personnel involved by referring to the privacy protection policies and other internal regulations. No material incident involving the leaking of customer personal data occurred in 2025.

Reporting level of incidents on all levels

Incident Level	Determination Principles	Severity Level	Reporting Level
Major Personal Data Security Incident	Occurrence of Personal data security incidents that may endanger the SCSB's normal operations or severely affect one's rights	High	Report to the Compliance and Audit departments as well as the Personal Data Protection Management Team for review
General Personal Data Security Incident	All personal data security incidents by excluding major personal data security ones	Low	

We follow the "Standards Governing the Security of Personal Data Files for the Designated Non-government Agency" established by the Financial Supervisory Commission to establish relative internal regulations for the personal file security maintenance. To prevent personal information from being accessed inappropriately, control measures have been established for the regulations and systems of related operations. These will effectively secure personal information, protect the customer's right to personal information security, and maintain information security and privacy.

Conduct third-party audits of the privacy policy compliance

The SCSB has paid great attention to the security of personal data protection and adhered to the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" since 2017. A certified public accountant (CPA) conducts on-site audits of the design and implementation of the SCSB's personal data management system as well as the compliance of the privacy policy, and the relevant results are submitted annually to the FSC for review and approval.

2.7.2 Customer Rights Notification

To respect the rights of customers to exercise their personal information, the SCSB formulates the "**Personal Data Management Policy**" to inform customers of the purpose of use of personal information, the type of personal information, the duration, area, target and method of use, the rights and methods in line with the Personal Data Protection Act. Similarly, the subject may exercise his rights in accordance with Article 3 of the Personal Data Protection Act and freely choose to provide his or her personal data when failing to provide impact harnessing the interests of subjects.

The SCSB's website also clearly states "Notification for the Contents of the Obligation to Inform the Practice" based on Article 8, Paragraph 1 of the "Personal Data Protection Act" with the following key points:

The type of personal data and information collected	The purpose and use of personal data collected	Protection for the type of personal data collected	Our retention period of collected personal data based on regulations and the purpose of business	The subject and situation of use of personal data by the third-party
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The SCSB fully informs customers of their rights to give prior consent to rights to opt-in and opt-out, request access to data held by the SCSB, and request data correction, deletion, removal of personal data (including transferring personal data to other data service providers), termination of processing and utilizing data accordingly.

In addition, to enhance customers' understanding of the SCSB's personal data protection measures, the SCSB has established a Personal Data Protection Q&A section on its corporate website, enabling customers to quickly understand the SCSB's personal data protection mechanisms through simple and easy-to-understand dialogues.

The secondary use of customers' personal data refers to telemarketing activities in compliance with the Personal Data Protection Act and other relevant regulations. In 2025, the proportion of customer data subjected to secondary use accounted for 5%. Moreover, internal regulations have been established to govern the above activities and ensure compliance with the following principles:

1. Seek customers' prior written consent or authorization.
2. Critically evaluate collaborative partners' ability to maintain the confidentiality of customer data before establishing co-marketing relationships.
3. Transmit customer data to collaborative partners through end-to-end encrypted mechanisms, with access restricted to authorized personnel for legitimate business purposes.
4. Conduct both regular and ad-hoc audits of collaborative partners to examine whether operations comply with applicable laws and regulations.

2.8 DIGITAL FINANCE AND SERVICE INNOVATION

The SCSB's digital development is driven by the vision of offering clients the best digital experience. Focusing on clients' needs and by applying data analysis, the SCSB strives to provide essential and convenient financial services to its clients. Additionally, it serves as a valuable partner in customer acquisition and retention for the SCSB's business units and branches. In addition, the SCSB has long been a corporate laboratory member of FinTechSpace and has maintained good interaction with startup companies in the space. Through regular corporate events organized by the space, exchanges between startups and relevant departments of the SCSB can be arranged to explore collaboration opportunities. In 2025, the active mobile banking users for promotion of digital financial services resulted in a 2.36% increase, an 4.88% increase in active mobile banking users, and a 17.9% growth in digital account openings.

The SCSB has allocated budgets for system development, new feature implementation, and FinTech-related collaboration projects. In conjunction with the centralized application, management and advancement of artificial intelligence (AI) technologies across the bank, the SCSB continues to drive the enhancement, innovation, and development of various digital financial services. Looking ahead to 2026, the SCSB will continue to expand its digital service landscape by actively exploring the adoption of new FinTech technologies and partnerships with startups to develop innovative business models and deliver richer, smarter interactive experiences.

The Main Initiatives

1. Personalized new online banking system

To enhance the adoption rate and customer satisfaction of online banking services, the SCSB launched a project in 2022 to develop a brand-new personalized online banking system. Leveraging new web technologies, the system provides a fully personalized online banking service with user interfaces tailored to individual customer needs. The first phase of service functionalities was officially made available to the public in January 2025, and full rollout was completed in November of the same year.

Personalized new online banking system

Personalized new online banking system

Introduction
of the SCSB
Mobile App



2. Corporate Online Banking App

In October 2025, the Corporate Online Banking App expanded its service scope by adding dozens of transaction and inquiry functions, including foreign currency transfers, remittances and exchanges; small amount TWD transfers; time deposits in both TWD and foreign currencies; online financing and loan repayments; import repayments; and fund investments.

Additional features such as password change services, exchange rate target notifications, time deposit pledge loan calculators, push notifications for transaction results, advertising modules, and fast login to the web version were also introduced. These enhancements significantly improve efficiency and value experience for highly mobile users or customers with centralized decision making needs in areas such as transaction execution, password management, and information access, thereby realizing a one stop mobile financial service solution for corporate operations.

Corporate Online
Banking App



3. Corporate Online Banking Reconstruction

Our corporate online banking system has been operating steadily for many years. In response to evolving digital transformation requirements and to meet customers' expectations for intelligent workplace solutions, the SCSB plans to launch a corporate online banking system redevelopment project in the fourth quarter of 2026. This project will focus on enhancing system flexibility and scalability, leveraging technological innovation to help enterprises optimize fund allocation, reduce transaction risks, and improve operational efficiency, with the aim of becoming a preferred partner for corporate cash management.

4. LINE Official Account Text Customer Service

The text customer service for corporate customers was launched via the SCSB's official LINE account in the first quarter of 2025. Powered by SmartRobot, the service provides intelligent and convenient support by presenting frequently asked questions in visualized formats, including infographic cards, step by step process guides, and instructional videos, enabling corporate clients to complete operations efficiently. For more complex operational issues, live text based customer service agents are available to assist clients directly. By integrating robotic automation with human support, the system facilitates human machine collaboration to resolve issues encountered by corporate clients when using the SCSB's eWB platform and Taiwan Pay merchant services, thereby enhancing overall satisfaction with the digital customer experience.

Official Account
Text Customer
Service



5. Digital Currency Applications

The SCSB took part in the first phase (wholesale) and second phase (universal) retail payment pilot plans of CBDC. For B-end (business) and C-end (consumer), the SCSB designed an application scenario for receipt and payment and cross-border remittance to save time for transactions. As arranged by competent authorities, the SCSB was engaged in the SWIFT CBDC Sandbox Plan. The SCSB works with global institutions participating in this plan, facilitates digital currency exchange among platforms, and builds an international payment ecology. The SCSB will continue to adapt to the plans of competent authorities, pay attention to international development trends, and explore cross-border payment and the application in financial innovation.

6. Organizational Restructuring of the Digital Banking Department

In response to the quick development of AI and the integration of the utilization, management, and development of AI technology application among the entire bank, the operation of customer experience and data governance and application under the Head Office Strategic Planning Department has been incorporated into the Digital Banking Department in January 2025.

7. CloudBank Digital Brand

The SCSB conducted a revision of Cloud Bank, a digital brand website and an existing channel in 2023. Core functions were organized, and information was integrated. The new website was launched in 2024. The young user experience and brand exposure are enhanced via themed activities and gaming interface elements. As of the end of December 2025, the website recorded 67.3 thousands visits and 85.8 thousands information clicks. The DAU/MAU ratio reached 13.5%, indicating that users visited the platform an average of approximately four to five days per month. These reflects improved platform stickiness, with sustained and progressive exposure to the SCSB's services, thereby laying a solid foundation for the development of future digital business models.



Cloud Bank by
SCSB

8. LINE Official Account Push Notification Services

The SCSB has expanded its LINE Official Account to include a range of push notification services, such as exchange-rate target alerts, incoming fund notifications, and various credit card-related notifications. Through timely and diversified push notifications, the SCSB enhances customers' efficiency in accessing information and overall service experience, further strengthening customer engagement and interaction with the SCSB.



Column | 🔍

Cross Bank Joint Proof-of-Concept hyphen for Precious Metals Using RWA Tokenization Technology

The SCSB participated in the "Cross Bank Joint Proof of Concept for Precious Metals Applying Real World Asset (RWA) Tokenization Technology," an initiative led by the Bank of Taiwan. This project represents a significant milestone in advancing the application of real-world asset tokenization within Taiwan's banking sector. It marks the first domestic implementation of tokenization technology in cross-bank operations, successfully validating a "cross-bank on-chain gold trading" model in a simulated environment. Through the use of smart contracts, the project enabled real time delivery versus payment (DVP) settlement and cross bank physical gold withdrawal, effectively addressing challenges associated with traditional gold passbook transactions, such as low settlement efficiency, cumbersome withdrawal processes, and higher transaction costs. In addition, the project team developed a digital certificate mechanism, further validating the commercial application model for cross bank physical gold withdrawals and demonstrating the feasibility of tokenized precious metals in practical banking scenarios.

Column | 🔍

Comprehensive Upgrade of Personal Online Banking

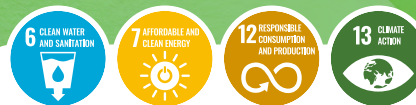
To make digital financial services more responsive to user needs, the SCSB has continued to enhance the user experience of its online banking and mobile services. In terms of login functionality, QR code and PUSH notification authentication were introduced and integrated with mobile banking app device binding, eliminating the need for customers to remember complex passwords. For foreign exchange services, new features were introduced, including inward remittance processing and scheduled foreign currency transactions, along with support for higher settlement limits, improving flexibility and convenience. In addition, this upgrade further strengthened everyday transaction capabilities, including scheduled TWD transfers, secondary debit settings for insufficient balances, and a range of online bill payment services, resulting in a more seamless and intuitive user experience.

3

Environment Always Sustainable

- 3.1 Sustainable Finance
- 3.2 Climate and Natural-Related Information
- 3.3 Green Operations

With attention drawn to the effects brought by global warming and climate change, the SCSB strives to influence its financial peers to co-develop green and sustainable products and services, assist Taiwan in smoothly shifting into a low-carbon economy, and reach net-zero emissions eventually. When it comes to daily operations, the SCSB has actively engaged in promoting energy conservation and emissions reduction, providing customers with paperless banking service, and introducing its headquarters with the concept of green building design to gradually become a role model in the sustainability field. In terms of credit and lending business, the SCSB has passed the SBTi goals and sets GHG emission reduction plans targeting listed and over-the-counter (OTC) securities and bond investment, corporate loans, and project finance for the electricity generation industry (see **Ch3.3 Green Operation**). Meanwhile, in order to cope with the impacts of climate change, the SCSB has implemented the structure of the Task Force on Climate-Related Financial Disclosures (TCFD) into its system to critically assess climate-related risks and opportunities, evaluate the potential impact targeting operational and financial by referring to the scenario analysis, design effective reactive measures, and enhance corporate climate resilience while fulfilling the goal of sustainable development. Meanwhile, the SCSB gradually follows the IFRS S2 Climate-related Disclosures published by the International Sustainability Standards Board (ISSB) to enact relevant management and disclosure mechanisms meeting the guidance.



THEMES IN LINE WITH GRI TOPIC STANDARDS

- GRI 302 Energy
- GRI 303 Water and Effluents
- GRI 305 Emissions
- GRI 306 Waste
- GRI 308 Supplier Environmental Assessment
- GRI 414 Supplier Social Assessment

KEY MATERIAL TOPICS

- Sustainable Finance
- Climate Strategy and Management

PRIORITIZED STAKEHOLDERS FOR READING

- Government and regulatory authorities
- Financial institutions
- Suppliers
- Customers
- Organizations associated with the environment



3.1 SUSTAINABLE FINANCE

The SCSB works collaboratively with government guidelines, plans out products and services by resonating with the green finance aspect, and supports the development of diverse industries, including solar power, green tech, and key start-ups. In addition, as the Financial Supervisory Commission (FSC) has actively promoted the "Green and Transition Finance Action Plan" since 2024, the SCSB projects to advance both investing and financing business for the Six Core Strategic Industries and other green energy industries wholeheartedly to fulfill the goals of sustainable developments and net-zero emissions. Furthermore, the SCSB officially joined the Equator Principal Association back in October 2022 where the firm would adopt the "Equator Principles 4 (EP 4)", proactively conduct potential environmental and social risk management targeting credit cases, empower business partners to fulfill their environmental protection goals and social responsibilities, as well as optimize the sustainable finance impact.

For investments and financing businesses involving high carbon-emitting fossil fuels, the SCSB has set the following phased reduction targets:

	Unconventional Oil & Gas	Coal Enterprises
Decarbonization strategy	❖ Financing - Starting from 2023, the SCSB will no longer undertake new financing in the unconventional oil & gas industry - The SCSB currently does not hold any credit positions in unconventional oil and gas ❖ Investment - Except for investments in state-owned enterprises of various countries or where the use of funds is dedicated to sustainable transition, starting in 2023, the SCSB will no longer undertake new investments in the unconventional oil & gas industry - Setting 2023 as the SCSB's base year, the investment positions will reduce by 50% by 2030 - In 2040, the SCSB will achieve its global phase-out commitment, maintaining zero investment position in the unconventional oil & gas industry	❖ Financing - Starting from 2023, the SCSB will no longer undertake new financing in coal enterprises - Setting 2023 as the SCSB's base year, the financing positions will be completely phased out by 2040 to meet our global phase-put commitment ❖ Investment - Except for investments in state-owned enterprises of various countries or where the use of funds is dedicated to sustainable transition, starting in 2023, the SCSB will no longer undertake new investments in coal enterprises - Setting 2023 as the SCSB's base year, the investment positions will reduce by 50% by 2030 - In 2040, the SCSB will achieve its global phase-out commitment, maintaining zero investment position in coal enterprises
Applicable scope*	- Revenue from unconventional oil & gas-related business activities (including extraction, production, and infrastructure projects) accounts for 30% or more. - Including oil and gas produced or extracted through unconventional techniques, such as shale oil and gas, tar sands, Arctic oil and gas, deep water oil and gas, ultra-deep-water oil and gas, and liquefied natural gas derived by non-conventional extractions	- Enterprises with coal-related business activities account for over 25% of revenue - Including coal mining, coal power, and coal infrastructure (such as coal processing plants, railways for coal transportation, receiving stations, pipelines, etc.) Specific industries involved may include sand and gravel extraction and other mining activities, electricity supply, railway transportation, and coal product manufacturing
Business scope	Investment services Including active investments in stocks and bonds, passive investments, and third-party managed investments Financing services Including credit lines/lending activities, underwriting fixed income product activities, and infrastructure financing/project financing	

Coloum | 

Issuing Sustainable Bonds to Empower Green Industries

In 2025, the SCSB issued two sustainable bonds with a total issuance amount of NT\$2.5 billion. The green investment projects focus on the development of solar, wind, and marine renewable energy facilities, as well as the installation or procurement of energy storage equipment dedicated to such renewable energy sources, the research and development of smart grid and energy storage technologies along with system installation and improvements in industrial processes, and the investment and financing of electric vehicles by supporting enterprises that replace or purchase electric vehicles in place of conventional gasoline and diesel vehicles to promote green transportation and reduce greenhouse gas emissions in the transportation sector targeting investments and financing.

In addition, in 2025, there was a total of 5 green loan cases meeting the requirements of the investment plan and the Joint Credit Information Center (JCIC). By the end of the year, the full quota of NT\$1.172 billion allocated to green investment projects had been fully utilized. On the other hand, the SCSB also underwrote green bonds totaling NT\$300 million in 2025, with the proceeds used for renewable energy development.

Coloum | 

SCSB's Credit and Debit Cards Acquired Carbon Neutrality Claim Verification

The whole series of the SCSB's credit and debit cards (with the EasyCard function) have obtained the Ministry of Environment's Carbon Footprint Label in February 2023 (valid between February 16th, 2023 and February 15th, 2028), which makes the SCSB's debit cards become the first-ever labeled cards in the financial service industry. In addition, starting in 2022, the SCSB has issued a new series of environmentally friendly credit and debit cards to constantly promote the idea of environmental sustainability.



3.1.1 SUSTAINABILITY ENGAGEMENT WITH CUSTOMERS

The SCSB projects to closely engage with clients by following the "Regulations for Sustainable Development Engagement" and designing the "SCSB Sustainability-linked Credit Extension Guidelines" to promote sustainable credit business. Moreover, the SCSB serves itself as the benchmarking management bank, and clients who achieve ESG indicators such as GHG emissions intensity, water consumption per unit of revenue, water consumption per unit of production, electricity consumption per unit of production, wastewater emission intensity, and suppliers' social responsibility, would benefit from rate cuts in return. This way, clients' adherence to ethical management, environmental protection goals, and the fulfillment of achieving the sustainable finance management policy would be more effective consequently. At the end of 2025, the SCSB had processed 71 Sustainability-linked loans, with a total credit balance of NT\$ 17.266 billion. In order to assisting the government in promoting the SMEs to achieve low-carbon innovation developments, offering infrastructure-centric project loans for both managed factories and specific ones. At the end of 2025, the SCSB assisted in the completion of 1,686 applications, with a total lending balance amounting to NT\$ 5.983 billion. In addition, in line with the government's policy of encouraging the financial industry to guide clients in meeting the Taiwan Sustainable Taxonomy, where the SCSB announced in October 2025 its engagement guidelines for corporate lending clients and offered preferential interest rates to those whose use of funds qualifies as general economic activities or enabling economic activities as defined under the said guidelines.

To reinforce sustainable engagement with individual customers, the SCSB has asked its Relationship Managers in personal finance to incorporate information related to financial services addressing environmental or social issues into the mortgage and loan application forms for personal finance starting from September 2023. At the end of 2025, the SCSB processed 14,342 applications and the proportion of individual (natural person) lending customers who have completed sustainability engagement reached 31.98%.

The SCSB finished setting up the sustainable investment sector in 2023 with a view to having stakeholders and investors acknowledge the concept of sustainable investment and the social impacts made by their investment decisions. Likewise, the SCSB also furnished an ESG-themed investment webpage where sustainable investment-conscious enterprises and individuals were welcomed to critically choose from ESG funds and overseas bonds. Lastly, there were a total of 13 listed funds meeting the Financial Supervisory Commission's (FSC) ESG fund criteria in 2025, with an accumulated amount of 67 listed funds and the scale for AUM valued at NT\$1.26 billion in the same year.

3.1.2 RESPONSIBLE FINANCING

The SCSB not only follows the "Equator Principles" and the "Principles for Responsible Banking (PRB)" but formulates the "Guidelines Governing SCSB's Responsible Lending", "Guidelines for Loans Applicable to the Equator Principles", the "SCSB Sustainability-linked Credit Extension Guidelines", and "Guidelines Governing Nature and Climate Risk Management" to review ESG risk factors deriving from lending applicants, investigate thoroughly negative sustainable information, and assess the potential impacts. Additionally, the extension of credit should take the following criteria into consideration, namely monitoring the status of credit applicants after granting loans, reviewing from time to time whether credit applicants fulfill their corporate social responsibilities, where potential impacts on social sustainability are identified, the credit customers' improvement plan should be reviewed and integrated into the loan renewal assessment.

Business engagement

- All SCSB staff are required to explain the ESG factors to both enterprises and individuals before engaging in new credit business
- Communicate ESG risks and opportunities with both enterprises and individuals via the SCSB's official website, social media, marketing material, promotional advertising, mobile apps, and service/products application forms. The coverage rate is 100%

Understand customers and the screening list

- environment, human rights, labor relations, and corporate social responsibility
- Review (KYC/CDD) whether clients fall under the categories of the Six Core Strategic Industries, green energy industry, and other ESG-friendly industries
- Refuse to conduct business with clients in coal mining, new coal-fired power plants, unconventional oil and gas, rainforest logging, tobacco manufacturing, arms (excluding local governments' defence industries), gambling industry which is not for public welfare

Seek for authorization

- Seek approval from relevant authorities after describing the result of ESG factor assessment comprehensively
- ESG factors could affect the interest rate criteria and credit extension

Follow-ups

- Review from time to time whether the customer fulfills environmental protection, corporate ethical management and social responsibility.
- If ESG risk factors are found within clients' core business and behavior, clients' granted loan amount could be retrieved by the SCSB gradually and encounter denial in terms of loan extension

Credit Business with the Six Core Strategic Industries

The SCSB actively provides funds to the Six Core Strategic Industries, empowers economy transmissions, and aids in industry recovery. At the end of 2025, there are 13,878 credit cases in total with the credit balance accounting for NT\$ 152.918 billion.

TYPES OF CREDIT	Balance (NT\$ billion)
Information and digital industries	56.854
Cybersecurity industry	32.958
Precision health industry	18.403
National defense and strategic industry	75.354
Civilian and defense industries	62.277
Green and renewable energy industry	53.484

Note : As the Six Core Strategic Industries contained double-counting ones, the balance amount applied to each column would not be consistent with the credit balance of the Six Core Strategic Industries

Credit Business with Green Energy Infrastructure

To achieve the net-zero goal in 2050, the SCSB supports the development of green energy infrastructure and encourages customers to invest in the construction of solar power plants, offshore wind power plants, and renewable energy systems and plants. By the end of 2025, there were 400 credit cases with the credit balance exceeding NT\$ 5.669 billion.

TYPES OF LOANS	Number	Balance (NT\$ billion)
Solar power	397	2.749
Offshore wind power	3	2.920

ESG Corporate Credit/Loan in 2025

The SCSB offers capital and services to support corporation's low-carbon transition to empower industry transition becoming more competitive. In 2025, a total of NT\$ 47.221 billion in ESG was extended, driving positive impacts on the environment and society.

Types of loans	Number	Balance (NT\$ billion)
Green loan ^(see Note 1 below)	1,663	29.342
Sustainability-linked loan	71	17.266
Social loan ^(see Note 2 below)	15	0.613

Note 1: The criteria of green loans is in line with the Joint Credit Information Center's (JCIC) definition of green credit.

Note 2: The loan targets are long-term care service institutions.

Project Financing

The SCSB's project financing business complies with the requirements of "Guidelines for Loans Applicable to the Equator Principles". Internal experts and independent third-party organizations evaluate the environmental and social risks of projects, categorizing them into three levels, namely A, B, and C. The evaluation includes human rights, climate change, GHG emissions, and biodiversity, as well as environmental and social management systems and plans to bolster and implement environmental and social risk management for project financing cases. In 2025, there was a total of 5 cases applied to the Equator Principles and underwritten by the SCSB, and all of which were fully disbursed.

Events	Affected environmental and social aspects	Management measures and results
Class B energy storage system project – NT\$2.48 billion, 8-year syndicated loan	- The project site is currently an unused idle Type B industrial zone. Based on two on-site inspections, there has been no human activity over the years. In addition, the site has low biodiversity and contains no ecologically sensitive areas. - Consultations with local residents indicated no objections; however, the developer has been advised to avoid any impact on local water quality.	- The project involves the construction of an energy storage system with a total installed capacity of 78 MW. - External consultants were engaged to conduct due diligence, and a third party was commissioned to verify the results of the due diligence.
Class C energy storage system project – NT\$3 billion, 7-year syndicated loan	It has been confirmed that there are no residential buildings or inhabitants within the project site, which is designated as Type B industrial land. Therefore, the site environment has relatively low biodiversity, and no ecologically sensitive areas were identified upon review.	- The project involves the construction of an energy storage system with a total installed capacity of 64 MW. - External consultants were engaged to conduct due diligence, and a third party was commissioned to verify the results of the due diligence.
Class B aquaculture – solar fish farm project – NT\$5.7 billion, 6-year syndicated loan	The project site is not located within an important wetland. In addition, the project involves a 161 kV underground transmission line with a total length of 4 km, which is exempt from conducting an environmental impact assessment.	- The project is an aquaculture – solar symbiosis site with a total installed capacity of 120 MW. - External consultants were engaged to conduct due diligence, and a third party was commissioned to verify the results of the due diligence.
Class C energy storage system project – NT\$3.92 billion, 5-year syndicated loan	The project site is neither located within a wetland nor a protected natural area. Terrestrial fauna within the site are scarce, and as the project involves the development of a low-pollution energy storage system, its impact on terrestrial wildlife is expected to be minimal.	- The project involves the construction of an energy storage system with a total installed capacity of 100 MW. - External consultants were engaged to conduct due diligence, and a third party was commissioned to verify the results of the due diligence.
Class B energy storage system project – NT\$3.25 billion, 6-year syndicated loan	The project area does not involve any important natural ecological zones or sensitive areas. The land is designated as a Type B industrial zone, with a relatively small site scale and relatively low biodiversity.	- The project involves the construction of an energy storage system with a total installed capacity of 99 MW. - External consultants were engaged to conduct due diligence, and a third party was commissioned to verify the results of the due diligence.

Environmental and social risk evaluation process in the Equator Principles



Green Building Loans

To encourage the public to purchase green buildings, the SCSB offers borrowers with "Green Building Candidate Certificate", "Green Building Label", or "Smart Building Label" recognized by the Ministry of the Interior (MOI) to enjoy green building loans. By the end of 2025, 1,068 loan applications were approved, with a balance of NT\$ 13.08 billion.

3.1.3 RESPONSIBLE INVESTMENT

The SCSB follows the "Principles for Responsible Investment (PRI)" and the "Stewardship Principles for Institutional Investors" to formulate regulations such as the "Regulations Governing Responsible Investment", "Regulations Governing Nature and Climate Risk Investment Management", and "Stewardship Standards", to dedicatedly develop green finance. In addition, through integrating ESG factors into investment decisions, promoting responsible investment and stewardship, and amplifying the sustainable influence within the financial services industry to foster a sustainable financial ecosystem. The discretionary asset management firms contracted by the SCSB have all signed statements of the "Stewardship Principles for Institutional Investors", covering 100% of the environmental, social, and governmental risk in the investment process.

Exclusion list

- The SCSB would not invest in coal mining, tropical rainforest logging, the tobacco industry, Polychlorinated biphenyls (PCBs), nuclear weapons, and illegal gambling
- The SCSB refrains from investing in projects involving pornography, drugs, money laundering, terrorist activities, forced labor, child labor, or violations of human rights. Furthermore, investments were also avoided in cases where the Board of Directors conducts businesses that violate laws, articles of association, or shareholder meeting resolutions, and have a significant impact on the rights of shareholders or investors.

Screening standards

- ESG due diligence was conducted for investment targets involving environmental pollution, social disputes, and poor corporate governance, or for industries or companies involved in potentially contentious issues.
- ESG indicators from domestic and international impartial organizations were incorporated into investment evaluation criteria, prioritizing companies with low to moderate ESG risks as investment targets.

Due diligence governance

- Continued to monitor, analyze, and evaluate ESG-related information on investment targets after the investment, and evaluated whether to change investment strategies or limit quotas.
- Discretionary trustees must adhere to SCSB's list of prohibited activities.

ESG-related Investment and Investment Products

Apart from investing in green bonds, social bonds, and sustainability bonds, the SCSB also actively invests in companies (including those that have committed to joining) or their bonds with a Bloomberg ESG score of 3.6 or above, or those that have joined the Science Based Targets initiative (SBTi). As of the end of 2025, the total balance of ESG-related equity and bond investments amounted to approximately NT\$145.725 billion, accounting for about 57.82% of the SCSB's total equity and bond investments. There were 162 ESG-related investment products, with total assets under management (AUM) of approximately NT\$2.397 billion.

ESG-relevant Investment Categories	Balance (NT\$ billion)
Equity investment	
Outstanding sustainable firm equity investment	17.464
Bond investment	
Green bond	11.04
Social bond	3.045
Sustainability bond	0.5
Bonds issued by outstanding sustainable firms	113.676
ESG-related Investment Product Categories	AUM (NT\$ million)
ESG fund (registered in the ESG fund section)	1,264
ESG overseas bond (registered in the ESG fund section)	855
ESG overseas equities and ETFs	269
ESG insurance	9

3.2 CLIMATE AND NATURAL-RELATED INFORMATION

According to the Global Risks Report 2026 released by the World Economic Forum (WEF), climate change and environment-related risks remain among the most severe global threats over the next decade, including extreme weather events, biodiversity loss and ecosystem collapse, major Earth system changes, natural resource shortages, and environmental pollution. Addressing the impacts of climate change has become a critical issue of shared global concern. In recent years, governments worldwide have strengthened climate governance and established net-zero carbon emission targets. Taiwan has also legislated its 2050 net-zero emissions target, and further climate-related regulations for industries are expected in the future, presenting both challenges and opportunities for enterprises.

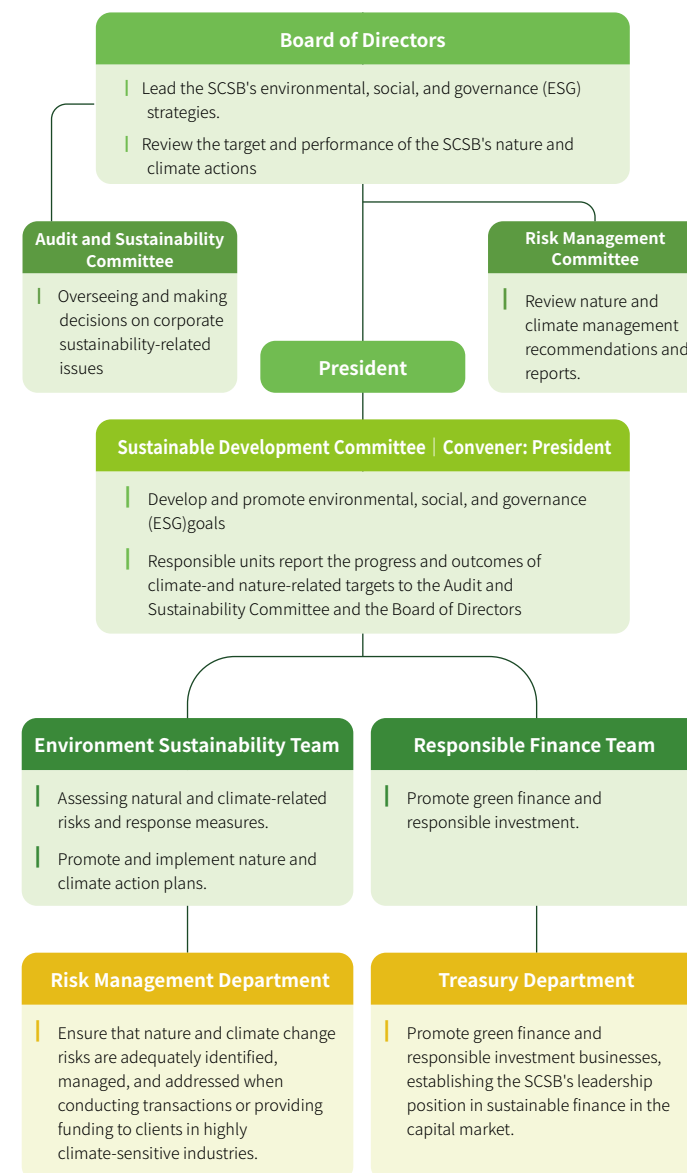
In response to these trends, the SCSB continues to align with the Financial Supervisory Commission's Guidelines for Climate-related Financial Disclosures for Domestic Banks. In 2024, the Board of Directors approved revisions to the Guidelines Governing Nature and Climate Risk Management to systematically identify and assess material climate- and nature-related risks and opportunities arising from its business activities. These considerations have been incorporated into the SCSB's governance framework, strategic planning, and overall risk management system, with clearly defined roles, responsibilities, and management processes to strengthen its capability in addressing environmental issues.

In terms of disclosure and implementation, the SCSB's sustainability report has further incorporated international sustainability disclosure standards, including IFRS S2 and the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Relevant policies and execution are overseen by the Board of Directors and senior management. On the strategy front, the SCSB follows IFRS S2 and TNFD recommendations to evaluate the financial and operational impacts of climate- and nature-related risks and opportunities. In risk management, these risks are integrated into the existing enterprise-wide risk management system for ongoing monitoring and response. In addition, through the establishment of key metrics and Science Based Targets (SBT) for emissions reduction, the SCSB regularly tracks management performance, enhances information transparency, and strengthens its resilience in addressing climate change and nature-related impacts.

3.2.1 GOVERNANCE

The Board of Directors at the SCSB serves as the highest governance body for natural and climate change-related issues, bearing ultimate responsibility for decision-making and oversight. A Risk Management Committee is established under the Board to assist in reviewing the effectiveness of nature- and climate-related management and strategic planning.

In addition, the SCSB and executive departments have established a Risk Management Committee and a Sustainable Development Committee, which are required to regularly submit reports and management recommendations to the Board. These efforts support the Board in effectively formulating and refining policies and procedures for managing nature- and climate-related risks and opportunities, thereby strengthening the overall governance framework.



The Responsibilities and Duties of the SCSB's Natural and Climate Risk Management Unit

SCSB has established the "Guidelines Governing Nature and Climate Risk Management", clearly defining the responsibilities of each management unit:

Audit and Sustainability Committee	Responsible for reviewing the annual sustainability plans, objectives, and implementation programs, and for overseeing the effectiveness and conducting reviews of sustainability-related initiatives. The Committee convenes at least once every quarter and may hold additional meetings as deemed necessary.
Risk Management Committee	Authorized by the Board of Directors, the committee shall exercise the duty of care of a prudent manager and conduct at least an annual review of nature and climate risk issues. It is also responsible for submitting related recommendations and reports to the Board.
Asset and Liability Management Committee	Responsible for reviewing the nature and climate risk-related regulations submitted by the Risk Management Department and examining the credit and investment portfolios to ensure that the financial risks associated with changes in natural capital or climate change are in compliance with the SCSB's nature and climate risk management policies.
Sustainable Development Committee	Responsible for reviewing strategies, risk management, indicators, and targets related to nature and climate issues, and for regularly tracking implementation status. The Sustainable Development Committee convenes regular quarterly meetings. At least once a year, the responsible units report to the Audit and Sustainability Committee and the Board of Directors on the progress of climate- and nature-related strategic objectives.

The Sustainable Development Committee chaired by the President acts as the consolidating and guiding unit for the SCSB's sustainability development and natural and climate risk management. The committee convenes quarterly meetings to review the outcomes of climate-related policies, regulations, risks, and opportunities. The responsibilities of the two climate risk-related groups are as follows:

Environmental Sustainability Team	Led by the Risk Management Department and the head of the department. This team is responsible for overseeing changes in nature capital and climate change-related issues, coordinating with various business units to identify risks and opportunities, and implementing action plans related to nature capital and climate change and environmental protection response measures. This ensures that nature and climate risks are adequately identified, managed, and addressed when conducting transactions or providing funding to clients in highly nature-sensitive or climate-sensitive industries.
Responsible Finance Team	Led by the Treasury Department and the head of the department. This team is responsible for promoting the sustainable development of credit extension standards, green finance, responsible investment, and other relevant businesses, as well as implementing due diligence governance. This ensures that the SCSB maintains a strong foothold in the capital market and gradually establishes its leadership in the field of sustainable finance.

The Risk Management Department to gather and summarize the information and reports on nature and climate risks provided by each responsible unit at the end of the previous year. These reports are to be submitted to The Sustainable Development Committee, the Risk Management Committee, and the Board of Directors on an annual basis (at least once per year). Additionally, the Risk Management Department compiles response measures developed by the respective units, enabling the Board of Directors and senior management to incorporate these considerations into their strategic planning and business monitoring.

Apart from the above mentioned top management units, other management units of the SCSB are responsible for assisting in system implementation, talent training, measuring, monitoring, and reporting nature and climate risks according to their respective business functions. They are also required to draft system requirements, request the Information Technology General Department to build databases, provide nature and climate assessment-related data and results, and collaborate with the implementation of nature and climate action within the SCSB. Furthermore, other units such as the business management units, the operations unit and Auditing Department, operate under the SCSB's "Practical Guidelines for the Three Lines of Defense in Internal Control". Each unit carries out its duties based on its respective business functions to identify and assess nature and climate risks and opportunities relevant to the SCSB, and formulate nature-related and climate-related strategies and measures (including nature-related and climate change-related risks and opportunities), establish mechanisms and processes for nature and climate risk management to enhance risk management, help the Risk Management Department perform bank-wide climate change scenario analysis and support the implementation of climate actions.

Professional Competency Training for the Nature and Climate Risk Management Unit

To ensure that the SCSB's nature and climate risk management unit is equipped with the necessary capabilities to identify and respond to climate risks and opportunities effectively, themed training sessions and education are conducted annually for members of the Board of Directors and top management. The training aims to endow them with the knowledge and skills required to gain insight into international trends related to nature and climate change and sustainable operations. (For detailed information about nature and climate change education and training, please refer to **Chapter 2.4 Risk Management** and **Chapter 4.2 Employee Training and Career Development**).

Incorporation of Sustainability and Climate-related Management Incentives management measures

The compensation and performance of the SCSB's senior management are evaluated based on the achievement of performance and work targets. The work targets include sustainability and climate development objectives, which are formulated in accordance with the annual priorities planned by the SCSB's six major working groups and its Sustainability Strategic Target Planning.

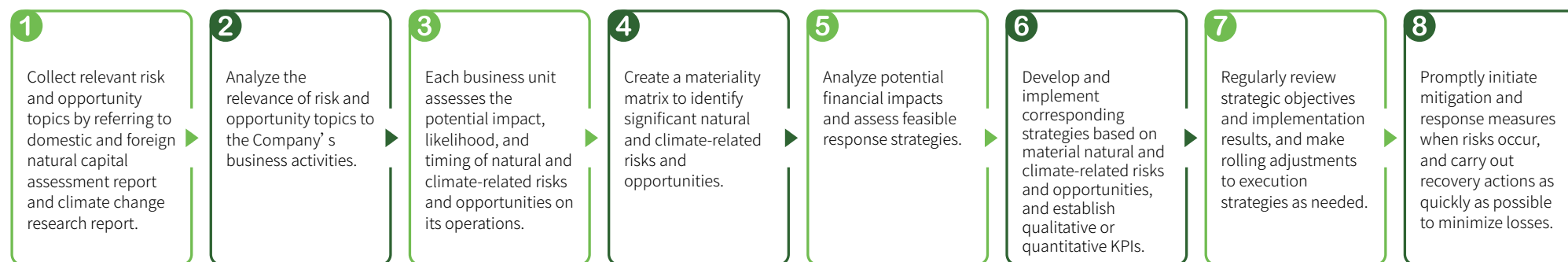
In 2025, the KPI items for the President and Executive Vice Presidents included: increasing green lending and green investment amounts by 15% year-on-year; completing and publishing the Climate and Nature-related Risk Management Report and Sustainability Report on schedule; achieving a renewable electricity usage ratio of 12% of total electricity consumption across the SCSB; completing greenhouse gas inventory, verification, and disclosure on time; introducing the IFRS S1 and S2 Sustainability Disclosure Standards; implementing the carbon reduction pathway in line with the SCSB's submitted SBT targets; and fulfilling commitments to energy and resource reduction targets while executing the carbon reduction pathway as scheduled, including reducing absolute GHG emissions (Scope 1 and Scope 2) by 4% compared to 2020 levels. These targets accounted for 13% of the overall performance evaluation. (For sustainability and climate-related KPI information, please refer to "2.1 Corporate Governance".)

3.2.2 STRATEGY

Against the backdrop of accelerating climate change and increasing loss of natural capital, the SCSB recognizes that environmental issues have extended beyond traditional compliance considerations and now represent material risks and opportunities that may affect its long-term sustainability, asset value, and financial stability. To effectively assess these implications, the SCSB has undertaken the identification of climate- and nature-related risks and opportunities in accordance with internationally recognized frameworks and standards, including TCFD, TNFD, and IFRS S2. The SCSB systematically evaluates the impacts of climate- and nature-related issues on its operations and financial business activities, analyzes potential financial and non-financial impacts through different transmission channels, and establishes corresponding risk management and response strategies to enhance resilience and support sustainable development.

3.2.2.1 NATURAL AND CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFICATION PROCESS

The SCSB's process for identifying and managing nature and climate-related risks and opportunities is as follows :



The SCSB follows the TNFD Guidelines for the Financial Sector and adopts the LEAP methodology (Locate, Evaluate, Assess, Prepare) to systematically identify nature-related risks and opportunities across its value chain and operating activities. The assessment results indicate that 17.34% of the SCSB's investment portfolio is exposed to nature-sensitive industries, while the proportion for the lending portfolio is 18.49%. Within the investment portfolio, clients show high dependency on water resources and exert significant impacts on water consumption, greenhouse gas emissions, and solid waste generation. The dependency profile of the lending portfolio is similar to that of the investment portfolio; however, its potential impacts on terrestrial, freshwater, and marine ecosystems are more pronounced at the ecosystem level.

The assessment of the interface between the value chain and natural ecosystems indicates that the SCSB's own operations, supplier locations, and financing and investment activities do not cause direct impacts on the natural environment. The findings have been used as an important basis for strengthening the SCSB's nature-related governance and for refining its risk management and investment and financing strategies. For the complete LEAP assessment results, quantitative analysis, and annual highlights of nature-related management, please refer to Chapter 2.4 of the SCSB's 2025 Climate and Nature-related Risk Management Report.

Locate

Through GIS overlay analysis, the SCSB examines whether its own operational sites, suppliers, and investee or borrowing clients across the value chain are located within ecologically sensitive areas, and evaluates the potential environmental impacts of financing and investment targets situated in proximity to such sensitive ecosystems.

Evaluate

The SCSB identifies 16 categories of nature-sensitive industries as key focus sectors for assessing the relationship between its value chain and the natural environment, in order to better understand the distribution of dependencies and impacts of its investment and financing portfolios on natural capital.

Assess

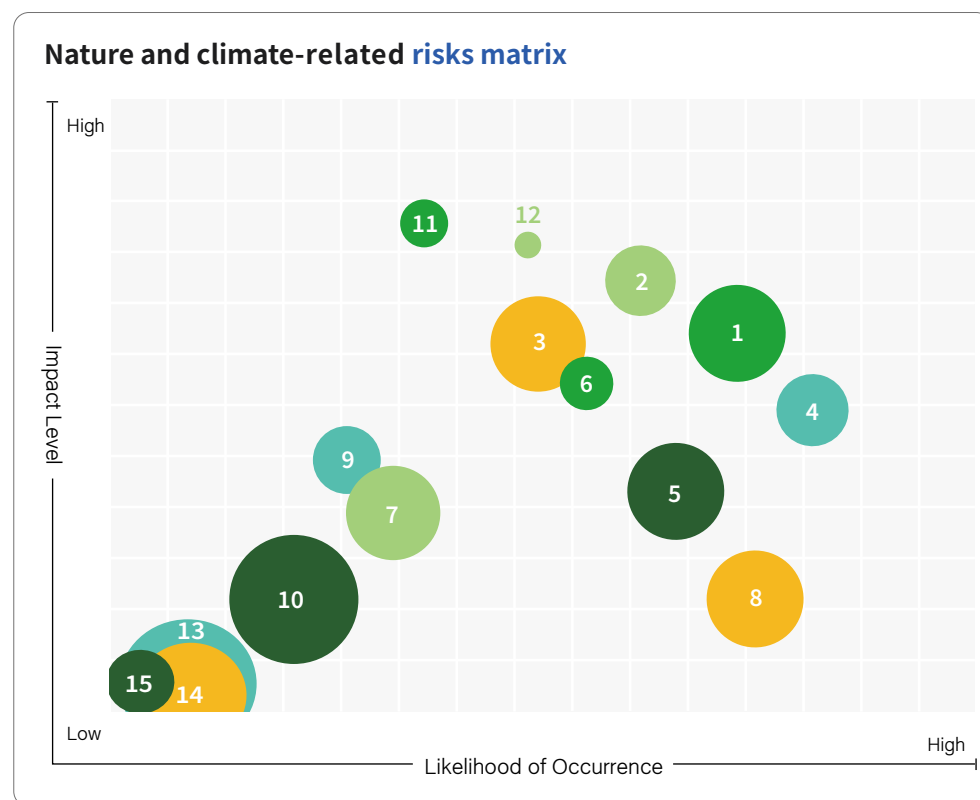
The SCSB formulates nature-related risks and opportunities by taking into account, during the risk identification process, the interfaces and overlaps between its own operations, suppliers, and investee or borrowing clients with ecologically sensitive areas, as well as the degree of dependency and impact of its financing and investment activities on natural capital. Through cross-departmental collaboration, the SCSB identifies material nature-related risks and opportunities across its value chain, serving as a basis for adjusting business strategies and developing response measures.

Prepare

Based on the above assessment results of nature-related risks and opportunities, the SCSB strengthens its nature governance framework and formulates specific response strategies and risk management measures. At the same time, it progressively establishes relevant management targets to mitigate the potential impacts of nature-related risks on its financial performance and operations, while capturing the associated transition and development opportunities.

The SCSB formulates nature- and climate-related risk and opportunity issues annually and submits corresponding recommendations and reports to the Board of Directors. Every two years, each department conducts a regular identification of nature- and climate-related risks and opportunities to ensure that major decisions can take into account timely changes in both internal and external environments and trends. When assessing nature- and climate-related risks and opportunities, all departments must follow consistent evaluation standards and definitions. Assessments are based on the likelihood of occurrence, impact level, and expected time of occurrence to ensure the objectivity and comparability of the results. The scope of impact is defined across the value chain as upstream (suppliers), midstream (the SCSB's operations), and downstream (clients and consumers). The time horizon is categorized as short term (within 1 to 2 years), medium term (3 to 5 years), and long term (more than 5 years). Likelihood of occurrence and impact level are also key indicators, both assessed using a five-level scale: High, Moderately High, Medium, Moderately Low, and Low. All departments are required to comprehensively consider the potential negative impacts of risks or the benefits of opportunities, along with their likelihood of occurrence, and analyze the resulting effects on business operations and financial performance. Upon completion of the evaluation, the SCSB prioritizes risks and opportunities based on their level of impact, and determines the material nature- and climate-related risks and opportunities after consideration of the associated trade-offs.

The result of natural and climate risk and opportunity identification in 2025 is as follows: :

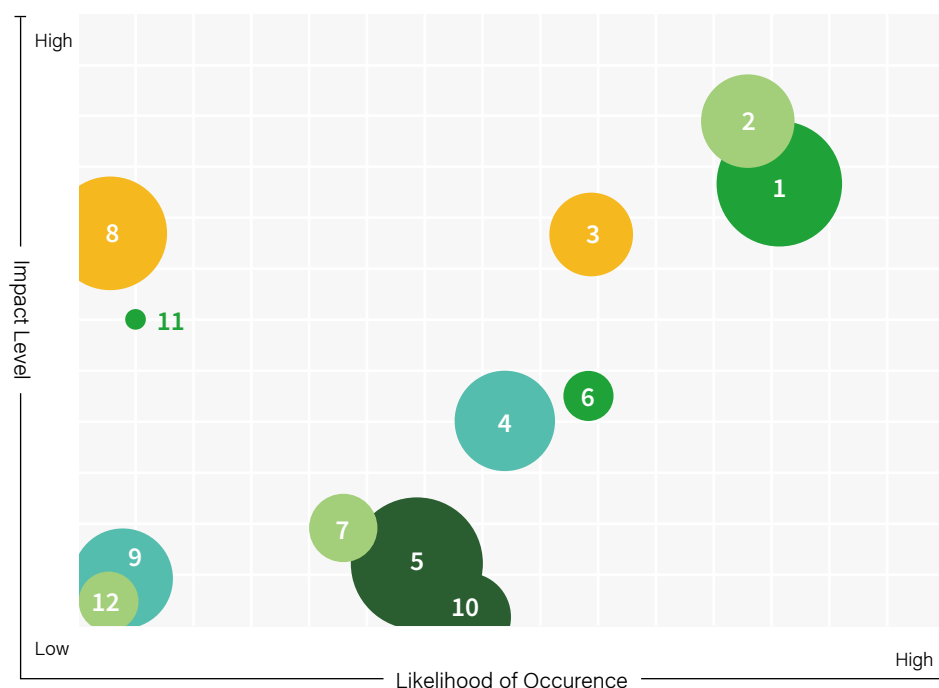


Note 1: The size of the circles reflects the SCSB's ability to control risks. A larger circle indicates that the SCSB can more effectively manage and control the risk, while a smaller circle indicates a lower degree of control or limited ability to intervene.

Note 2: Following the assessment conducted this year, the climate- and nature-related risks identified in the previous reporting year remain unchanged.

Number	Dimension	Type	Risk Topic
1	Climate	Transition Risk – Policy and Legal	Increased costs due to the transition to a low-carbon economy
2		Transition Risk – Technology	Financing or investment targets undergo technological transformation
3		Transition Risk – Policy and Legal	Loss of clients or business due to stricter credit and investment control standards
4		Physical Risk – Chronic	Rising average temperatures
5		Transition Risk – Policy and Legal (Emerging Regulations)	Implementation of carbon pricing mechanisms
6		Transition Risk – Policy and Legal	Greenhouse gas emission regulations
7		Transition Risk – Market	Changes in market demand
8	Natural	Physical Risk – Chronic	Freshwater depletion
9		Transition Risk – Technology	Financing or investment targets need to undergo technological transformation due to natural resource scarcity
10	Climate	Transition Risk – Reputation	Increased stakeholder concern or negative stakeholder feedback
11		Physical Risk – Acute	Increased severity of extreme weather events such as typhoons and floods
12	Natural	Physical Risk – Acute	Geological disaster
13		Transition Risk – Reputation	Environmental damage
14		Transition Risk – Liability	Violation of natural related regulations
15	Climate	Physical Risk – Chronic	Rising sea levels

Natural and climate-related opportunities matrix



Note 1: The size of the circles reflects the SCSB's ability to manage opportunities. A larger circle indicates that the SCSB can more effectively capture and manage opportunities, while a smaller circle indicates a lower degree of control or limited ability to influence them.

Note 2: Following this year's assessment, the climate- and nature-related opportunities identified in the previous reporting year remain unchanged.

Number	Dimension	Type	Opportunity Topic
1	Natural	Sustainable Use of Natural Resources	Use low-carbon and recyclable products
2	Climate	Products and Services	Digital transformation and low-carbon services – Digital financial services
3		Market	Enter new markets
4		Resource Efficiency	Utilize more energy-efficient buildings
5	Natural	Products and Services	Develop nature-themed products and services
6	Climate	Products and Services	R&D and innovation of green products and services – Increase green loans and low-carbon products
7	Natural	Ecosystem protection, restoration and regeneration	Participate in ecological restoration programs and promote value chain participation
8		Capital flow and financing	Conduct due diligence to guide sustainable capital transition
9	Climate	Resilience	Strengthen internal capabilities to manage and enhance performance
10		Resource Efficiency	Improve energy and resource efficiency
11	Natural	Reputational Capital	Enhancing reputation to attract capital inflows
12	Climate	Resilience	Participate in renewable energy projects and measures to elevate energy efficiency.

Impacts and Strategies for Risks and Opportunities

For identified critical nature and climate topics, corresponding response strategies and targets are formulated, and qualitative or quantitative KPIs are set to ensure that the management mechanism is concrete, measurable, and trackable. In addition, the SCSB monitors the progress of relevant strategies year by year, and checks how the financial resource is invested in and target achievement. In the meantime, the SCSB conducts rolling adjustments based on the operating development to increase operational resilience and the effectiveness of risk management.

The following section outlines the SCSB's assessment of the impacts posed by major nature- and climate-related risks and opportunities identified for the year, along with the corresponding response strategies.

Material nature risk impact

Natural risk type	Chronic Physical Risks			Technology Transition Risk			Acute Physical Risk		
Corresponding risk topic	Freshwater depletion			Financing or investment targets need to undergo technological transformation due to natural resource scarcity			Geological disaster		
Time of occurrence	Long term (occurring over 5 years)			Medium term (occurring within 3 – 5 years)			Medium term (occurring within 3 – 5 years)		
Impacted business unit	The Shanghai Commercial and Savings Bank (Taiwan Head Office)								
Impacted region/ country	All offices of The Shanghai Commercial and Savings Bank in Taiwan (Taiwan Head Office and its branches)								
Impacted value chain	UpstreamMidstreamDownstream			UpstreamMidstreamDownstream			UpstreamMidstreamDownstream		
Risk Description	- Human activities may lead to a reduction in the flow and reserves of rivers, lakes, and groundwater, or hinder effective regulation of water quality, resulting in water supply shortages. - For industries highly relying on water resources, water resource depletion will cause a rise in production costs, even affecting production capacity. If the client suffers from higher costs or operating risks due to water resource problems, their financial condition might deteriorate, affecting the SCSB's revenue.			Due to natural capital shortages and changes, clients may need to adjust their raw materials and manufacturing technologies. Developing new technologies may incur substantial R&D expenses and additional costs. If these developments fail, clients' repayment capacity may decline, potentially affecting the SCSB's loan or investment returns.			Increased rainfall intensity and poor soil and water conservation exacerbate surface vulnerability, raising the frequency and severity of geological disasters. These disasters may disrupt corporate operations and supply chain stability in the affected areas. Clients may face financial pressure from operational downtime, equipment repairs, or post-disaster reconstruction, which could impair their revenue and debt repayment capacity, potentially resulting in loan defaults or reduced investment returns for the SCSB.		

Material climate risk impact

Climate risk type	Policy and Legal Risks			Technology Risk			Policy and Legal Risks		
Corresponding risk topic	Increased costs due to the transition to a low-carbon economy			Financing or investment targets undergo technological transformation			Loss of clients or business due to stricter credit and investment control standards		
Time of occurrence	Short term (occurring within 1 – 2 years)			Medium term (occurring within 3 – 5 years)			Medium term (occurring within 3 – 5 years)		
Impacted business unit	The Shanghai Commercial and Savings Bank								
Impacted region/ country	All offices of The Shanghai Commercial and Savings Bank in Taiwan (Taiwan Head Office and its branches)								
Impacted value chain	UpstreamMidstreamDownstream			UpstreamMidstreamDownstream			UpstreamMidstreamDownstream		
Current 2025	In 2025, the SCSB continued to purchase energy-saving equipment and implement energy-saving measures at its operational sites. However, the percentage of relevant cost and purchase amount to revenue is relatively low and it is not likely to cause a significant risk impact.			None. The green investments or credit extensions the SCSB currently focuses on are primarily mature projects, such as renewable energy, green buildings, or energy efficiency upgrades in industrial facilities. High-carbon emitting clients mostly have drawn up initial GHG reduction measures; hence there was no risk of decreased repayment capability due to technical development failure or excessive extra cost in 2025			None. In 2025, there is no risk of loss of clients due to investment and financing control standards associated with sustainability. In addition, the SCSB practiced the divestment strategy in phases for fossil fuel investment asset , and offered economic incentives to encourage high-carbon emitting loan clients to gradually implement carbon reduction. The SCSB avoids setting excessive control standards in initial stage; otherwise the client cannot meet relevant requirements or we might soon lose clients.		
Expected impact 2026~	Competent authorities are becoming increasingly demanding in terms of compliance with energy conservation and carbon reduction measures. Moreover, the SCSB may significantly incur additional costs for purchasing energy-saving equipment , replacing obsolete equipment, and procuring renewable energy to its commitment to SBT targets.			Competent authorities and markets are becoming more demanding in terms of achieving net zero emissions, necessitating transformational actions by investment and financing targets to comply with regulations or meet market requirements. This leads to increased costs and potential risks such as failed developments due to high levels of technical uncertainty, decreased repayment capacity, or reduced lending returns, thereby impacting the overall interests of the Company.			Recently, international attention on investment and financing standards within the financial services industry such as the Equator Principles and Principles for Responsible Investment has continued to increase. Financial institutions adopting such standards may raise credit extension standards for clients, potentially affecting their willingness to cooperate and leading to client attrition.		

Material nature and climate risk response strategies

	Response Strategy	Corresponding Risk	Financial Impact (NT\$)
Phased low-carbon transition of owned Operation	Direct mitigation/adaptive action 1. Regularly disclose energy-saving performance across the SCSB and organize related competitions and rankings. 2. Replace air conditioners, lighting fixtures, and relevant equipment with energy-saving equipment. 3. Fully implement the ISO 50001 energy management system and promote energy conservation and carbon reduction.	● Increased costs due to the transition to a low-carbon economy	The total expenditure for purchasing energy-saving equipment and renewable energy in Taiwan amounted to NT\$22.651 million
Management of high-carbon clients and monitoring of technological transition	Indirect mitigation/adaptive action 1. Continuously monitor the technological transition risks of target enterprises before and after investment. If any target violates the SCSB's exclusion standards, improvements are reviewed immediately, and investment strategies or exposure limits are adjusted accordingly. 2. Prioritize risk assessments for high-carbon-emitting enterprises, discuss carbon reduction policies and contingency plans with clients based on assessment outcomes, and continuously track progress.	● Financing or investment targets undergo technological transformation ● Financing or investment targets need to undergo technological transformation due to natural resource scarcity	The costs related to investment and credit review processes are embedded within overall operating expenses and cannot be separately identified; therefore, they have not been individually disclosed.
Implementation of responsible investment and financing by excluding industries with significant ESG risks	Indirect mitigation/adaptive action 1. Included ESG factors into investment decisions, and raise the proportion of investment in outstanding sustainable firm. Conduct due diligence during credit and long-term equity investment assessments to filter out companies involved in environmental pollution, social disputes or controversies, and poor governance. 2. Loans are evaluated based on the Equator Principles framework to avoid engaging clients with significant environmental and social risks. 3. Investment and financing restrictions are in place for controversial industries (e.g., tobacco, arms, gambling, fur, mining, and logging). Projects are only approved if assessments confirm no significant adverse impact on sustainable development. Certain high-risk sectors—such as coal mining, tropical rainforest logging, illegal gambling, and nuclear weapons—are entirely excluded from investment and financing. 4. Gradually exclude corporations that derive at least 25% of their revenue from coal-related activities (including coal mining, coal power generation, and coal infrastructure), and those that derive at least 30% of their revenue from unconventional oil and gas activities (including extraction, production, and related infrastructure).	● Freshwater depletion ● Geological disaster ● Loss of clients or business due to stricter credit and investment control standards	

Note: Part of the risk response measures above have been integrated with the SCSB's GHG reduction strategy. For detailed corresponding targets and short-, medium-, and long-term strategic planning, please refer to **Chapter 3.3 Green Operation**.

Material nature opportunity impact

Natural opportunity type	Sustainable Use of Natural Resources			Products and Services			Ecosystem Protection, Restoration and Regeneration		
Corresponding opportunity topics	Use low-carbon and recyclable products			Develop nature-themed products and services			Participate in ecological restoration programs and promote value chain participation		
Impacted duration	Short term (occurring within 1 – 2 years)			Short term (occurring within 1 – 2 years)			Short term (occurring within 1 – 2 years)		
Impacted business unit	The Shanghai Commercial and Savings Bank (Taiwan Head Office)								
Impacted region/ country	All offices of The Shanghai Commercial and Savings Bank in Taiwan (Taiwan Head Office and its branches)								
Impacted value chain	Upstream	Midstream	Downstream	Upstream	Midstream	Downstream	Upstream	Midstream	Downstream
Opportunity Description	Purchase products made of low-carbon or recyclable materials, or eco-friendly materials, such as issuing low-carbon, eco-friendly credit cards, purchasing eco-friendly office supplies, and improving the recycling and reuse rate of obsolete IT equipment. Reduce the impact on natural resources through operational transformation.			The SCSB offers nature conservation-themed products and services, such as time deposit programs or credit card campaigns linked to ecological protection, tree planting, agroforestry conservation, or wetland restoration initiatives. These efforts aim to attract customers who prioritize ESG and environmental stewardship, enhance market competitiveness, and create new revenue streams through value-added services.			The SCSB participates in forest restoration and wildlife conservation programs, organizes training sessions and activities related to green sustainability and biodiversity protection, and encourages participation by employees and suppliers. Through these efforts, the SCSB, its suppliers, and employees work together to protect the Earth, mitigate risks of climate change and environmental		

Material climate opportunity impact

Climate opportunity type	Products and Services	Markets	Resource Efficiency
Corresponding opportunity topics	Digital transformation and low-carbon services – Digital financial services	Enter new markets	Utilize more energy-efficient buildings
Impacted duration	Medium term (occurring within 3 – 5 years)	Short term (occurring within 1 – 2 years)	Short term (occurring within 1 – 2 years)
Impacted business unit	The Shanghai Commercial and Savings Bank (Taiwan Head Office)		
Impacted region/country	All offices of The Shanghai Commercial and Savings Bank(Taiwan Head Office and its branches)		
Impacted value chain	Upstream Midstream Downstream	Upstream Midstream Downstream	Upstream Midstream Downstream
Current impact 2025	The SCSB continues to enhance its digital platforms and issue carbon-neutral credit cards, striving to reduce carbon emissions throughout its service processes. These efforts not only deepen its commitment to sustainability but also effectively drive the growth of digital financial services revenue, making a positive contribution to the SCSB's financial performance in 2025.	Profits from green-themed investments, issuance of sustainable development bonds and green bonds, green building loans, and green credit extensions impose a positive impact on financial performance in 2025. This helps the SCSB conduct carbon reduction emissions with customers via engagement measures.	The SCSB officially opened its new headquarters building in 2025. The building features a special membrane glass design that reduces annual electricity consumption for air conditioning by approximately 6% to 8%, equivalent to a reduction of 20,000 to 30,000 kWh.
Expected impact 2026~	Continue to enhance digital services and provide low-carbon digital financial services. Furthermore, collaborate with suppliers to share GHG inventory information in order to reduce the carbon footprint of our services.	In response to the international trend of green industry development, companies with better performances in low carbon, green, and ESG will become the mainstream in the market in the future. The SCSB can leverage sustainable due diligence and engagement to make more accurate green investments, as well as explore new business opportunities in the green finance market.	Use green buildings and eco-friendly facilities to achieve water-saving, energy-saving, waste-reduction, and cost-reduction benefits.

Natural and climate opportunity response strategies

	Response Strategy	Corresponding Opportunity	Financial Impact (NT\$)
Launch of environmentally friendly card designs	Direct mitigation/adaptive action The SCSB changed the material for the credit card and debit card of all series to PET-G, and obtained the "Carbon Footprint Label Certificate" for credit card and debit card issued by the Ministry of Environment (expired in 2028). This helps us carry out continuous tracking and management, and we continue to reduce carbon emissions during the service.	Use low-carbon and recyclable products	Procurement and production costs of eco-friendly credit cards: NT\$7,551,000
Implementation of green building practices and establishment of self-sufficient energy systems	Direct mitigation/adaptive action 1. The new headquarters building was launched in 2024 and significantly reduces air conditioning energy consumption. The reconstruction plan of Minsheng building is initiated. The goal is to receive the gold green building label and build an energy-saving and eco-friendly building. 2. Build the self-power supply capacity: Complete the solar power generation equipment in the new green building for Head Office and these equipment in Yuanlin Building, and increase the self-power supply capacity	Utilize more energy-efficient buildings	- Installation of proprietary renewable energy systems: NT\$1,280,000 - The SCSB's green-certified headquarters is expected to save 30,000 kWh of electricity annually, reducing electricity expenses by approximately NT\$200,000
Provision of low-carbon digital financial services	Direct mitigation/adaptive action Comprehensive and optimized digital service platform, including the personal online banking system, Palm Banking APP and Global One financial network, to increase penetration rate and reduce carbon emissions of physical transactions.	Digital transformation and low-carbon services – Digital financial services	The net value of property, plant, and equipment related to digital services amounted to NT\$44.623 million, while the net value of intangible assets was NT\$38.504 million. In addition, other operating and administrative expenses of NT\$17.085 million were incurred, mainly for software maintenance and related services.

	Response Strategy	Corresponding Opportunity	Financial Impact (NT\$)
Expand green-themed investments and financing, as well as nature-related products and services	Indirect mitigation/adaptive action		
	1. Low-carbon loans: Continuously promote solar photovoltaic financing and offer preferential mortgage rates for buildings that meet the eligibility criteria for Candidate Green Building Certificates and Green Building Labels, thereby supporting the development of low-carbon buildings. 2. Green bonds: Invest in green bonds and provide related financial services to support renewable energy and low-carbon transition projects, expanding the SCSB's sustainable finance business. 3. Green lending: Promote projects that meet the Joint Credit Information Center's definition of green lending, as well as loans aligned with general and forward-looking economic activities as defined in the FSC's Reference Guidelines for Identifying Sustainable Economic Activities. 4. Sustainability-linked lending: Offer preferential interest rates to encourage borrowers to set sustainability performance targets, with lending terms adjusted based on their performance outcomes. 5. Development of nature-themed products: Actively develop products centered on nature conservation concepts, leveraging business initiatives to guide clients in jointly protecting natural capital.	● Enter new market ● Development of nature-related themed products	● Low-carbon loans: NT\$13.08 billion ● Green bond investments: NT\$11.04 billion ● Green lending: NT\$29.342 billion ● Sustainability-linked lending: NT\$17.266 billion ● BNP Paribas "Tree Planting Sponsorship Program" project: NT\$6.005 billion ● "Bird Conservation" time deposit program: NT\$1.884 billion
Enhance low-carbon and environmental awareness across the value chain	1. Organized environmental public welfare and ecological restoration activities, encouraging participation from employees. 2. Hosted ESG-themed forums to communicate low-carbon transition and environmental protection concepts to stakeholders and suppliers.	● Participate in ecological restoration programs and promote value chain participation	● Donations to ecological and nature conservation initiatives: 1.158 million

*Note 1. Financial impact items include operating expenses, donation expenditures, other indirect items (such as entrusted assets), and estimated amounts.

*Note 2. The aforementioned opportunity response measures have been integrated into the SCSB's GHG reduction strategy. For detailed corresponding targets and short-, medium-, and long-term strategic planning, please refer to Chapter 3.3 Green Operation.

Summary of financial impact associated with risk and opportunity

To strengthen risk management and assess the allocation or impact of financial resources, the SCSB has preliminarily identified the direct financial impacts arising from critical risks and opportunities, as well as the related expenditures and amounts resulting from corresponding response strategies. These items have been mapped to relevant accounting line items in the income statement, balance sheet, and cash flow statement, enabling clearer identification of how material risks and opportunities may affect the SCSB's financial position, performance, and cash flows.

Direct impact of climate risks and opportunities on short-term, mid-term and long-term financial condition, financial performance and cash flow			Impact of relevant response strategies on short-term, mid-term and long-term financial condition, financial performance and cash flow		
Short-term (1-2 years)	Mid-term (3 to 5 years)	Long-term (5 years and above)	Short-term (1 to 3 years)	Mid-term (3 to 5 years)	Long-term (5 years and above)
To support its low-carbon transition plan, the SCSB invested in energy-saving equipment, green energy purchases, and the construction of a solar power generation system. These expenses were recorded under other business and management costs for the current period, affecting financial performance and leading to increased cash outflows from operating activities. However, the associated amount has a limited impact relative to the overall scale of the SCSB's operations and is not expected to have a significant effect on short-term financial condition, performance, or cash flow.	Purchase of energy-saving equipment and green energy is continuous expenditure. The SCSB entrusted a professional agency to assess a proper location for solar power generation system and organized the budget. It is expected that the impact on financial condition, financial performance and cash flow will be equivalent to the case in the short run.	Due to the extended timeframe, it is difficult to accurately assess the actual impact of climate-related risks or opportunities on long-term financial performance. Moreover, any existing assessments may have limited reference value; thus, no conclusive evaluation is currently available.	To grasp the business opportunity of digital finance and launch the low-carbon service, the SCSB actively develops the mobile APP and online financial service, incurring the expenditure of software purchase, patent expenses, and credit card production expenses. These expenses are included in other business and management expenses of the current period. They affected the short-term financial performance, causing the increase in cash flow of operating activity. The aforementioned expenditure has a limited impact on the overall operational scale of the SCSB. It is expected that it has no significant impact on financial condition, financial performance, or cash flow in the short run. In addition, this strategy supports the development of the SCSB's digital finance and low-carbon services, laying the foundation for future business growth.	The technologies adopted by digital financial service are mostly mature. It is possible to estimate the usage fee or development fee of relevant patent and software rationally. In addition, to respond to market needs instantly, the SCSB has purchased sufficient eco-friendly credit cards to reduce the cost of credit card production in future. Therefore, it is expected that relevant response measures will not have any major impact on financial condition, financial performance or cash flow in the mid run.	The SCSB expects to continue with the existing response strategy, and makes adjustments in time, depending on the climate change trend, market need and technological development. However, the long-term strategy might be adjusted due to external environmental changes; now it is hard to assess its impact on financial condition precisely. In the future, the SCSB will continue to pay attention to the situation and adjust response plans dynamically.

3.2.2.2 RISK CONCENTRATION AND RESILIENCE ANALYSIS

Climate Scenario Analysis

To reflect the impact of climate risks on the SCSB, a scenario analysis is conducted to assess the severity of potential impacts on each business area in the event of physical climate risks and transition risks. The SCSB used the "Representative Concentration Pathways" ¹ (RCPs) from the Assessment Report 5 (AR5) of the Intergovernmental Panel on Climate Change (IPCC) to project the climate scenario. The scenario analysis will help the SCSB to develop appropriate risk management strategies and responses to potential impacts, to enhance its climate resilience.

Scenario Analysis of Self-owned Location

To understand the possible impacts of physical risks on the SCSB's site assets, the SCSB conducts a physical risk assessment for each business locations. The SCSB utilizes a risk sensitivity map based on physical risk severity levels of 1 to 3 (extreme rainfall frequency within 24 hours), vulnerability levels of 1 to 10 (flood potential, slope disasters), and exposure levels of 1 to 10 (exposure amounts). Using RCP 8.5 and RCP 2.6 as the hypothetical scenarios for risk impact, a risk analysis of the SCSB's assets was carried out for the mid-century period (2036 – 2065), and corresponding climate risk management strategies were also proposed.

Climate Sensitivity	Climate Risk Sensitivity	RCP 8.5		RCP 2.6	
		Climate Risk Sensitivity	Risk exposure as a percentage of total assets (%)	Climate Risk Sensitivity	Risk exposure as a percentage of total assets (%)
High	300-201	0	0.00%	0	0.00%
Medium	200-101	9	3.27%	0	0.00%
Low	100-81	6	0.32%	5	0.75%
	80-51	15	0.66%	3	0.19%
	50-11	42	0.95%	62	4.25%
	Below 10	2	0.00%	4	0.01%
Total		74	5.20%	74	5.20%

Note 1: Exposure amounts are assessed based on the total asset value and revenue of each location.

Note 2: The scenario assumptions adopt the flood potential assessment maps published by Taiwan's National Science and Technology Center for Disaster Reduction (NCDR) on its Climate Change Disaster Risk Adaptation Platform. These maps incorporate simulations and considerations of Taiwan's rainfall patterns, topography, and flood potential.

Analysis Outcome of Self-owned Locations

Performed under the most severe conditions of RCP 8.5, and the results showed that none of the locations were highly sensitive, 9 (12.16%) were categorized as medium-sensitivity locations, while the remaining 65 (87.84%) were considered low-sensitivity locations, including 44 locations (59.46%) with a risk sensitivity value below 50. When the Value of the SCSB premises under risk scenarios, the SCSB's total exposure to physical risks is approximately 5.20% of the total asset value of its locations, the exposure value of medium-sensitive locations is approximately 3.27% of the total asset value of all locations, and the exposure value of low-sensitivity locations (including locations with a sensitivity of 1 to 100) represents approximately 1.93% of the total asset value of all locations. Among these, locations with sensitivity scores below 50 account for approximately 0.95% of the total asset value of all locations.

¹ The IPCC Fifth Assessment Report (AR5) includes four Representative Concentration Pathway (RCP) scenarios: RCP 2.6, RCP 4.5, RCP 6.0, and RCP 8.5. Each scenario represents an increase in radiative forcing of 2.6, 4.5, 6.0, and 8.5 watts per square meter (W/m²), respectively, by 2100. In addition, the IPCC released its Sixth Assessment Report (AR6) in 2021, introducing the Shared Socioeconomic Pathways (SSPs), which incorporate socioeconomic development factors into climate change scenario analysis. The SSP framework has not yet been incorporated into this report.

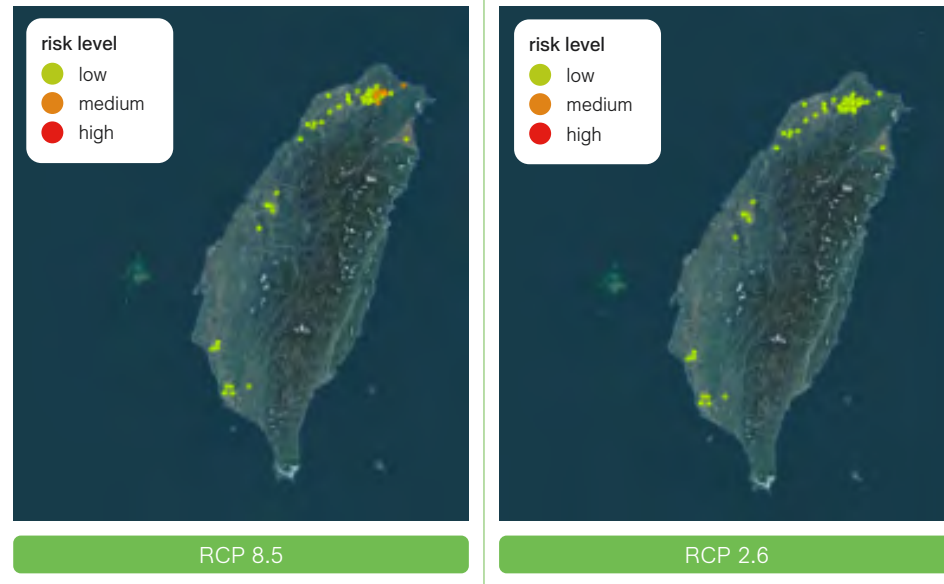
Self-owned Operating Locations - Combined Risks of Flooding and Slope Land Disasters

Evaluation factors

Operating address, asset value, annual revenue of the location

Risk consideration factors

Flood potential, slope land disaster



Note: The scenario assumptions are based on flood potential assessment maps released by the National Science and Technology Center for Disaster Reduction (NCDR) via the Disaster Risk Adaptation (Dr.A) Platform. These maps incorporate simulations that account for Taiwan's rainfall patterns, topography, and flood potential.

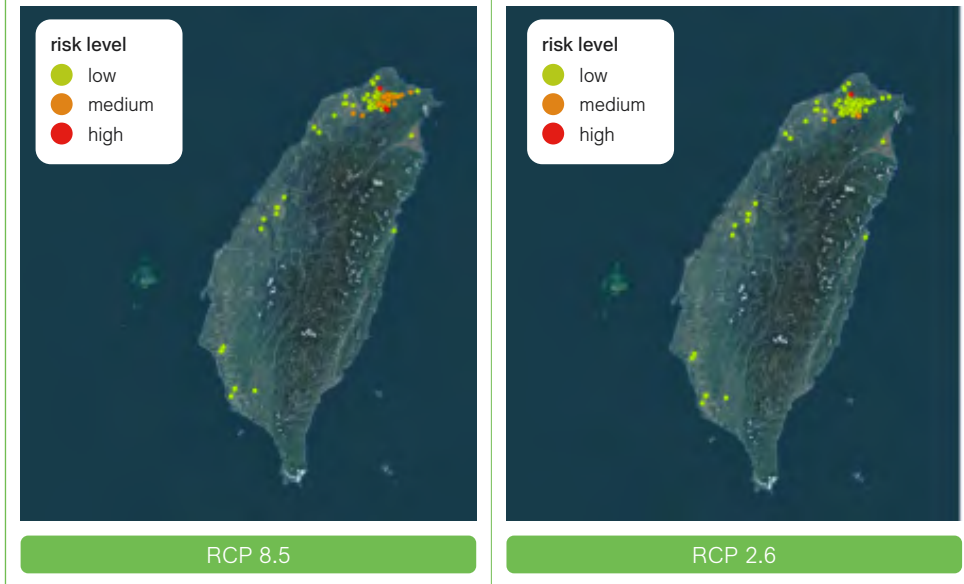
Supplier Location - Combined Risks of Flooding and Slope Disasters

Evaluation factors

Supplier location, supplier procurement amount, substitutability

Risk consideration factors:

Flood potential, slope land disaster



Note: The scenario assumptions are based on flood potential assessment maps released by the National Science and Technology Center for Disaster Reduction (NCDR) via the Disaster Risk Adaptation (Dr.A) Platform. These maps incorporate simulations that account for Taiwan's rainfall patterns, topography, and flood potential.

Response Strategy and Climate Resilience Evaluation

According to the analysis results, the SCSB's operating locations in Taiwan are not exposed to significant physical risks. However, to ensure effective control of the impact of physical risks, various operating locations have established response plans and disaster prevention protocols, as well as data backup readiness to minimize the damage of short-term natural disasters and maintain operational continuity in the aftermath of disasters.

Scenario Analysis of Supplier Locations

The SCSB used RCP 8.5 and RCP 2.6 as the hypothetical scenarios for risk impact, taking into consideration the combined risks of flood potential and slope land disaster, categorizing climate sensitivity into three levels: high, medium, and low. A higher climate sensitivity represents a greater threat of climate disasters. Based on this, an analysis of the exposure situation for 258 suppliers in Taiwan for the mid-century period (2036 – 2065) was conducted in 2025.

Analysis Outcome of Supplier Locations

According to the scenario evaluation under the condition of RCP 8.5, most of the SCSB's 258 suppliers have medium to low climate sensitivity. Together, they accounted for 98.19% of the SCSB's overall procurement amount in 2025. There were only three suppliers with high climate sensitivity, accounting for 1.81% of the procurement amount.

Unit: NT\$ thousands

Climate Sensitivity	Climate Risk Sensitivity	Number of suppliers	RCP8.5		Number of suppliers	RCP2.6	
			Procurement amount	Accounting for (%) of the procurement amount		Procurement amount	Accounting for (%) of the procurement amount
High	90-61	3	18,000	1.81%	1	18,000	1.81%
Medium	60-31	49	561,586	56.36%	3	4	0.00%
	30-21	40	93,257	9.36%	25	60,884	6.11%
Low	20-11	101	215,597	21.64%	59	577,839	57.99%
	Below 10	65	107,990	10.84%	170	339,704	34.09%
Total		258	996,430	100.00%	258	996,430	100.00%

In addition, to understand the impact of physical risks on suppliers, the SCSB assessed how different types of suppliers were affected by physical risks under the RCP 8.5 scenario. The SCSB also performed substitutability analyses on various suppliers, which were categorized into three levels, namely high substitutability (other suppliers can be found within a month), medium substitutability (other suppliers can be found within three months), and low substitutability (other suppliers can be found more than six months). Suppliers classified as low substitutability are primarily concentrated in the information technology and engineering categories, accounting for 48.06% of the exposure.

Most of the SCSB's IT and engineering suppliers are long-term partners. Although similar vendors are not scarce or difficult to find, these suppliers are generally categorized as low substitutability due to established working relationships and the need for operational continuity, resulting in a higher proportion. A review of these suppliers' climate risk sensitivity shows that most fall within the medium to low risk range. Overall, the SCSB's internal assessment indicates that the impact of supplier-related risks remains limited.

Unit: NT\$ thousands

Type of Procurement	High substitutability		Medium substitutability		Low substitutability		Total exposure Proportion	The proportion of exposure for low substitutability suppliers
	Number of suppliers	Procurement amount	Number of suppliers	Procurement amount	Number of suppliers	Procurement amount		
Engineering	25	2,790	1	0	1	1	9.38 %	0.00%
Insurance	5	672	0	0	0	0	2.26%	0.00%
Finance	31	32	192	45	22	554	2.12%	1.86%
Labor	24	1,076	7	6	11	631	5.76%	2.12%
Information	27	6,132	19	3,511	59	14,299	80.48%	48.06%

Note: The exposure amount is the procurement value that could potentially be affected on suppliers if the assumed risk occurs.

Response Strategy and Climate Resilience Evaluation

To strengthen resilience, the SCSB has established a list of potential alternative suppliers for those with low substitutability, in order to address the risk of supply disruptions caused by sudden climate-related disasters and to ensure that alternative partners can be promptly engaged.

Although the current assessment indicates that the impact of the supply chain on the SCSB's operations is minimal, the SCSB will continue to monitor the stability of supplier deliveries and, where appropriate, identify and develop new suppliers to enhance substitutability. In addition, to improve suppliers' preparedness for climate-related risks, the SCSB plans to hold supplier conferences to promote awareness of climate risk prevention measures and disaster response knowledge, and to advise high-risk suppliers to install flood prevention facilities.

Scenario Analysis of Lending and Investment Portfolios¹

To ensure objective evaluation and continually monitor the impact of climate change risks on business and operations, the SCSB abides by the "Planning for Climate Change Scenario Analysis by Domestic Banks" (hereinafter referred to as the "operational plan"). The SCSB analyzes the potential long- and short-term risk impacts on bankbook positions²— including domestic and foreign credit, bonds, and equity investments — as of the end of 2025, under various climate scenarios

The SCSB referred to the methodology outlined in the operational plan, employing macroeconomic pathways (e.g. GDP, bank lending rates, inflation rates, and unemployment rates) and microeconomic pathways (including revenue losses, collateral losses, and additional costs) to conduct a comprehensive analysis. Furthermore, the SCSB incorporated a probability of Recovery Given Default estimation model to carry out the valuation. Therefore, the SCSB assesses financial resilience of the client in different climate scenarios, further assesses the potential impact of changes in loan repayment ability and collateral value on credit risk and revenue.

- ¹ The expected losses under each scenario are subject to inherent uncertainties and do not represent actual future outcomes. Caution should be exercised when using or interpreting the analysis results, given their limitations.
- ² The scope of analysis is based on the SCSB's individual entity, including the operations of both domestic and overseas branches as well as offshore banking unit(OBU).

Analysis pathway

	Analysis pathway	Analysis pathway	Analysis pathway	Analysis pathway	Analysis pathway	Analysis pathway	Analysis pathway
Long-term scenarios Macroeconomic pathways	2030 2050	Financing - Domestic and foreign corporate lending - Domestic personal lending Investment - Domestic and foreign bond investments - Domestic and foreign equity investments	- Baseline scenario - Orderly scenarios (Net Zero 2050 ; SSP1-1.9) - Disorderly scenarios (Delay Transition ; SSP1-2.6) - Too-little-too-late Scenarios (Fragmented World ; SSP2-4.5)	- Transition risk - carbon pricing - Chronic physical risk - global warming - Acute Physical Risk - Slope disaster - Flood - Drought - Heat wave - Heavy rain	- Carbon fee - Temperature variation - Environmental variation - GDP growth rate - Unemployment rate - Inflation rate - Long-term interest rate	- Increase in operating costs - Asset damage - Additional water cost - Productivity loss - Loss due to work suspension	- Impact on overall financial performance - Decline in repayment capacity - Collateral depreciation
Short-term scenarios Microeconomic pathways	2026	Financing - Domestic and foreign corporate lending - Domestic personal lending Investment - Domestic and foreign bond investments - Domestic and foreign equity investments	- Carbon Price Scenario - Intensity Adjustment Scenario	- Transition risk - carbon pricing - Physical risk - Typhoon	- Carbon fee - Typhoon intensity - Rainfall	- Increase in operating costs - Asset damage	- Increase in operating costs - Decline in repayment capacity - Collateral depreciation
Long-term scenario Assessed through both macroeconomic and microeconomic pathways, taking into account the long-term impacts of climate change and banking business cycles, with the analysis year set at 2050.				Short-term scenario Based on microeconomic pathways, focusing on potential climate events that may occur within the next year, with the analysis year set at 2026.			

The scenario analysis method and assessment result are as follows:

Long-term Scenarios

The long-term scenarios include the baseline scenario, orderly transition, disorderly transition, and passive transition, and adopt the scenario data released by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) in 2023 as the basis for socioeconomic factors. In addition, the Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) are referenced as the basis for setting environmental factors. The analysis covers both transition risks and physical risks:

- **Transition risks** : These primarily measure the impact of carbon pricing on corporate revenues, assuming that all domestic enterprises are subject to carbon fees, and estimating the potential reduction in operating revenue.

- **Physical risks** : These assess the impacts of extreme climate events on corporate financial performance and operations, including production losses caused by heavy rainfall, asset damage and restoration costs resulting from flooding and landslides, additional water costs arising from drought, and the effects of heatwaves on productivity and corporate revenues.

Long-term Scenario Analysis Outcome

Under the three climate transition scenarios—Orderly, Disorderly, and Too-little-too-late scenarios—the SCSB's expected loss amounts for general corporate clients by 2050 account for 4.43%, 4.97% and 6.27% of the baseline year (2025) net worth, respectively. For individual clients, the expected loss amounts under the same scenarios represent 0.20%, 0.21%, and 0.24% of the baseline year net worth.

Among the three scenarios, the Too-little-too-late scenarios for 2050 is expected to result in the highest expected loss, with the combined expected loss for general corporate and individual clients accounting for 6.54% of the baseline year net worth.

Ratio		Baseline Scenario	Orderly Scenario		Disorderly Scenario		Too-little-too-late Scenario	
			2030	2050	2030	2050	2030	2050
Ratio of Expected Loss to Profit Before Tax	Business	34.71%	48.86%	55.08%	56.87%	61.87%	55.47%	78.00%
	Individual	2.69%	2.25%	2.49%	2.78%	2.66%	2.56%	3.02%
Ratio of Expected Loss to Net Worth	Business	2.79%	3.93%	4.43%	4.57%	4.97%	4.46%	6.27%
	Individual	0.22%	0.18%	0.20%	0.22%	0.21%	0.21%	0.24%

Note 1. Profit before income tax (NT\$16,470 million) refers to the SCSB's pre-tax profit for the fiscal year 2025, as reporteded in the Q4 2025 financial statements.

Note 2. Net worth (NT\$204,919 million) refers to the net worth after earnings distribution approved at the most recent shareholders' meeting for the past year.

Note 3. As the estimated expected losses under each scenario involve inherent uncertainty and do not represent the actual impacts that will occur in the future, caution should be exercised regarding the limitations when using and interpreting the analysis results.

Short-term scenario

In a short-term scenario, it is assumed that the climate impact incident does not affect macroeconomy. The scenarios adopted include carbon fee scenario, intensity adjustment scenario. The analyzed risk types are as follows:

Transition risk	The analysis adopts a carbon fee scenario aligned with the long-term pathway, focusing on evaluating the short-term impact of carbon pricing on the company.
Physical risk	Based on a projected atmospheric environment with a 2°C increase in global temperature, the assessment estimates potential losses from work stoppages and asset impairment if a typhoon occurs within the next year. Adjusted Intensity Scenario: Using Typhoon Morakot as a reference, rainfall statistics are adjusted based on climate change scenarios to assess the risk impact of typhoons.

Short-term Scenario Analysis Outcome

Under the short-term scenarios—Intensity adjustment, Transition risk, and Comprehensive Loss—the SCSB's expected loss amounts for general corporate clients by 2050 account for 3.01%, 2.52% and 3.02% of the baseline year (2024) net worth, respectively.

For individual clients, the expected loss amounts under the same scenarios represent 0.21%, 0.22% and 0.21% of the baseline year net worth.

Among the three short-term scenarios, the Comprehensive Loss scenario for 2050 is expected to result in the highest expected loss, with the combined expected loss for general corporate and individual clients accounting for 3.23% of the baseline year net worth.

Ratio		Baseline Scenario	Physical risk-Adjusted Intensity Scenario	Transition Risk Scenario	Comprehensive Loss Scenario
Ratio of Expected Loss to Profit Before Tax	Business	29.04%	37.41%	31.40%	37.52%
	Individual	2.69%	2.62%	2.69%	2.62%
Ratio of Expected Loss to Net Worth	Business	2.33%	3.01%	2.52%	3.02%
	Individual	0.22%	0.21%	0.22%	0.21%

Note 1: Profit before tax (NT\$16,470 million) refers to the figure disclosed in the SCSB's financial statements for the fourth quarter of 2025.

Note 2: Net worth (NT\$204,919 million) refers to the figure disclosed in the SCSB's financial statements for the fourth quarter of 2025.

Note 3: The estimated expected losses under each scenario are subject to uncertainty and do not represent actual future outcomes; therefore, the results should be interpreted and used with caution, taking into account their limitations.

Note 4: The methodology applied in this short-term scenario analysis differs from that of the long-term scenarios. The results are intended solely for assessing short-term climate risk impacts and should not be directly compared with those of the long-term scenario analysis.

The SCSB has conducted regular climate scenario analyses of both physical and transition risks in accordance with the NGFS scenario framework, and assesses the potential impacts of climate change on its investment and financing assets, operational sites, and financial performance across different time horizons. The results serve as an important basis for climate risk management and strategic planning.

Based on the scenario analysis outcomes, the SCSB has incorporated relevant risks into its credit and investment decision-making processes, and formulated management targets for green energy and ESG-related lending, digital services, energy use, and carbon emission reduction. These targets are implemented by the respective responsible units in accordance with annual plans and are subject to regular monitoring.

For certain short-term targets that were not achieved as originally planned, the SCSB has reviewed the underlying causes and proposed improvement measures, including incorporating relevant targets into subsequent annual KPIs, strengthening monitoring mechanisms, and dynamically adjusting management strategies, in order to ensure continuous enhancement of climate risk management and transition actions. For detailed information on the 2025 targets and their achievement status, please refer to "CH4.3 Target Achievement Status."

3.2.2.3 NATURE-RELATED DEPENDENCIES AND IMPACT ANALYSIS

As a financial institution, the SCSB not only plays a key role in supporting industrial and economic development, but also acts as a primary entity affected by changes in the market environment. To ensure the stability of the financial system and to fulfill its responsibility in guiding sustainable industry development, the SCSB first adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework in 2023 to conduct nature-related risk assessments. In 2024, the SCSB further enhanced its assessment approach by expanding the scope of ecological sensitivity mapping and identifying material nature-related risks and opportunities. Through these efforts, the SCSB aims to strengthen the management of nature-related risks, implement due diligence for clients located in highly sensitive ecological areas, and promote the sustainable coexistence of the environment, nature, and the economy across its value chain.

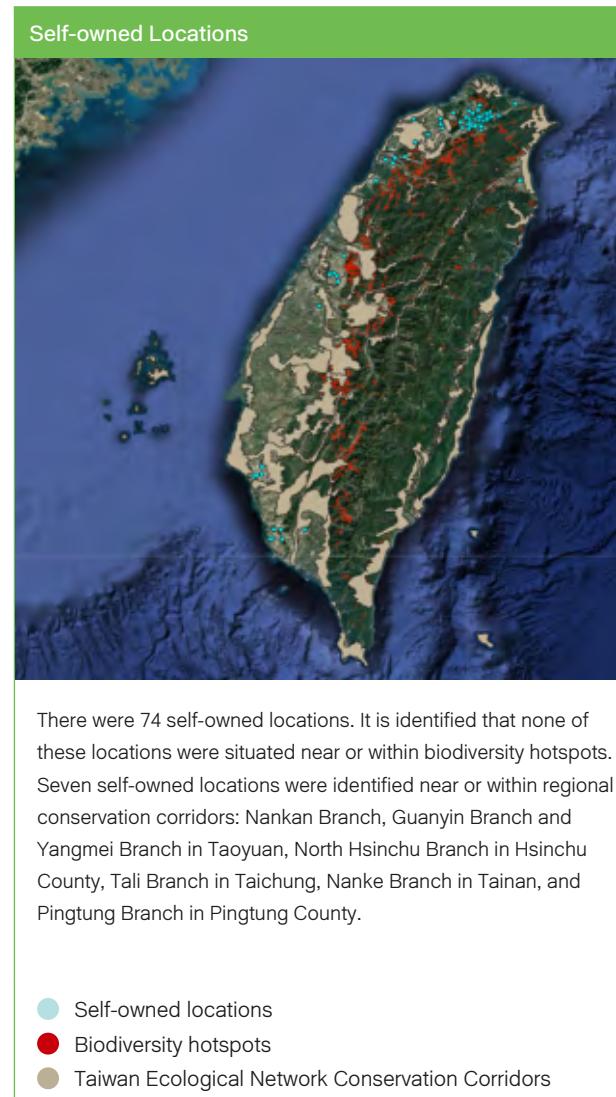
Spatial Assessment of Value Chain Intersections with Natural Ecosystems

For all self-owned locations, supplier locations, and investment and financing clients in Taiwan, the SCSB utilized the "National Ecological Network Map" released by the Forestry and Nature Conservation Agency, Ministry of Agriculture, to analyze "Biodiversity Hotspots" based on overlay and estimation of the distribution data of 42 mammal species, 110 bird species, 25 amphibian species, 48 reptile species, and 82 insect species in Taiwan. Each hotspot is defined by a 1×1 km grid, and the diversity of various biological populations within the hotspot area ranks in the top 5% of Taiwan.

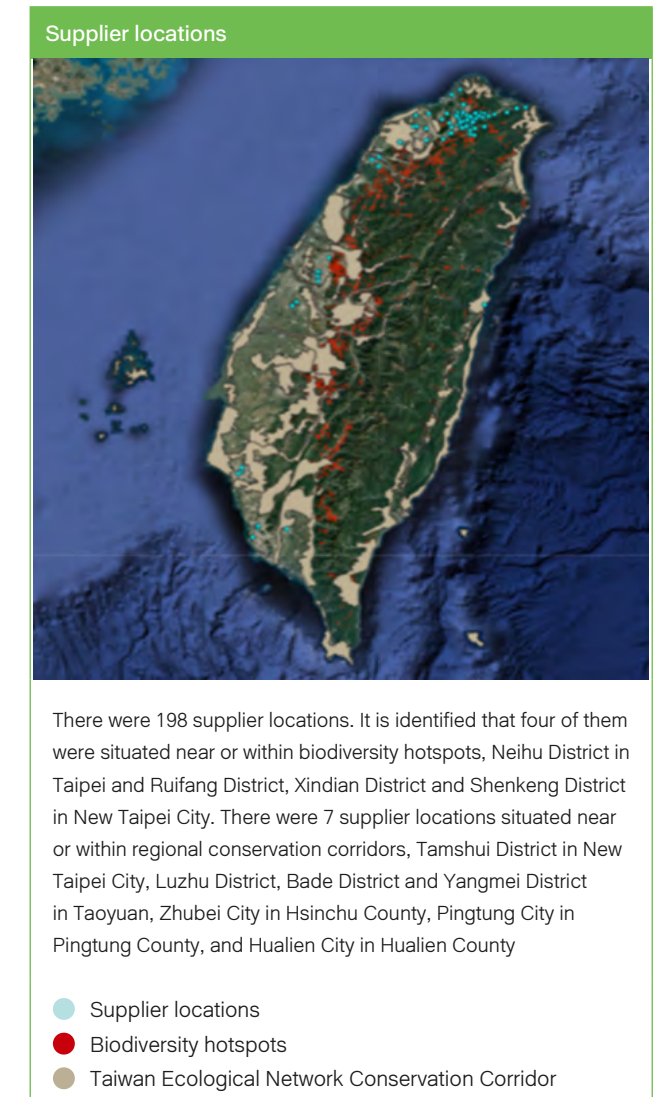
To further understand the value chain's impact on the natural environment, in 2025, the SCSB expanded the scope to include regional conservation corridors in its analysis. The dataset includes 45 regional conservation corridors, including hills, rivers, plains, coasts, and offshore islands. These are fragmented ecosystems and priority conservation sites in all domestic upstream, midstream, and downstream areas.

To gain a complete understanding of the distance between the SCSB's value chain activities and biodiversity hotspots and regional conservation corridors, the SCSB assessed whether its self-owned locations, supplier locations, and investment and financing clients were located within a 1,000-meter radius of biodiversity hotspots and regional conservation corridors. The analysis outcome is shown below:

Analysis of Self-owned and Supplier Locations



Analysis of Self-owned and Supplier Locations



Analysis of Financing and Investment Client Locations

Investment Client Locations



There were 169 investment client locations. It is identified that none of these locations were situated near or within biodiversity hotspots. There were 20 of them situated near or within regional conservation corridors of the ecological network. These regional conservation corridors include the Wetland Conservation Corridor of Taoyuan Pond Plain in Taoyuan, the Conservation Corridor of Fengshan River and Touqian River Basin, the Qianshan Conservation Corridor of Dadu Terrace in Taichung, and the Grass-covered Land Conservation Corridor of Southern Chia Nan Plain in Tainan and Chiayi.

- Investment Client Locations
- Biodiversity hotspots
- Taiwan Ecological Network Conservation Corridors

Financing Client Locations



There were 838 financing client locations. It is identified that 21 of these locations were situated near or within biodiversity hotspots. There were 154 of them situated near or within regional conservation corridors of the ecological network. These overlapping areas are mainly concentrated in Taiwan's six major municipalities and other regions with high industrial and commercial activity. The SCSB will continue to enhance monitoring and management of such clients to mitigate potential risks associated with natural environmental impacts.

- Financing Client Locations
- Biodiversity hotspots
- Taiwan Ecological Network Conservation Corridors

Based on the overall assessment, the SCSB's value chain—including self-owned locations, suppliers, and investment and financing activities—has not caused direct impacts on the natural environment. However, given that some locations are near ecologically sensitive areas and certain investment or financing clients belong to nature-sensitive sectors as defined by TNFD, these cases warrant prioritized monitoring and enhanced management.



3.2.2.4 PERFORMANCE OF NATURE-RELATED RISK MANAGEMENT

To strengthen the management of natural related impacts, the SCSB has implemented relevant measures across various segments of its value chain to reduce environmental burdens and preserve ecosystem integrity. In recent years, the SCSB has actively advanced natural related initiatives such as "public welfare participation", "development of nature-themed products", "wetland adoption", and "forest restoration" aiming to contribute to ecological restoration and promote environmental sustainability with a diverse range of actions.

The performance of these nature-focused initiatives in 2025 is summarized as follows:

item	Initiative	Environmental and Social Performance in 2025
 development of nature-themed products	The SCSB is committed to integrating nature conservation concepts into its products and services, leveraging its corporate influence to promote environmental stewardship. Over the years, the SCSB has actively participated in the “Tree Planting Sponsorship Program” led by BNP Paribas, under which one tree is planted by a social enterprise for every USD 10,000 invested by a customer in a sustainable financial product. In addition, the SCSB has linked time deposit projects to bird conservation efforts, allocating a portion of the deposit amount as a donation to support the restoration of wild bird populations. Through wealth management and advocacy of personal financial services, the SCSB encourages customers to remain mindful of nature while managing their finances, promoting more sustainable financial products and contributing to the broader transition toward a sustainable economy and industry.	The SCSB sponsored the planting of 1,851 trees in India and 17,409 trees in Indonesia: ● Absorbing 2,889 tons of carbon dioxide ● Creating habitats for 57,780 animals ● Generating 77,040 months of oxygen supply ● Creating 19,260 hours of employment opportunities
 wetland adoption	Since 2022, the SCSB has been actively engaged in bird conservation efforts. To support migratory bird protection and habitat restoration, the SCSB, in collaboration with the National Property Administration, Ministry of Finance, partnered with the Wild Bird Federation Taiwan and the Tainan Wild Bird Society to adopt the Jiangjun Salt Field Wetland in Tainan. Joint initiatives include habitat patrols, ecological monitoring, and environmental restoration. Thanks to continuous efforts in recent years, both the number and diversity of migratory birds at the wetland have increased significantly. As of 2024, a total of 90 bird species have been recorded, with more than 25,000 winter migratory birds recorded. The SCSB remains committed to contributing resources to protect wetland habitats and safeguard avian biodiversity in Taiwan.	● Adopted salt field conservation area: 198.66 hectares
 forest restoration	To implement its ESG sustainability vision, the SCSB partnered with the Walkii health platform to promote employee walking initiatives, transforming everyday exercise into symbolic actions of tree planting and forest conservation, and encouraging employees to participate in environmental sustainability efforts. The achievements of the program were further translated, in collaboration with the Kaohsiung Love Tree Association, into native tree seedlings in Taiwan, which are used for wetland restoration and ecological conservation, thereby enhancing natural carbon sinks and supporting the recovery of ecosystem functions.	● Total walking distance accumulated: 34,218.97 km ● Total carbon reduction achieved: 6,941.6 kg ● Total trees planted: 5 trees

3.2.3 RISK MANAGEMENT

Integrated Risk Management Framework

The SCSB has established an integrated risk management framework based on the "Risk Management Policy of Shanghai Commercial and Savings Bank". This framework encompasses critical risk categories such as market, credit, country, operational, asset-liability, and climate-related risks. Climate risks, international ESG trends, and annual materiality assessments are also incorporated into The SCSB's risk identification and management processes. The SCSB continues to develop responsive measures and monitoring mechanisms for emerging risks to enhance overall effectiveness of risk management.

In terms of the risk management framework, the Board of Directors serves as the highest risk decision-making body in the SCSB, and the Risk Management Committee, under the Board, is responsible for the SCSB-wide coordination of risk management matters, while the President oversees the Risk Management Department, which independently executes risk management tasks. Dedicated risk officers are also appointed within each business unit to identify and manage risks specific to their operations. (For details on the SCSB's risk management framework and duties, please refer to **Chapter 2.4 Risk Management**.)

To further strengthen natural and climate-related risk management, the SCSB has revised its "Guidelines for Nature and Climate Risk Management", requiring all units to incorporate natural and climate risks into their management and evaluation processes. In accordance with the "Three Lines of Defense Framework for Internal Control", the SCSB also conducts climate scenario analyses for key climate risks to assess potential financial and operational impacts, which helps with continuous risk tracking and management, thereby enhancing the SCSB's overall resilience.

Value Chain Risk Management

(1) Management of Self-Owned Locations

The SCSB undergoes external verification for ISO 50001 Energy Management System and ISO 46001 Water Efficiency Management System annually. In accordance with system procedures, the SCSB regularly collects internal and external energy- and water-related issues, communication records, and meeting documentation to serve as a basis for assessing risks and opportunities. Through the planning and implementation of relevant measures, the SCSB ensures the expected outcomes of the water efficiency management system are achieved, allocates necessary human and financial resources, drives continuous improvement of the system to achieve the SCSB's climate targets under the Science Based Targets (SBT) initiative on schedule.

(2) Supplier Management

The SCSB has adopted the ISO 20400 Sustainable Procurement Guidelines to promote responsible purchasing practices, evaluated suppliers' potential impacts on natural ecosystems and atmospheric environments through ESG self-assessment questionnaires and supplier risk identification processes, and this helps the SCSB avoid engaging with suppliers that may pose significant negative impacts on nature. Meanwhile, the SCSB also regularly holds ESG forums and invites suppliers to participate, actively promoting nature conservation and sustainability among suppliers and stakeholders and strengthening consensus on sustainable development.

(3) Investment and Financing Business Management

The SCSB has established internal guidelines such as the "Responsible Investment Policy" and "Guidelines Governing SCSB's Responsible Lending", as well as supplementary policies including the "SCSB Sustainability-linked Credit Extension Guidelines", "Regulations for Equator Principles Credit Extension", "Natural and Climate Risk Investment Management Policy", and "Sustainable Development Engagement Guidelines". These frameworks require business units to integrate ESG risk assessments such as climate and nature-related factors into the financing and investment assessment process. In accordance with the SCSB's negative screening list and decarbonization targets, sectors that are prohibited or highly controversial are excluded from engagement.

For clients previously involved in ESG controversies, business units are required to carefully consider the results of risk assessments, the client's current improvements, and the establishment of remedial action plans. In the case of high-emission enterprises, the SCSB must request that clients propose energy-saving and carbon-reduction measures, and during periodic reviews, the SCSB shall continue to monitor whether clients are fulfilling their commitments to mitigate potential risks, improve sustainability performance, reduce carbon emissions, mitigate potential risks, and improve sustainability performance.

If a client violates ESG commitments or breaches lending conditions, the SCSB shall request a concrete corrective action plan and regularly track its effectiveness, to ensure that investment and financing activities do not cause significant harm to the atmosphere or natural capital. (For details on responsible investment and financing initiatives, please refer to **Chapter 3.1 Sustainable Finance**.)

3.2.4 INDICATOR AND TARGET

The SCSB fully checks the GHG emissions of all operating locations to show its firm commitment to sustainable operation and net zero transitions. The SCSB integrates carbon emissions data of investment and financing clients, and sets a carbon emission reduction goal that meets the Paris Agreement. At the end of 2024, the SCSB officially submitted target verification application to the Science Based Targets Initiative (SBTi) and passed approval at the beginning of 2025. To realize the carbon reduction pathway, the SCSB has drawn up the carbon reduction plan covering overseas subsidiaries, showing commitment to sustainable development, and continues with carbon reduction steadily.

SBT target, and short-term, mid-term and long-term planning (Scope 1 and Scope 2)

Baseline year	Target year	Target	Progress Toward 2025 Targets
2022	2030	Absolute emissions are reduced by 42%.	In progress

Note 1. The greenhouse gases covered by the SBT targets include: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.

The SCSB has introduced the GHG inventory system and the ISO management system associated with environment, energy, and water resources to ensure that the carbon reduction information of all operating locations and the Head Office is consistent. The SCSB also keeps the management process standardized to take carbon reduction actions effectively. In the short run, our primary reduction strategy is equipment replacement. By introducing highly efficient energy-saving equipment and replacing conventional fuel cars with hybrids or electric cars, carbon emissions during operation are reduced. In the long run, the SCSB will continue to track and optimize the carbon reduction measures by fulfilling the energy resource management target. Meanwhile, the SCSB gradually increases the ratio of renewable energy purchase and carbon offset to effectively fulfill the carbon reduction commitment in the short, medium and long run.

SBT target, and short-term, mid-term and long-term planning (Scope 3 – Investment and financing emissions)

Asset Class	Subcategory	Target Setting Method	Baseline year	Target	Progress Toward 2025 Targets
Investment	Listed equity and Corporate bonds	Portfolio Coverage(PC)	2022	In 2028, 43% of the investment portfolio value passes SBTi verification	Target achieved
	Commercial real estate	Sectoral Decarbonization Approach(SDA)		In 2030, emissions intensity per square meter of gross floor area of commercial real estate in the financing portfolio is reduced by 50%.	Target achieved
Corporate loans	Electricity generation	Sectoral Decarbonization Approach(SDA)		In 2030, the emissions intensity of power generation industry in the financing portfolio is reduced by 41%.	Target achieved
	Long-term loans-Fossil fuels	Portfolio Coverage(PC)		By 2028, 33% of the value of long-term loans to the fossil fuel sector in the SCSB's financing portfolio will be validated by the SBTi.	In progress
	Other long-term debt	Portfolio Coverage(PC)		In 2028, among the financing portfolios, 34% of long-term loan value of other industries passes SBTi verification	Target achieved
Project Financing	Electricity generation	Sectoral Decarbonization Approach(SDA)	-	In 2030, the SCSB only grants loans to project financing of power generation industry for renewable energy	In progress

Note 1. The definition of other industries in the SCSB covers the petrochemical industry, steel industry, paper industry, concrete industry, transportation service industry, electronic manufacturing industry, financial industry, retail industry, dining and accommodation industry, and real estate development industry.

Note 2. The target boundary covers all companies included in the SCSB's consolidated financial statements.

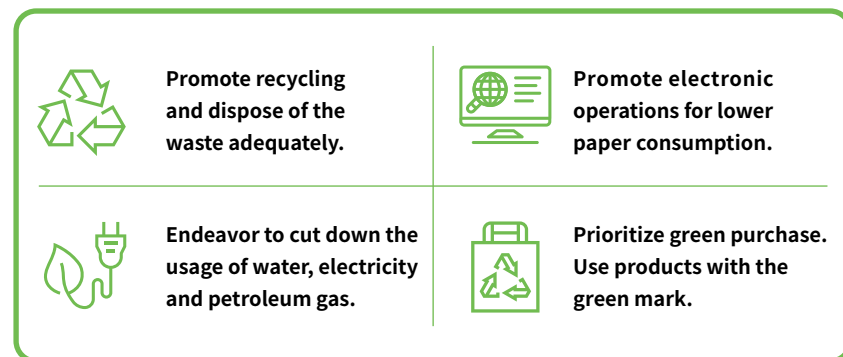
Note 3. The greenhouse gases covered by the SBT targets include: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.

As for investment and financing management, the SCSB has formulated the "Guidelines Governing Nature and Climate Risk Management," and requires the Asset and Liability Management Committee to check credit extension and investment portfolio regularly to ensure that financial risks arising from climate and nature-related changes are aligned with the SCSB's climate and nature risk management policies. In the meantime, the SCSB actively raises professional talent in climate risk management, optimizes integration of information systems and climate data, and sets up quantitative indicators to enhance management performance. In the short run, the SCSB will start the engagement action with clients, and offer advice for intensity reduction target to clients actively engaging in carbon reduction action, or encourage them to commit to SBTi carbon reduction. In the long run, the SCSB will continue to examine the investment structure, gradually adjust fund allocation, and transfer funds from the high carbon emissions industry to the low carbon emissions industry. The SCSB utilizes the investment influence of the financial industry to help high-carbon emitting enterprises have the determination and will for carbon reduction to gradually realize a low-carbon transition. In addition, as for financing, the SCSB will raise the financing threshold of high carbon emissions industry by increasing the repayment interest rate. For clients not willing to reduce carbon emissions after negotiation, the loan will not be renewed. The SCSB takes action to promote the carbon reduction transition of operations.

The SCSB deeply knows that net zero transition cannot be achieved by one corporation only. It is a long-term goal requiring efforts of the entire industry chain. By reinforcing carbon reduction management, adjusting the investment and financing strategy, and promoting the value chain transition, the SCSB will continue to contribute to sustainable development, and work with clients and all sectors to forge ahead to a future of carbon reduction.

3.3 GREEN OPERATIONS

3.3.1 ENVIRONMENTAL AND ENERGY MANAGEMENT MECHANISM



The SCSB has implemented ISO 14001-Environmental Management System, ISO 50001-Energy Management System, and ISO 46001-Water Efficiency Management System. Moreover, the SCSB formulated an "Environmental, Occupational Safety and Health, Energy and Resource Management Policy" to promote various voluntary actions and improvement plans. Through systematic management approaches, achieve to reduce energy and water consumption and minimize waste generation, fulfilling our responsibility towards environmental friendliness.

The SCSB regularly collects and studies the law as well as the opinions of internal and external stakeholders to identify environmental and energy-related risks and opportunities that may have a significant impact on the SCSB by following the PDCA cycle, as well as to continue improving environmental and energy performance.

As a financial services provider, the SCSB's operational impact on the environment is primarily associated with resource consumption, particularly paper. Through initiatives such as promoting electronic forms, implementing paperless meetings, and encouraging paper reuse and classification, paper usage has been effectively reduced. In terms of direct and indirect energy and resource consumption, the primary resources involved include water, electricity, and fuel for official vehicles. The SCSB has implemented various measures to mitigate environmental impact, including procuring energy-efficient equipment, improving lighting efficiency, installing lighting time-control systems, optimizing corridor lighting, restricting air-conditioning usage hours, adjusting water flow, and enforcing vehicle management and regular maintenance policies. In compliance with environmental regulations, the SCSB is committed to appropriately protecting the natural environment and enhancing the efficiency of resource utilization in both its operational activities and internal management practices.

3.3.2 GREENHOUSE GAS EMISSIONS MANAGEMENT

The SCSB conducts greenhouse gas (GHG) inventories in accordance with the ISO 14064-1 international standard, adopting the operational control approach to define organizational boundaries and using the emission factor method for emissions calculation. The emission factors are sourced from the Ministry of Environment's GHG emission factors announced on February 5, 2024, as well as electricity emission factors published by the Bureau of Energy.

To achieve its sustainable operations objectives and implement prudent carbon reduction practices, the SCSB has set 2022 as the baseline year and established a target to reduce absolute emissions by 42% by 2030. In 2025, Scope 1 emissions remained at a level similar to that of 2024, while Scope 2 emissions decreased by 7.16% compared to the previous year. The combined Scope 1 and Scope 2 emissions intensity per million in revenue was 0.1476 tCO₂e in 2025, representing a 8.09% reduction from the prior year.

A New Milestone in the Green Energy Transition: Renewable Energy Share Exceeds 10%

The SCSB is actively advancing environmental sustainability and demonstrating its commitment to carbon reduction through energy transition initiatives. To date, total renewable energy consumption across SCSB has reached 2,755,817 kWh, accounting for 10.48% of total electricity usage. This achievement is equivalent to a reduction of approximately 1,306.2573 tCO₂e in carbon emissions, based on Taiwan's electricity emission factor.

Scope 1 and Scope 2 Emissions

				Unit:tCO ₂ e	
Emission Source Types	2022	2023	2024	Emission Source Types	2025
Scope 1	703	1,069	1,060	Scope 1	1,187
Scope 2	9,879	7,323	7,194	Scope 2 (Market-based)	6,679
				Scope 2 (Location-based)	7,985
Scope 1 and Scope 2	10,582	8,392	8,254	Scope 1 and Scope 2 (Market-based)	7,866
				Scope 1 and Scope 2 (Location-based)	9,172
Annual Performance					
2024	Carbon emissions per million in revenue			0.1606 tCO ₂ e	
2025				0.1476 tCO ₂ e	

Note 1: The IPCC Sixth Assessment Report (AR6) is adopted for the period from 2022 to 2025.

Note 2: The electricity emission factor for Taiwan is based on the 2025 electricity emission factor announced by the Bureau of Energy, Ministry of Economic Affairs. For other regions, local emission factors or data from the Ecoinvent database are adopted.

Note 3: Emission factors other than electricity are primarily based on the Greenhouse Gas Emission Factor Management Table announced by the Ministry of Environment (Executive Yuan) in 2024. Steam-related emission factors are based on the Ecoinvent database.

Note 4: The GHG inventory is conducted using the operational control approach, covering CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃.

Note 5: The greenhouse gas emissions data for all of the SCSB's locations in Taiwan for 2025 have been verified by a third party. Verification was completed in May 2026 by SGS, and an ISO 14064-1:2018 GHG verification statement was obtained. The verification period covers January 1 to December 31, 2025.

Note 6: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices (a total of 91 locations).

Scope 3 Emissions

UNIT:tCO₂e

Emission Source Types	2022	2023	2024	2025
Upstream electricity	1,190.1	1,347.9	1,391.3	1,493.3
Business travel	6.8	114.9	97.9	78.8
Employee commuting	1,951.2	1,856.7	1,835.4	1,744.0
Emissions from the end-of-life treatment of products	4.1	5.0	3.7	3.0
Investments and financing activities	2,268,221.6	2,838,150.6	1,998,316.0	1,637,030.3

- Note 1: Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (2021).
- Note 2: The emission factor for upstream electricity is based on the Carbon Footprint Information Platform – Indirect Carbon Footprint of Electricity (2021).
- Note 3: Emission factors for employee commuting and business travel are based on the Carbon Footprint Information Platform and the Ministry of Environment's Life Cycle Assessment of Vehicles in Taiwan research project for domestic data, while overseas data are based on regional factors from the Ecoinvent database, covering both domestic and international employees.
- Note 4: Emissions from the end-of-life stage of products are based on the SCSB's 2023 Credit Card Carbon Footprint Report (valid until February 15, 2028).
- Note 5: Emissions from investment and financing activities are inventoried and calculated in accordance with the PCAF methodology.
- Note 6: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices (a total of 91 locations).
- Note 7: Except for emissions related to investment and financing activities, the Scope 3 greenhouse gas emissions data for all of the SCSB's locations in Taiwan in 2025 were verified by SGS in May 2026, and an ISO 14064-1:2018 GHG verification statement was obtained. The verification period covers January 1 to December 31, 2025.

Scope 3 - Emissions from investment and financing activities

The SCSB calculates the carbon emissions of investment and financing portfolios in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology. The total carbon emissions of the investment and financing portfolio in 2025 amounted to 1,637,030.27 metric tons of CO₂e. The carbon footprint of the investment and financing portfolio was 1.68 metric tons of CO₂e / NT\$ million dollars (approximately 52.77 metric tons of CO₂e / million USD). Most asset categories showed a declining trend in carbon footprint from 2022 to 2025. The SCSB will continue to monitor the carbon emissions of the investment and financing portfolio and assist investment and financing targets in transitioning to low-carbon operations through engagement.

Asset Class Comparison

GHG Emissions of Investment and Financing Portfolio (tCO₂e)

Asset Class	2022	2023	2024	2025	Quality of the data in 2025
Business loans	884,621.93	1,021,044.38	556,152.48	476,341.27	3.53
Commercial real estate	29,010.76	30,174.37	28,864.20	28,787.33	4.04
Mortgages	417,466.20	434,356.87	340,396.07	232,384.21	4.04
Listed equity and corporate bonds	937,122.75	984,358.50	668,271.02	652,022.74	1.89
Sovereign debt	-	368,216.46	404,632.21	247,494.72	2.00
Total	2,268,221.64	2,838,150.58	1,998,315.98	1,637,030.27	3.35

- Note 1: Business loans do not include commercial real estate, mortgages, and project financing.
- Note 2: From 2022 to the end of 2025, SCSB has no automobile and motorcycle mortgage loan positions.
- Note 3: In 2025, the SCSB's investment and financing emission coverage rate—calculated as the proportion of portfolio positions assessed in accordance with the PCAF methodology relative to those eligible under the PCAF methodology—is 92.61%

Investment and Financing portfolio Carbon Footprint

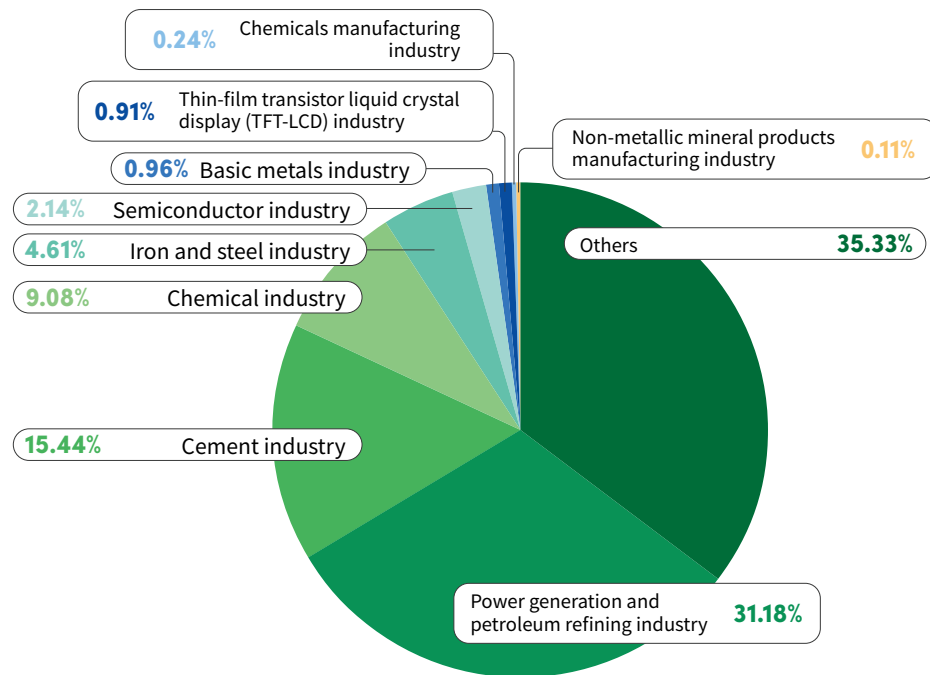
Asset Class	2022	2023	2024	2025	2025
	Unit : Metric Ton CO ₂ e / NT\$ million				Metric Ton CO ₂ e / USD million
Business loans	2.36	2.76	1.45	1.23	38.79
Commercial real estate	0.72	0.71	0.74	0.76	23.72
Mortgages	1.48	1.40	1.08	0.71	22.28
Listed equity and corporate bonds	6.80	5.40	3.58	3.81	119.52
Sovereign debt	-	6.69	7.49	4.80	150.73
Total	2.71	2.95	2.04	1.68	52.77

- Note 1: Business loans do not include commercial real estate, mortgages, and project financing.
- Note 2: From 2022 to the end of 2025, SCSB has no automobile and motorcycle mortgage loan positions.
- Note 3: In 2025, the SCSB's investment and financing emission coverage rate—calculated as the proportion of portfolio positions assessed in accordance with the PCAF methodology relative to those eligible under the PCAF methodology—is 92.61%

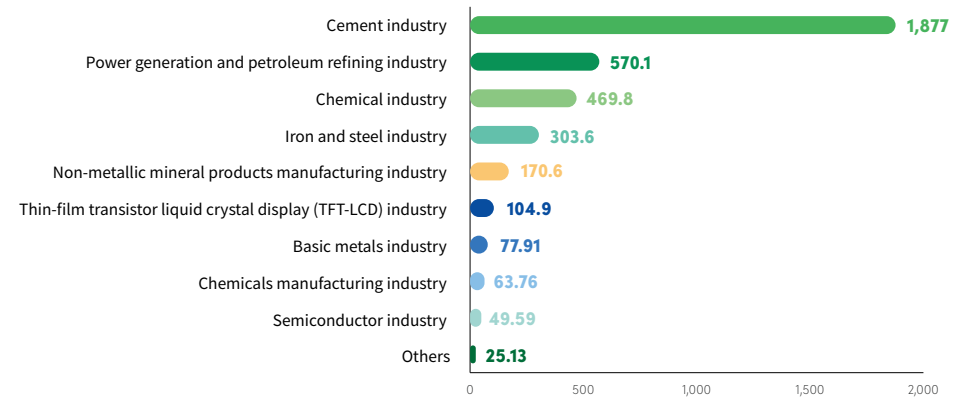
Industry Comparison

In 2025, the carbon emissions from investment and financing portfolio by industry¹ showed that the top three absolute carbon emitters were "Power Generation / Petroleum Refining Industry (31.18%)", "Cement Industry (15.44%)"², and "Chemical industry (9.08%)". Further analysis of the carbon footprint of the investment and financing portfolio revealed that the highest carbon footprint was from the "Cement Industry", followed by the "Power Generation / Petroleum Refining Industry", and thirdly the "Chemical industry", with 1,877.65, 570.11, and 469.83 tCO₂e per million USD, respectively.

GHG Emissions of Investment and Financing Portfolio (tCO₂e)



Investment and Financing portfolio Carbon Footprint (tCO₂e/USD million)

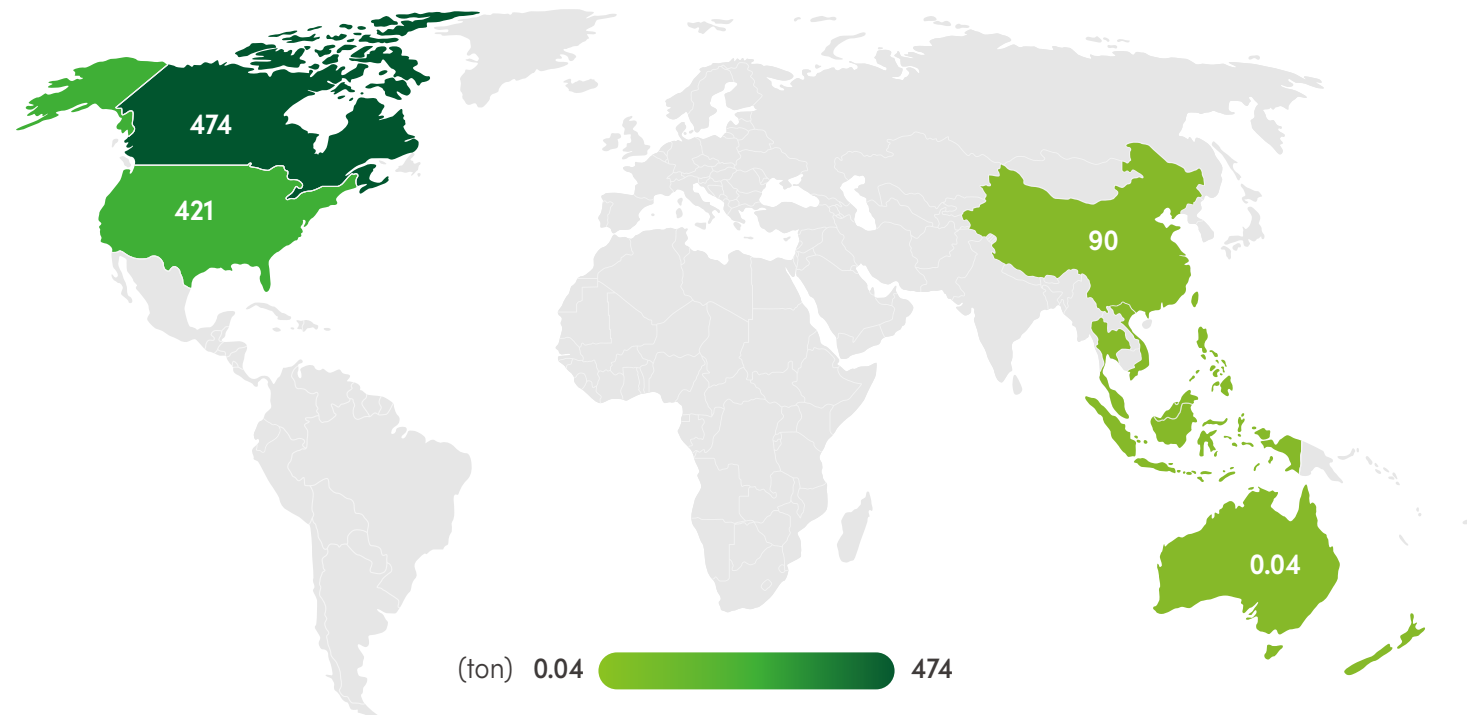


¹ The financed emissions data by industry category covers asset classes including listed equity investments, corporate bond investments, and corporate lending.

² Greenhouse gas emissions disclosed in this section are ranked by absolute emissions and are not included in the aggregated totals of other industry sectors.

Regional Comparison (tCO₂e/US\$M)

Country	Carbon Footprint (tCO ₂ e/US\$M)	Investment and Financing Portfolio Carbon Footprint (ton)
Canada	474	190
United States	421	5,845
Seychelles	389	126
Indonesia	175	1,215
Vietnam	135	7,754
China	90	29,733
Switzerland	72	28
Philippines	66	37
New Zealand	44	10
Taiwan	39	421,700
Others	18	12,285
Malaysia	16	67
Thailand	12	868
Austria	8	48
Bangladesh	4	10
Hong Kong	2	260
Liberia	1	8
Singapore	0.04	3
Australia	0.04	2



Avoided Emissions

In accordance with the PCAF definition, the SCSB includes project financing for renewable energy projects, such as wind and solar power generation projects, with clearly defined use of purposes, in the project finance category. Furthermore, the SCSB calculate the annual avoided emissions of these projects based on the year-end outstanding balance. The following are the project financing data for power plants over the past three years. Moving forward, the SCSB will continue to expand financing for renewable energy power plants to contribute to carbon reduction in the power generation industry.

Asset Class	units:ktCO ₂ e		
	2023	2024	2025
Project Financing for Power Plants	33.10	292.52	117.35

3.3.3 ENERGY MANAGEMENT

The SCSB's energy consumption across its operating locations is primarily derived from purchased electricity and gasoline used by official vehicles. In 2025, the SCSB's total energy consumption amounted to 65,802 GJ, representing an increase of 527 GJ from 65,275 GJ in 2024, or approximately 0.8%. Energy consumption per employee was 22.85 GJ, an increase of 1.2% compared to 22.59 GJ in the previous year.

Energy Type	2022	2023	2024	2025	2025
Unit	GJ				MWh
Gasoline	5,914	6,667	6,216	5,608	1,558
Diesel	13	81	7	38	11
Natural gas	123	134	222	305	85
Purchased steam	410	556	666	633	130
Purchased electricity – non-renewable	51,275	51,732	53,038	49,297	13,695
Purchased electricity – renewable	1,268	3,116	5,126	9,921	2,756
Total	59,003	62,286	65,275	65,802	18,234

Annual Performance		
2024	Energy consumption per employee	22.59 GJ
2025		22.85 GJ

Note 1: Energy unit conversions are calculated based on 1 cal = 4.184 J and 1 GJ = 0.2778 MWh.

Note 2: For Taiwan operations, calorific values for gasoline, diesel, and natural gas are based on those announced in the Ministry of Environment's Enterprise GHG Emissions Information Platform (2025), with coefficients of 7,586 kcal/L, 8,636 kcal/L, and 8,067 kcal/m³, respectively.

Note 3: For gasoline used at locations in Vietnam, Indonesia, and Thailand, calorific values are based on Greenhouse Gas Reporting: Conversion Factors 2024, Indonesia: Fuels – Diesel and Gasoline, and The Comparison of Fuel Consumption for Small Gasoline Engines Fuelled by Commercial Gasoline in Thailand under Different Conditions, with coefficients of 33.61 MJ/L, 33.264 MJ/L, and 31.48 MJ/L, respectively.

Note 4: For China operations, gasoline is calculated based on National Standard for Motor Gasoline (GB 17930-2016) (density 720 – 775 kg/m³, average 747.5 kg/m³) and General Rules for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) (calorific value 10,300 kcal/kg), resulting in a coefficient of 7,699 kcal/L. Purchased steam is based on GB/T 2589-2008 with a calorific value coefficient of 3,763 MJ/ton. Natural gas is based on GB/T 2589-2020 with a calorific value coefficient of 35.61 MJ/m³.

Note 5: Natural gas in Hong Kong is based on Towngas billing data with a calorific value of 48 MJ/unit, while natural gas in Singapore follows the City Energy Handbook on Gas Supply with a calorific value of 38.3 MJ/m³.

Note 6: The calorific value coefficient for purchased electricity in both overseas and Taiwan operations is 3,600 GJ per million kWh.

Note 7: Purchased renewable electricity is directly procured; in 2025, a total of 2,853 certificates were acquired, corresponding to 2,755,817 kWh.

Note 8: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices (a total of 91 locations).

3.3.4 WATER RESOURCE MANAGEMENT

Water used in the SCSB's office buildings and service locations is primarily for employee and partial customer use, and does not have a direct impact on water sources. Domestic wastewater generated after use is discharged into the sewer system and collected through pipelines to wastewater treatment plants for processing, without causing pollution to surface water bodies.

In addition, the SCSB has installed water-saving facilities for restrooms and other water-using equipment, utilizing products certified with water efficiency labels. To further strengthen water management, the SCSB has introduced the ISO 46001 Water Efficiency Management System. Through the analysis of water usage activities, areas with potential for water conservation are identified, and water flow is adjusted accordingly.

In 2025, the SCSB's total water withdrawal amounted to 71.5 million liters, an increase of 2.4 million liters compared to 69.1 million liters in 2024. Water withdrawal per employee was 24,800 liters, representing an increase of 900 liters from the previous year, or approximately 3.8%, mainly due to the addition of an employee cafeteria in the new headquarters building, which led to higher water consumption.

Item	2022	2023	2024	2025
Water withdrawal (megaliters)	56.9	65.1	69.1	71.5
Water withdrawal per employee (10,000 liters)	1.99	2.22	2.39	2.48

Annual Performance	
Increase in water withdrawal per employee	0.09 (10,000 LITERS)

Note 1: The SCSB assesses water stress based on the WRI Aqueduct framework. As Taiwan is not classified as a water-stressed region, the SCSB is not considered to withdraw water from water-stressed areas.

Note 2: Based on the Drinking Water Quality Standards, the water withdrawn by the SCSB is classified as freshwater.

Note 3: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices (a total of 91 locations).

Note 4: 100% of the SCSB's water withdrawal is sourced from a third-party supply—the Taiwan Water Corporation—with no use of groundwater or other alternative water sources.

3.3.5 WASTE MANAGEMENT

Due to the nature of the financial services industry, the SCSB primarily generates non-hazardous general waste. The SCSB encourages employees to implement waste sorting practices. Recycling areas are in place at the headquarters building and all branches to facilitate waste classification. Waste disposal operations are entrusted to qualified and licensed environmental recycling contractors, with waste treated through recycling, incineration, or final landfill disposal based on its characteristics. As a result, the waste generated from the SCSB's operations has not caused significant environmental pollution.

In 2025, the SCSB's total waste volume amounted to 172 metric tons, representing a decrease of 19 metric tons compared to 2024. Non-recyclable waste totaled 72 metric tons, and the overall waste volume decreased by 9.95% in 2025.

3.3.6 GREEN OPERATIONS STRATEGIES

Electronic documents and Paperless Policy

The SCSB continues to encourage customers to apply for credit cards online. Customers who apply for the Minions card online can enjoy a three-year waiver of the annual fee, thereby saving paper and achieving the goal of reducing carbon emissions. In 2025, more than 66.67% of credit card applications were made online, totaling 11,103 applications. If each application uses two A4 sheets of paper, the online credit card application service saved 22,206 sheets of paper.

The SCSB is also promoting the use of electronic statements instead of printed statements. In 2024, the number of customers using only electronic statements reached 160, with a total of 1,066,214 electronic statements issued throughout the year. Assuming that each statement and envelope uses two A4 sheets of paper, these customers would collectively save at least 2,132,428 sheets of paper in 2025.

Additionally, the SCSB issued 49,467 electronic documents in 2025. Assuming each document would have used two A4 sheets of paper, this also reduced carbon emissions by approximately 672.75 kg of CO₂e.

According to the Ministry of Environment's Carbon Footprint Information Platform, one A4 sheet of paper has a carbon footprint of 0.0068 kg. In addition, based on the estimation method recommended by the Intergovernmental Panel on Climate Change (IPCC), the mailing process for each physical statement generates approximately 0.0068kg of CO₂e. Therefore, the reduction in paper, envelopes, and statement mailing operations due to SCSB's paperless efforts in 2025 resulted in a reduction of 22,062.73 kg of CO₂e.

Unit: tons

Category	2022	2023	2024	2025
Total waste recycled/ reused	94	94	85	100
Total waste incinerated	170	107	106	72
Total waste	264	201	191	172

Note 1. The target for 2025 is to reduce the amount of non-recyclable waste per capita by 3% from the previous year.

Note 2. Reuse methods for non-hazardous waste include only recycling/reuse and incineration. It does not include reuse, composting, recycling, deep well injection, burial, on-site storage, etc.

Note 3. The data statistics includes The Shanghai Commercial and Savings Bank's operating sites in Taiwan, overseas branches, and overseas representative offices (91 locations in total).

Estimated carbon reduction due to paperless policy

	Number of cases	Carbon Reduction Benefits (kg CO ₂ e)
Use of electronic statements	1,066,214	Carbon reduction resulted from a decrease in paper statements
		14,500.51
		Carbon reduction resulted from a decrease in paper statement mailing operations
		6,738.47
Online credit card application	11,103	Carbon reduction resulted from a decrease in paper-based applications
		151.00
Electronic documents	49,467	Carbon reduction resulted from a decrease in paper documents
		672.75
Total		22,062.73

Internal Carbon Pricing and Credit Customer Carbon Fee Risk Assessment

In order to reduce the organization's carbon emissions, the SCSB has begun planning an internal carbon pricing mechanism and developing a carbon fee risk assessment system. By introducing carbon pricing, the SCSB aim to reflect potential carbon costs in our investment and financing decarbonization strategies, as well as in the energy-saving measures at various branch locations. This will encourage employees to implement sustainable environmental actions and serve as a mechanism for managing investment and financing risks.

• Operations Management - Internal Carbon Pricing : NT\$300/tCO₂e

Carbon pricing category	Shadow price	Calculate the internal carbon fee by aggregating the electricity consumption and savings of each business unit.
GHG Scope	Scope 2	The proportion of carbon fees to total revenue for each business unit will be included in the annual performance evaluation.
Pricing method		The better the energy-saving performance, the more it can drive unit performance growth, which is beneficial for creating an incentivizing environment and objectively assessing the potential energy costs of all branch locations.
Formulated after comprehensive consideration of domestic regulatory trends and internal carbon reduction costs.		

• Investment and financing business management - Internal carbon pricing : NT\$1,500/ tCO₂e

Carbon pricing category	Shadow price	Conducted internal carbon pricing process assessments for specific high-carbon-emitting industry clients through the system.
GHG Scope	Scope 3	Calculated the estimated carbon fee by multiplying the client's annual carbon emissions by the carbon price set in the system
Pricing method		If the estimated carbon fee for a client reaches a certain proportion or threshold, the system will issue a warning and mark the customer as a high-risk client.
Formulated after comprehensive consideration of domestic regulations, carbon trading market trends, and pricing levels in the industry. To ensure that the carbon fee reflects true costs, the system's carbon pricing benchmark in the future will take prices in the international carbon trading market and fluctuating factors such as inflation into consideration. It will be revised concurrently with the price levels at different times.		The RM needs to confirm with the credit extension enterprises whether they have planned or implemented the following low-carbon transformation projects and report the findings internally.
		1. Conducted carbon reduction measures such as process improvement. 2. Conducted carbon reduction measures such as replacing obsolete factory equipment with new ones. 3. Used or rented green buildings, energy-saving buildings. 4. Introduced standards such as ISO 14064 or ISO 50001. 5. Applied IFRS S1 and S2 standards in disclosing financial information, as well as set reduction targets. 6. Joined international initiatives (such as RE 100 or SBTi, etc.) 7. Implemented other carbon reduction and transformation measures
		After discussions within the SCSB, if the client has made improvements or implemented low-carbon transformation projects, one can undertake relevant credit projects after passing internal resolutions.

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Building on Green Architecture to Mark a New Century of Sustainable Development

As the SCSB approaches its 110th anniversary, Shanghai Commercial & Savings Bank has established a new corporate headquarters located at the prime intersection of Zhongshan North Road and Minquan East Road in Taipei. Guided by the principles of "prudence in management and commitment to sustainable development," this new headquarters serves as the starting point for the SCSB's next century of growth.

Diamond Headquarters | Launching a Green Future

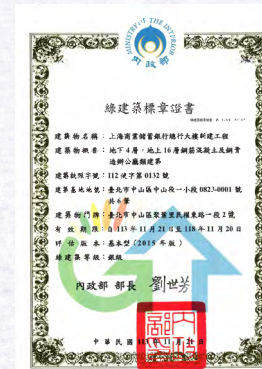
❖ Advanced Mesh Glass Façade Creating an Energy-Efficient Green Building

The new headquarters incorporates a variety of environmentally friendly design features. The curtain wall façade utilizes a specially applied mesh glass system developed by a Swiss company. In collaboration with the Department of Architecture at National Cheng Kung University, the project team employed building performance simulation software to analyze the impact of façade thermal radiation and indoor daylighting on energy consumption. This approach maximizes overall energy efficiency, and the building was awarded the Silver Green Building Label in 2024.

❖ "Circle of Life" Interior Design Using Recycled Materials

Each floor of the new building features a distinct theme and incorporates custom installation art and floor indicators made from recycled materials. These materials include discarded computer mice, old uniforms used by employees, and recycled paper waste. Through upcycling, the design symbolizes the continuity and renewal of the SCSB's corporate culture. In addition, a vertical green wall on the rear façade connects visually with the building's main elevation, forming a "sky tree" that embodies vitality and harmonious coexistence with nature.

The new headquarters, characterized by its iconic "diamond" design, stands as a symbol of Shanghai Commercial & Savings Bank's entry into a new milestone. Rooted in its new headquarters, the SCSB aspires to uphold its legacy of sustainability, carrying forward its commitment to nature and humanity, and opening a new and brilliant chapter for the future.



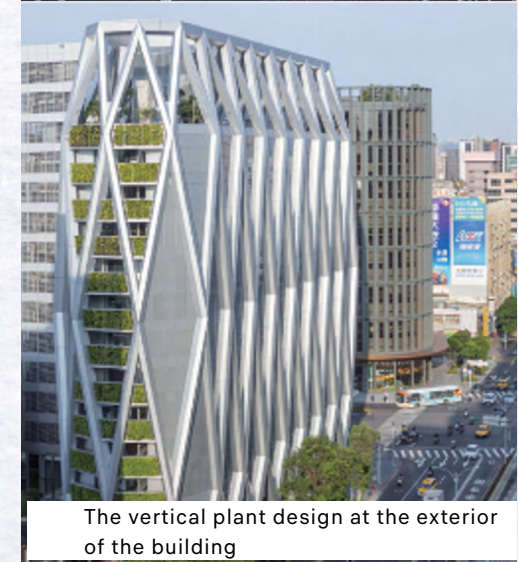
The green building silver label of the Head Office



Diamond building of SCSB Head Office



Floor indicators made from recycled materials



The vertical plant design at the exterior of the building

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Building on Green Architecture to Mark a New Century of Sustainable Development

Green Branches | Advancing Low-Carbon Operations

In advancing its sustainability transition, since 2025 the SCSB has designated the North Chung Ho Branch as a pilot site to implement energy-saving and environmental optimization measures. Through improvements to the lighting system, the SCSB applied for the Green Building Label from the Taiwan Architecture & Building Center using a carbon reduction benefit evaluation approach. Following an on-site inspection in October of the same year, the branch was awarded the Bronze Green Building Label, marking a significant milestone in green operations. The branch has also introduced energy-efficient air-conditioning and lighting systems, water-saving fixtures, and the use of green building materials in new construction and interior renovations. These efforts are complemented by resource recycling initiatives and water- and electricity-saving campaigns, further strengthening employee engagement in sustainability actions. In addition, the Fengshan Building installed a rooftop solar photovoltaic system in 2025. The electricity generated supplies lighting for public areas, continuously improving energy efficiency and supporting the SCSB's low-carbon operations objectives.



North Chung Ho Branch — Certified Green Building, Bronze Rating

3.3.7 SUSTAINABLE PROCUREMENT AND SUPPLIER MANAGEMENT

The SCSB's supplier management not only requires suppliers to comply with government regulations but also follows established guidelines such as the "Outsourcing Guidelines", "Outsourced Vendor Management Guidelines", "Selection of Entrusted Institutions Guidelines", "Procurement Guidelines", "Purchasing Operation Supplier Management Rules" and the "Supplier Corporate Social Responsibility Standards". These ensure that contract contents do not violate mandatory or prohibitive legal requirements. The SCSB has also included integrity clauses and anti-corruption declarations in supplier contracts, requiring all suppliers to acknowledge and comply with these statements, ensuring adherence to the Banking Act, Anti-Money Laundering Act, Personal Data Protection Act, and Consumer Protection Act.

For supplier management, when the procurement amount exceeds NT\$100,000 and a contract signed, suppliers must provide a Supplier Corporate Social Responsibility Self-Evaluation Form and a Supplier Corporate Social Responsibility Commitment Letter. This ensures that partner companies have not experienced major occupational accidents, environmental penalties, or violations of labor laws.

In 2024, the SCSB certified for the ISO 20400 sustainable procurement guidelines standard. By conducting sustainable risk assessments on our suppliers, the SCSB identified potential risks in our supply chain related to environmental impact, occupational health and safety, and consumer privacy protection. This allowed the SCSB to establish risk control measures and management strategies appropriate for the procurement stages of operations.

Based on the risk assessment results, the SCSB also conducted supplier educational training, surveyed the status of the supply chain, revised management regulations and supplier policies, and audited procurement processes. Through the transformation of working guidelines and management systems, the SCSB has strengthened the internal concept of green procurement, integrating sustainable principles into daily operations. The SCSB has also extended the sustainable procurement philosophy to our partnering suppliers, aiming to play a guiding role and work together with our supply chain partners to support the balanced and sustainable development of the economy, society, and environmental ecosystems.



The SCSB's suppliers mainly include properties, labor services, engineering, information technology, and insurance. In 2025, the primary procurements were in the engineering and labor services, amounting to NT\$494 million and NT\$432 million, respectively. The SCSB's procurement suppliers are primarily local. In addition to considering product quality and on-time delivery, the SCSB prioritizes environmentally friendly and energy-saving products, such as LED energy-saving light fixtures, FSC-certified photocopy paper, and energy-saving labeled computers and monitors. In 2025, the SCSB's total procurement of equipment amounted to approximately NT\$20 million, representing about 2% of the SCSB's total annual procurement expenditure. This includes over 2,755,800 kWh of renewable energy, accounting for 10.48 % of the SCSB's total electricity consumption, with a total of 2,853 renewable energy certificates obtained. The SCSB will continue to increase the proportion of environmentally friendly and energy-saving products in its procurement. Through green procurement, the SCSB aims to promote the growth of the green consumer market, create green benefits, and further expand energy-saving and carbon reduction efforts.

No.	2025 Green Procurement Measures and Performance	Procurement Amount/Quantity
1	Upgrade of energy-efficient air-conditioning systems at operating locations	Purchase of energy label-certified air-conditioning units with a total expenditure of NT\$2,650,000
2	Procurement of green energy	Total of 2,755,817 kWh, with an expenditure of NT\$16,558,361
3	Installation of solar panels on the rooftop of the Fengshan Building	Installation cost of NT\$1.28 million
4	Procurement of computer equipment (eco-label certified products)	The procurement amount is NT\$2,163,100



4

SOCIETY
ALWAYS CARING

- 4.1 Employee Composition and Diversity
- 4.2 Employee Training and Career Development
- 4.3 Employee Compensation and Benefit
- 4.4 Occupational Health and Safety
- 4.5 Human Rights and Equality
- 4.6 Financial Inclusion
- 4.7 Sustainability and Financial Education
- 4.8 Anti-Fraud Awareness and Financial Security
- 4.9 Social Engagement

The SCSB upholds the principles of prioritizing talent and fostering social inclusion. In terms of employee care, the SCSB is committed to providing a positive work environment and a comprehensive training framework to support continuous career development. In promoting inclusive financial products and services, the SCSB actively enhances financial literacy among disadvantaged groups and improves the accessibility of financial services. Since 2006, the SCSB has been advocating the event Financial Knowledge Promotion in Campuses and Communities organized by the FSC and the event Finance Charity Carnival organized by TFSR for more than ten years. For the financial friendly service, accessible facilities are available in all branches to serve accessible groups. Numerous financial products with positive social benefits have been launched. The SCSB actively provides digital financial service and strives for inclusive financing.

THEMES IN LINE WITH GRI TOPIC
STANDARDS

GRI 201: Economic Performance
GRI 401: Employment
GRI 403: Occupational Health and
Safety
GRI 404: Training and Education
GRI 405: Diversity and Equal
Opportunity

KEY MATERIAL TOPICS

TALENT ATTRACTION AND
RETENTION
FINANCIAL FRAUD
PREVENTION

PRIORITIZED STAKEHOLDERS
FOR READING

EMPLOYEES
FINANCIAL INDUSTRY PEERS
COMMUNITY STAKEHOLDER
ORGANIZATIONS
MEDIA



4.1 Employee Composition and Diversity

Employee is one of the important factors for us to achieve the vision of common prosperity. To build a happy working environment, the SCSB actively recruits young talents through diverse recruitment channels and natures of work to attract next-generation talents, with the aim of maximizing workforce diversity. In addition, human rights and equality values are highly valued, no discrimination against any gender, race age group, political affiliation, marital or family status. The total number of employees in 2025 is 2,880, 19 less than in 2024(2,899 employees), no significant difference.

Employee composition at the end of 2025

		Employment contract				Employment type			
		Permanent employees		Temporary employees		Full-time employees		Part-time employees	
		Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Female	<30 years old	329	11.42%	0	0.00%	329	11.42%	0	0.00%
	30-50 years old	938	32.57%	1	0.03%	938	32.57%	1	0.03%
	>50 years old	367	12.74%	3	0.10%	367	12.74%	3	0.10%
male	<30 years old	171	5.94%	2	0.07%	173	6.01%	0	0.00%
	30-50 years old	661	22.95%	0	0.00%	656	22.78%	5	0.17%
	>50 years old	406	14.10%	2	0.07%	408	14.17%	0	0.00%
Total		2,872	99.72%	8	0.28%	2,871	99.69%	9	0.31%
Region	Taiwan	2,778	96.46%	8	0.28%	2,777	96.42%	9	0.31%
	Overseas areas	94	3.26%	0	0.00%	94	3.26%	0	0.00%
Total		2,872	99.72%	8	0.28%	2,871	99.69%	9	0.31%

Note 1. In 2025, the SCSB hired 18 employees with disabilities and 1 Taiwanese indigenous persons.

Note 2. In 2025, we did not hire any employee with no guaranteed hours of work. Most of our part-time employees are company massagists.

Note 3. Percentage calculation = The number of this type of employee/Total number of employees

Note 4. Section 4.1 on employee-related data only covers the SCSB which does not include its subsidiaries. For the information of subsidiaries, the SCB (Hong Kong), the SCSB Leasing (China), and the AMK MFI (Cambodia), please refer to the Appendix

The SCSB's employee promotion system is implemented in accordance with the "Regulations Governing Employee Transfer", with vacancies announced across the SCSB and filled based on principles of fairness, impartiality, and transparency. To ensure equal and diverse promotion opportunities for all employees regardless of gender, the balance of male and female representation across most employee categories improved in 2025. The SCSB aims to increase the proportion of both male and female employees in entry-level management positions by 2025, while maintaining a balanced gender distribution (with neither gender exceeding 60%). This approach is intended to support appropriate career development and provide equal promotion opportunities for all employees.

Diversity indicators for employees at the end of 2025

Gender diversity indicators	Count	Employees indicators	Count
Female employees	1,638	Total employees	2,880
Females in management level	184	Total employees in management level	372
Females in entry management level	144	Total employees in entry management level	230
Females in mid management level	24	Total employees in mid management level	101
Females in top management level	16	Total employees in top management level	41
Females in management levels in the departments generating income	135	Total employees in management levels in the departments generating income	262
Female employees with duties associated with science, technology, engineering and math (STEM)	91	Total employees with duties associated with science, technology, engineering and math (STEM)	300

Gender diversity indicators	Percentage in 2025	Percentage in 2024	Difference
Percentage of female employees to all employees	56.88%	56.40%	+0.48%
Percentage of females in management level to all employees in management level	49.46%	49.06%	+0.40%
Percentage of females in entry management level to all employees in entry management level	62.61%	61.04%	+1.57%
Percentage of females in mid management level to all employees in mid management level	23.76%	25.74%	-1.98%
Percentage of females in top management level to all employees in top management level	39.02%	38.46%	+0.56%
The number of females in management levels in all the revenue-generating units	51.53%	51.55%	-0.02%
Percentage of female employees with duties associated with science, technology, engineering and math (STEM)	30.33%	30.88%	-0.55%

Note: Revenue-generating units include business departments, business units, and channel management departments.

Nationality	Number of employees	Percentage in total employees	Number of employees on management level	Percentage in total number of employees on management level
Taiwan	2,786	96.73%	362	97.31%
China and Hong Kong	46	1.60%	5	1.34%
Vietnam	33	1.15%	3	0.81%
Singapore	15	0.52%	2	0.54%

Composition of new employee hires and employee turnover in 2025

		New employee hires		Employee turnover	
		Viewer count	Percentage in total employees	Viewer count	Percentage in total employees
Female	<30 years old	111	3.85%	67	2.33%
	30-50 years old	36	1.25%	53	1.84%
	>50 years old	7	0.24%	4	0.14%
Male	<30 years old	72	2.50%	45	1.56%
	30-50 years old	37	1.28%	42	1.46%
	>50 years old	3	0.10%	4	0.14%
Region	Taiwan	252	8.75%	204	7.08%
	Overseas areas	14	0.49%	11	0.38%
Total		266	9.24%	215	7.47%

The average recruitment cost in the past four years

Unit: NT\$				
	2022	2023	2024	2025
Average recruitment cost	12,326	15,158	13,430	11,476

Note: Average recruitment cost = Recruitment cost this year/Total number of new employees this year.

The SCSB annually analyzes employee turnover rates and reasons for leaving by employee grade level to identify potential turnover risks and employees at a higher risk of leaving. Based on the analysis, the SCSB formulates corresponding response and improvement measures to enhance employee retention.

From 2022 to 2025, turnover among the SCSB's management personnel remained stable. Annual departures ranged from one to three employees at the junior management level, zero to one employee at the middle management level, and zero to one employee at the senior management level. The one senior management departure in 2025 was due to the expiration of the employee's term of appointment. In each year, the number of management personnel who left the SCSB accounted for approximately 0% of its total workforce.

Employee turnover rate in the past four years

	2022	2023	2024	2025
Total employee turnover rate	4.80%	5.39%	6.64%	7.49%
Voluntary turnover rate	4.69%	5.29%	6.47%	7.07%

Note 1. Calculation of the total/voluntary turnover rate is to calculate the percentage of the number of employees resigned/voluntarily resigned employee in the total number of employees.

Note 2. This table only covers the SCSB, which does not include its subsidiaries. For the information of subsidiaries, the SCB (Hong Kong), the SCSB Leasing (China), and the AMK MFI (Cambodia), please refer to the Appendix

Employee turnover rate for the past four years by job grade

count \ year	2022	2023	2024	2025
Turnover rate of all employees with job grade from 4 to 5	3.37%	3.99%	4.89%	4.77%
Turnover rate of all employees with job grade from 6 to 7	0.57%	0.51%	0.94%	1.22%
Turnover rate of all employees with job grade at 8 and above	0.07%	0.10%	0.22%	0.36%

Note 1. This table excludes retiree, employee on unpaid leaves of absence, and laid off employee.

Note 2. The data in this table covers only the SCSB and does not include its subsidiaries.

Analysis of reason for employee turnover in 2025

Reason of employee turnover/ Job grade	Job grade from 4 to 5	Job grade from 6 to 7	Job grade at 8 and above
Incompetent	14	1	0
Career planning	34	6	4
Death	0	0	0
Others	11	3	2
Health or family issue	20	10	2
Advanced studies	12	0	0
Work in other banks	29	13	2
Change career or start a business	13	1	0
Total	133	34	10

Internal hires rate in the past four years

	2022	2023	2024	2025
Internal hires rate	44.73%	44.60%	77.25%	71.81%

Note 1. Internal vacancy fill rate = (Number of positions filled by internal employees ÷ Total number of internally announced vacancies during the year).

Note 2. Types of leave included in absenteeism for 2025 comprise occupational injury and illness leave, general sick leave, and personal leave. Absences of employees on long-term leave due to serious illness are excluded.

Note 3. Sick leave and personal leave calculations previously included menstrual leave and family care leave. In 2025, the absenteeism calculation methodology was revised to exclude statutorily protected leave types (family care leave and menstrual leave), in order to comply with labor regulations and uphold human rights protection principles. Through this refinement of indicators, the SCSB ensures that the management of this metric does not create pressure on employees in exercising their legal leave rights, and remains committed to promoting employee well-being and work-life balance, supporting employees in taking leave with confidence, and fostering a supportive and psychologically safe workplace environment.

Diverse recruitment

As part of this year's focus on "Talent First" strategy, the SCSB has established diverse internship channels through industry-academia collaboration, overseas referral programs, and partnerships with non-profit organizations. These opportunities enable students to gain early exposure to real-world banking operations while allowing the SCSB to identify potential talent. In 2025, our recruitment efforts emphasize inclusivity, welcoming candidates regardless of academic major or nationality, with a particular focus on IT and digital talent. The SCSB collaborates with colleges and universities to cultivate sustainable banking talents.



Recruitment website
QR Code link

Recruitment channel

University collaboration

Recruitment goal To expand the SCSB's talent pipeline and establish long-term, stable partnerships for sourcing outstanding candidates.

method Launched the "Pre-work Preparation Plan", and added House of Dream as a new partner institution. The program offers internship opportunities in branch offices and IT departments for students in their final semester of undergraduate or master's studies. Interns' performance is observed during the internship period, and outstanding individuals may be offered full-time employment based on staffing needs.

Achievement in 2025

Partnered with 16 universities under the 2025 "Pre-work Preparation Plan".

13 interns participated.

5 interns were offered full-time positions

A total of 38.5% of the students taking part in the Plan have been recruited as full-time employees.

Retiree Return Program

In response to evolving workforce demographics and the growing trend of extended careers, the SCSB is committed to supporting retired employees by providing opportunities for transition and career transformation. The SCSB has established the Regulations for Fixed-Term Employment of Retired Employees. Under this policy, employees reaching retirement age may be offered new positions under renewed labor contracts with fixed terms. In addition, employees who retire before the statutory age may also be invited to return to the SCSB, depending on staffing needs, their professional background, and past performance. This approach ensures that employees can continue to contribute and grow at different stages of their career journey.

4.2 Employee Training and Career Development

The SCSB believes that corporate growth must be rooted in human capital. Every employee is an asset worthy of investment and care. Accordingly, the SCSB has adopted the vision of "Developing Core Competencies to Strengthen Human Capital" as the strategic focus of its talent development efforts. In addition to formulating "The Regulations Governing Education Training" as the implementation framework, the SCSB takes into account its overall talent development framework, strategic objectives, and top-down training and development needs to design and execute the annual training plan and assess its effectiveness, thereby advancing its commitment to talent sustainability.

Talent Development Framework



訓練發展藍圖

category	Professional Training	Cross-functional Talent Development	Legal & Internal Training	Legal & Internal Training	Special & External Training	Mental & Physical Well-being
Target Groups						
Senior Supervisors	Marketing competency training for senior supervisors					
Mid-level Supervisors	Marketing competency training for newly appointed supervisors	AI talent training	IT talent training	Sustainability talent training	AML talent cultivation	Training on regulations related to various positions
Junior Supervisors	Marketing and operations legal compliance training					
General Employees / Customer Service Staff	RM training program Customer service training program					
Senior Managers	Professional training courses for employees with 4-6 years of experience Foundational professional training for employees with 1-3 years of experience					
New Employees	One-year new employee training program					

4.2.1 BRANCH MENTORING PROGRAM

To strengthen onboarding support and promote employee development among new hires, the SCSB has implemented a Branch Mentoring Program. This initiative helps new employees integrate into the workplace culture and enhance their professional competencies more effectively. Mentors are assigned to guide new employees for a six-month period. Upon successful completion of the mentorship and the mentee's successful completion of the probation assessment, mentors may be awarded promotion points, as an incentive for their contributions to employee development. To enhance mentoring effectiveness, the SCSB has established a dedicated online section titled "Mentor's Warm Welcome Guide", which compiles interactive tips and experience sharing. Detailed explanations of the mentorship program are also provided during onboarding to ensure both mentors and mentees fully understand their roles and mutual expectations. Each department is responsible for pairing mentors with new employees and reporting mentoring progress, enabling the Human Resources Department to track outcomes and continuously optimize the program. This initiative reflects the SCSB's strong commitment to talent cultivation and employee development.

4.2.2 TALENT SKILL CULTIVATION PLAN

To foster a work environment where employees enjoy their roles and are encouraged to challenge themselves, the SCSB not only provides opportunities for internal job rotation within departments, but also includes employees with exceptional performance and strong development potential in the Talent Pool and offers structured opportunities for cross-departmental rotation and overseas training. Key initiatives include the senior management cultivation plan, management trainee cultivation plan, and innovative talent cultivation plan, which aim to enrich employees' professional experience, develop them into strategically important talents, and support them in achieving their career development goals. The key development programs for this year are as follows:

Column | 🔍

Digital Development Key Employee Training



Galaxy S25 Ultra

Program name

Program Details

Digital Development Key Employee Training

To respond to the development trends of digital finance and related applications, the SCSB continues to promote its digital transformation, foster a digital culture, enhance digital innovation capabilities, and strengthen employees' digital competencies. In 2025, the SCSB continued to plan and implement training programs related to digital finance and artificial intelligence (AI):

1. AI Seed Training: The SCSB invited the FinTech and Artificial Intelligence Laboratory of the FinTech Innovation and Research Center at National Cheng Kung University, along with a distinguished professor from the Institute of Industrial and Information Management, to deliver the course "ABC Data Transformation Analytics: From Data to Intelligence in Financial Technology." Selected employees from various business units and head office management units were trained as AI seed members to build AI and business intelligence (BI) literacy. Through this program, participants are equipped to identify business value from data and propose innovative ideas, thereby facilitating the development and implementation of innovative processes and service projects.
2. To support various business units in advancing digital initiatives, the SCSB continues to arrange for employees to participate in training programs related to FinTech, IT, and AI, in order to strengthen workforce capabilities and meet evolving training needs.

Coverage

20.99% (199 employees participated in the program / total number of employees in business units and support units: 948)

Benefits

1. One session of the "AI Seed Training Program" was conducted this year, with 32 participants.
2. To support business units in advancing digital projects and strengthening workforce capabilities, a total of 199 employees were arranged to participate in relevant training programs.
3. In alignment with the SCSB's digital transformation vision for the year, efforts were made to foster a digital culture and implement digital transformation strategies.

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Financial Expertise Course Training Plan



Program name

Program details

Financial Expertise Course Training Plan

To enhance the financial expertise of business unit employees so that they can offer customers comprehensive financial services, in addition to the "Financial Expertise Basics Course" (abbreviated as "Financial expertise B (asic) course") general training for junior staff with 1 – 3 years of experience, the "Financial Expertise Advanced Course" was also conducted (referred to as "Financial expertise A (dvanced) course") in 2025 to implement cultivating training for promising staff with more than four years of experience. The course focuses on retaining diverse talents and involves the sharing of applicable laws and regulations and relevant cases across the four lines of business. In addition, the program also includes relevant courses such as fair customer treatment, trust, wealth transfer, ESG, and sustainable management. Post-course computerized tests for the financial expertise courses were arranged at physical test centers to enhance training effectiveness.

Direction for Course Topic Planning:

1. Basic knowledge (including SCSB's policy regulations)
2. Business product cross-selling experience sharing (simulated scenario)
3. Business Q&A

Coverage

54.04% (A total of 314 junior branch employees participated in training / total number of branch-level employees: 581)

Benefits

Two sessions of the "Financial Expertise B(asic) Course" were held, with 109 additional participants in total; two sessions of the "Financial Expertise A(dvanced) Course" were held, with 50 additional participants in total. The following benefits were achieved:

1. Improved the business skills of business unit employees across different fields
2. Provided customers with more comprehensive financial services and bolster customer service experience
3. Increased the product sales of business units
4. As of the end of 2025, a total of 314 junior branch employees had participated in the "Financial Expertise Course Training Plan."

Column |

Senior Management Reserve Talent Cultivation Plan

Pursuant to Article 23-1 of the "Corporate Governance Best-Practice Principles for Banks," banks shall establish a management development plan, and the Board of Directors shall regularly evaluate the development and implementation of the plan to ensure sustainable operations. Consequently, the SCSB continues to organize the senior talent cultivation plan, including:

1. Implemented leadership assessment and accelerated development plans, established high-level management talent standards based on the SCSB's strategic vision, applied assessment center technology to assess the competencies of reserve talents, and implemented individual development plans (IDP) based on the results of the competency assessment.
2. By organizing workshops or training sessions on digital leadership and involving participants in leading or participating in digital projects, the program focuses on developing the leadership capabilities essential for leaders in the digital era.
3. ESG-themed courses were provided to cultivate reserve talents' environmental awareness and sense of social responsibility, while developing sustainable leadership, long-term vision, and strategic thinking.
4. Participated in the "2025 Leading Executive Apex Program (LEAP)" organized by TABF. Through diverse training activities, including peer learning among senior managers, case studies, hands-on exercises, overseas courses, and strategic projects, the program aims to cultivate future financial executives with three key competencies: governance, sustainability, and digital capabilities.
5. Reserve talents were selected to participate in overseas training programs to stay updated on the latest global trends and to develop personal leadership skills. Through interaction and networking with financial industry peers from various regions around the world, participants gained insights into diverse cultural perspectives, supporting the SCSB's efforts to expand its international financial services.

Column |

Sustainable Finance Talent Training

In 2025, the SCSB applied the theme of "Sustainability Legacy and Intelligent Innovation" to conduct various courses, including thematic training, sustainability competency courses, and general awareness courses for employees and senior executives. Moreover, the SCSB also arranged for directors, supervisors, and senior executives to participate in specialized sustainability-related training and seminars in 2025, including "Exploring New 'E' SG Trends from the Introduction of Carbon Fees" and "How the Banking Industry Can Capture Business Opportunities and Strengthen Corporate Governance amid the Development Trends of Artificial Intelligence."

Further, to advance internal sustainable development policies and meet relevant business needs, the SCSB arranged for employees to participate in the "Corporate Sustainability Elite Training Program" and the "Taiwan Diversity, Equity and Inclusion Leadership Forum" organized by the Taiwan Institute for Sustainable Energy, as well as the "Sustainable Finance Professional Talent Training Program" and the "Briefing Session on Climate Change Scenario Analysis Operations Planning for Domestic Banks" organized by the Taiwan Academy of Banking and Finance. In the meantime, to help employees better understand ESG trends and strengthen their practical capabilities in supporting SMEs' sustainable transformation and financing services, the SCSB arranged for employees to participate in the "Sustainable Financial Product Development and Resources" lecture organized by the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs, and the "Green and Sustainable Finance Knowledge Lecture" organized by the Commerce Development Research Institute. In 2025, the total number of participants in the aforementioned training programs was 133, accounting for 4.63% of the total workforce.

To respond to the trends of sustainable development, climate transition, and evolving industry needs, the SCSB has aligned with regulatory initiatives to promote sustainable finance certification programs. The SCSB encourages employees to participate in the Sustainable Development Basic Competency Test and obtain certification. As of the end of 2025, employees across the SCSB had passed the test and obtained a total of 534 certificates of qualification, including 530 basic-level certificates and 4 advanced-level certificates, representing 18.6% of the total workforce.

Column |

AMK, SCSB's Cambodian Subsidiary, Promotes Financial Education and Financial Literacy for Employees

AMK, a subsidiary in Cambodia, places strong emphasis on enhancing employees' financial education and financial literacy. Through diverse educational initiatives and structured training programs, AMK aims to improve employees' understanding of financial knowledge and personal financial management.

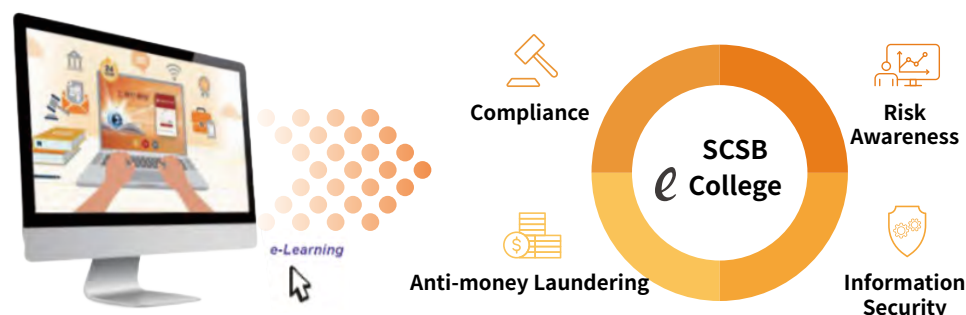
In 2025, the Marketing and Communication Department, Risk Department, and Training Development Department jointly planned and implemented financial education awareness activities. The program covered fundamental financial concepts, financial planning, and financial knowledge awareness. One financial education campaign was conducted in 2025, with 908 employees participating.

In addition, AMK continues to promote financial education for employees through regular weekly courses. These ongoing programs enable employees to continuously strengthen their financial knowledge and practical capabilities. By combining awareness campaigns with systematic training, AMK enhances employees' financial literacy and professional competencies, while supporting them in developing sound personal financial management practices.



4.2.3 Employee Training

To meet the training needs for employee development, the SCSB provided basic courses at all branches and departments, and established the SCSB e-College as the learning platform without time restriction. The SCSB provides diverse training methods and open learning classes. The courses are easy to access and the learning space has no restrictions. The employees can join the professional or knowledge-based courses on the e-learning system through the Internet, e.g., anti-money laundering, legal compliance, information security, and risk awareness. This way, the employees are able to access the convenient and efficient learning environment and evaluate the learning results based on their own needs. In 2025, all employees were also assigned to complete online courses such as "Integrity as Our Core Value" and "Financial Friendly Service Measures." These courses helped build collective consensus and reinforce the SCSB's service philosophy of "always placing customers' needs first," thereby deepening the cultivation of our corporate culture.



Certification subsidy plan

1. Language proficiency is recognized as a critical element supporting employees' engagement in international communications and exchanges. Therefore, the SCSB has established foreign language subsidy standards, providing fixed-amount subsidies for language proficiency enhancement. As of the end of 2025, approximately 2,460 employees had obtained various language certifications. In alignment with the Financial Supervisory Commission's policy to foster a bilingual financial service environment, the percentage of employees passing English proficiency tests accounted for 85.68% of the total workforce. Apart from language enhancement subsidies, operating departments are also empowered to assess and proactively apply for funding subsidies for other necessary certifications based on employees' needs.
2. To recognize overall financial professionalism and alignment with government policies, the SCSB launched a three-year "Fixed-Amount Incentive Program for International Professional Certifications and Government Policy Promotion Project Certifications" in 2024. Employees who obtain professional certifications issued by international institutions or certifications related to government policy promotion projects are granted fixed-amount incentives to encourage employees to obtain project incentive certifications.
3. To enhance the professional capabilities of AML Center personnel in performing their duties, the SCSB implemented the "CAMS Certified Anti-Money Laundering Specialist Certification Subsidy Program" in 2025. The program encourages dedicated AML and counter-terrorism financing personnel at the AML Center to participate in the CAMS certification test. In 2025, 6 additional employees passed the test and obtained certification, bringing the cumulative total across the SCSB to 229 employees, accounting for 7.98% of the total workforce.

2025 average employee training hours and expense

		2022		2023		2024		2025	
		Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)
Employee type: female									
Top management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	-	-	-	-	-	-	36.60	2,067
	>50 years old	40.98	9,317	60.18	11,651	65.72	61,392	40.91	10,672
Mid-level management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	46.32	7,210	90.98	29,930	46.86	3,899	84.46	11,372
	>50 years old	47.86	9,455	68.72	31,455	48.92	4,389	44.23	3,913

		2022		2023		2024		2025	
		Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)	Average training hours	Average training expense (NT\$)
Entry-level management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	74.84	12,064	77.72	12,036	74.02	7,418	82.89	6,302
	>50 years old	71.81	11,000	73.32	10,695	64.08	6,009	72.58	6,341
Non-management level	<30 years old	66.97	7,790	65.34	7,346	60.52	4,688	69.80	4,540
	30-50 years old	62.53	9,241	61.67	9,549	54.20	4,610	57.69	4,776
	>50 years old	53.76	10,263	56.06	9,665	48.02	4,078	53.28	3,463
Employee type: male									
Top management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	48.02	8,603	-	-	-	-	-	-
	>50 years old	38.26	10,992	62.09	45,286	52.73	6,866	54.91	16,666
Mid-level management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	50.87	8,948	73.71	16,983	55.35	11,126	53.77	7,553
	>50 years old	53.74	13,544	78.76	23,713	45.17	5,665	47.89	6,069
Entry-level management	<30 years old	-	-	-	-	-	-	-	-
	30-50 years old	61.82	14,689	52.86	8,510	59.38	5,801	62.31	8,843
	>50 years old	56.26	13,317	62.27	10,227	52.50	5,020	56.55	8,048
Non-management level	<30 years old	69.24	7,195	74.94	8,216	67.56	4,928	68.86	4,714
	30-50 years old	62.40	9,542	61.16	9,653	52.73	4,411	60.70	4,604
	>50 years old	45.61	8,298	52.61	8,862	43.88	4,680	47.46	3,986
Nationality									
Taiwan		62.08	9,383	63.70	10,258	55.19	5,096	60.14	4,967
China and Hong Kong		21.83	7,365	26.92	4,966	28.98	2,409	46.61	2,080
Vietnam		24.67	5,986	31.78	5,314	41.88	4,094	39.69	2,605
Singapore		18.56	7,365	17.09	7,669	18.54	5,943	32.57	5,363
Taiwanese indigenous peoples		71.94	6,496	97.34	16,941	57.89	3,125	36.07	3,027

Note 1. The total number of full-time female employees was 1,634, with total training hours of 99,211.64 hours and an average of 60.72 training hours per person.

Note 2. The total number of full-time male employees was 1,237, with total training hours of 71,726.80 hours and an average of 57.98 training hours per person.

Note 3. The total number of top-level management employees was 41, with total training hours of 2,022.94 hours and an average of 49.34 training hours per person; the total number of mid-level management employees was 101, with total training hours of 4,965.59 hours and an average of 49.16 training hours per person; the total number of entry-level management employees was 230, with total training hours of 15,759.48 hours and an average of 68.52 training hours per person; and the total number of non-managerial employees was 2,499, with total training hours of 148,190.43 hours and an average of 59.30 training hours per person.

Note 4. A dash “-” indicates that no employees of the respective gender and job level participated in training programs in 2025.

Note 5. The data in this table only covers the SCSB and does not include its subsidiaries. For the information of subsidiaries, including the Hong Kong subsidiary, SCSB Leasing, and AMK Cambodia, please refer to the Appendix.

Training type	Average training hours	Average training expense (NT\$)
Physical course	23.28	4,604
Online course	36.26	483
Internal training	49.98	1,915
External training	9.56	2,981
All employees	59.54	4,896

Note 1. The employee count calculated in this table excludes part-time staff.

Note 2. The data in this table only covers the SCSB and does not include its subsidiaries. For the information of subsidiaries, the SCB (Hong Kong), the SCSB Leasing (China), and the AMK MFI (Cambodia), please refer to the Appendix



4.3 Employee Compensation and Benefit

The SCSB adheres to the sustainable strategy of "Balanced and Growth". In terms of talent capital management, apart from talent selection, cultivation, and utilization, the retention of talent is also a crucial focus for the SCSB. The SCSB establishes the Employee Welfare Committee to organize employee clubs, various activities, and diverse benefits. Additionally, a portion of the revenue is allocated to provide multifaceted subsidies, discounts, and additional compensation reward mechanisms. Since 2020, the SCSB has established Employee Assistance Programs (EAPs) to provide counseling services, facilitating enhanced communication channels. Furthermore, the SCSB aligns with governmental regulations, demonstrating comprehensive care for employees in compliance with various legal policies and regulations.

4.3.1 EMPLOYEE CARING

The SCSB treats employees like family members and places significant emphasis on their physical and mental well-being. Various welfare measures are regularly implemented, including comprehensive health checks for all employees. Additionally, a range of club activities and travel subsidies are provided, allowing employees to enhance their relationships and relieve stress outside of work. The SCSB also values the voices of its employees and has established the iTalking Employee Care Mailbox as a safe and confidential communication channel. Employees can use this platform to raise any work-related inquiries, suggestions, concerns, or requests for assistance. Furthermore, to aid employees in enhancing their professional skills and career development, a platform is provided for those seeking job transfers. These initiatives aim to boost employee morale and satisfaction, serving as catalysts for the SCSB's growth.

Since 2022, the SCSB has implemented the "New hires caring program" and continued to carry out questionnaire surveys, telephone interviews, and other relevant measures in order to understand how new employees are adapting to their work, offer timely assistance, and collect employee feedback for relevant departments to adjust future business directions.

iTalking Employee Caring Mailbox

Employee Support Mailbox Account

italking@scsb.com.tw

If you have any questions or suggestions regarding work-related policies, goal setting, or performance evaluations, please feel free to use this channel to share your feedback and receive further assistance.

The Human Resources Department is here for you!

Goal Setting

Performance
Evaluation

Feedback



Employee
Health
Checks



Education
Subsidies



Medical Care
Subsidies



Pandemic
Care 2.0

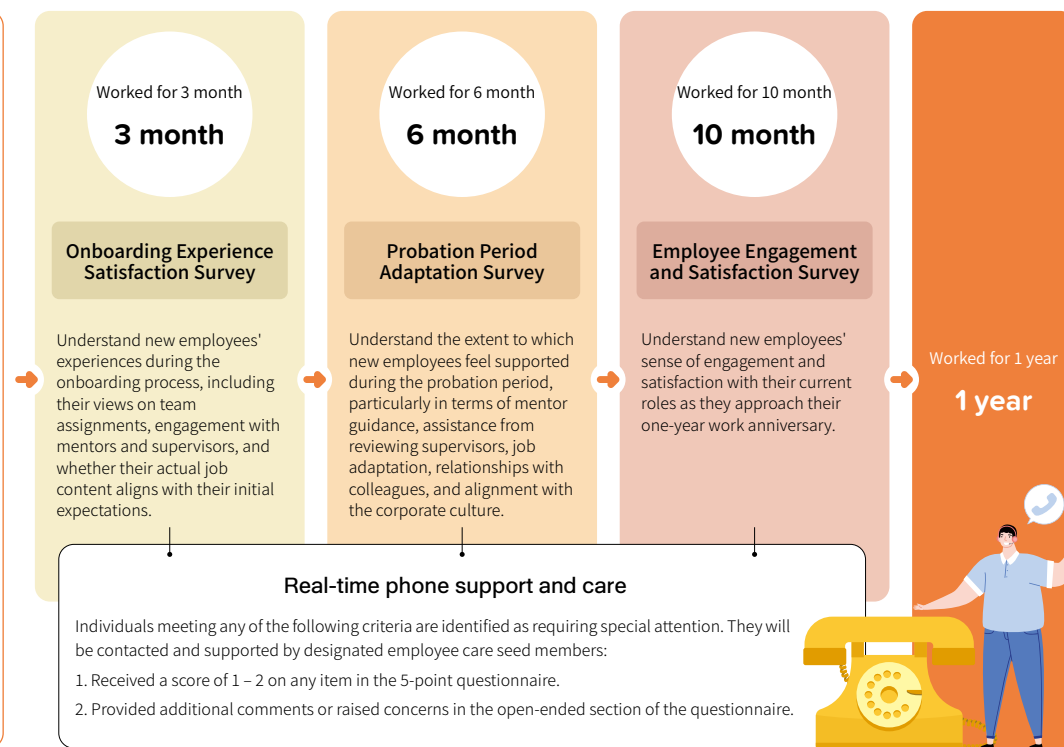


Travel
Subsidies

In 2025, to care for new employee adaptation, the SCSB conducted questionnaire surveys and follow-up phone calls for junior staff in business units who had worked for less than one year. Surveys were conducted in the 2nd, 5th, and 10th months, covering the "Onboarding Experience Survey", "Adaptation Survey", and "Work Engagement Survey". A total of 401 responses were collected. There were 17 questions across the three phases, each targeting workplace atmosphere, mentor awareness, and communication with the section chief in the first phase; expectation discrepancies, mentor effectiveness, communication with the section manager, work achievement, interpersonal relationships with colleagues, and cultural identification in the second phase; and work identification, career development, communication with supervisors, interpersonal relationships with colleagues, retention intention, and other suggestions in each phase. The statistical results showed that new employees gave high recognition to their overall interaction and communication with mentors, section managers, and section chiefs.

In addition, to strengthen new employees' confidence in work, the SCSB added voice feedback items to the three phases of questionnaire surveys starting from June 2025 and planned the "Positive Feedback Action". In September 2025, a featured mentor column was announced through internal messages to establish a positive learning effect. The SCSB also further called new employees who were willing to share their experiences and included their interaction stories with mentors in the quarterly publication, serving as replicable actions and learning examples for other mentors and strengthening the operation of the mentor system. In addition, encouragement messages left by new employees for the next new employees were compiled into new employee training materials and presented as a warm word-cloud wall, allowing new employees to feel the supportive and trusting team atmosphere created by the SCSB during new employee training. In November 2025, the new employee caring status was communicated at the business meeting, and new employees' pain points were summarized. Supervisors of all units were encouraged to care for new employees through practical actions, create a supportive and trusting team atmosphere, and enhance new employees' retention intention and growth momentum.

Onboarding



Senior Colleagues' Messages to New Team Members

學長學姊們有話想對大家說...

- #Support and help your colleagues
- #Embrace positive feedback and guidance
- #Take ownership and responsibility
- #Review your notes regularly
- #You are capable of great things—believe in yourself
- #Patience is key
- #Keep going / Stay motivated
- #Make timely adjustments
- #Refer to manuals and announcements
- #Learn from mistakes
- #Don't be afraid to ask questions
- #Learn to find answers on your own
- #Willingness to learn is the most important

Build a workplace culture of safety and trust, allowing warmth and support to continuously grow and be shared.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. Human Resources

三階段學員心聲回饋

"I Was Once in Your Shoes" — A Message to the Next Newcomer

You have been in this workplace for nearly a year. There have been moments of exploration, setbacks, and confusion. Where you are today, you may have grown into the "mentor" for someone else, or even already become that guide, serving as a source of support in another person's journey. Leave a message for the next newcomer—someone who is about to begin this journey filled with uncertainty and new beginnings. Share a few words of encouragement and strength.

Suggested Messages

Do not be afraid to ask questions. Everyone who excels once started from not knowing. There may be moments of doubt or discouragement. Many people have experienced the same process, and you are not alone. Making mistakes is part of the journey. Taking responsibility and making corrections is what matters most.

Call to Action

Write one sentence for the next new colleague joining the team.

"The Moment You Felt Supported" — Looking Back, Mentors Truly Matter

During your onboarding journey, there were likely moments when advice, help, or encouragement made a real difference. A single sentence, a reminder, or a small action may have brought reassurance and support at a critical moment.

Suggested Reflections

"I once felt lost in my tasks, and a mentor helped clarify everything step by step, allowing me to regain direction."

"Hearing someone say 'Take your time, don't rush,' made a big difference. I realized I was not alone."

"When I made a mistake, instead of being blamed, I was guided on how to improve. That gave me the confidence to keep going."

"What seemed like a small piece of advice turned out to have a lasting impact."

Call to Action

Share a story of a moment when you felt supported (either a short sentence or a brief paragraph).

"Wishing Well" — Write Down Your Wish

Feel at ease, your wishes will be passed along to the support team. Every wish matters, and every voice is valued. Your feelings and needs are always taken seriously. Beyond work, learning, and interpersonal interactions, there is a dedicated support team working together to improve your daily experience and make the workplace better. If you could have a "workplace helper," what kind of support or tools would you need?

Examples

"I hope there can be a concise workplace guidebook to help me get started quickly."

"I would like a tool that allows me to track tasks and follow up on progress."

"I hope there can be reminders to take breaks and maintain a healthy work routine."

"I hope there can be an easy channel to share suggestions and feedback."

Every idea and suggestion is important. As long as you are willing to share, your voice will be heard.

Call to Action

What kind of "workplace support" or "helper tools" would you like to have at work?

The SCSB collaborates with external professional consultants to implement an Employee Assistance Program (EAPs) to support employees, with the aim of fostering a healthy physical and mental workplace environment. The scope of EAPs counseling services covers work-related issues, family matters, parenting, relationships, interpersonal communication, self-exploration, emotional management, as well as legal consultations related to housing transactions, traffic accidents, divorce and alimony, and inheritance of property. Employees may access these resources through a free hotline, email, or face-to-face individual consultations, providing channels for stress relief and supporting a better balance between work and personal life. A total of 52 employees utilized these services in 2025. The Human Resources Department also shares EAP-related articles titled "Moments for the Mind" on a monthly basis, using a variety of themes to provide timely mental support through reading and to promote employees' overall well-being.

4.3.2 EMPLOYEE BENEFIT (FULL-TIME EMPLOYEES)

Benefit Measures		Taiwan	Overseas
Life insurance	Employee group insurance		Employee group insurance
Health insurance	Employee group insurance		Employee group insurance
Business Travel Insurance	Group personal accident insurance for employees on overseas business trips, providing coverage for emergency assistance abroad and sudden illness		Group personal accident insurance for expatriate employees, providing coverage for emergency assistance abroad and sudden illness
Club subsidy	In accordance with the Employee Welfare Committee's Club Subsidy Guidelines (Table Tennis Club, Tai Chi Club, Golf Club, Yoga Club, Softball Club, Traditional Martial Arts Club, Basketball Club, Badminton Club, Art Club, Saxophone Club).		In accordance with the Employee Welfare Committee's Club Subsidy Guideline.
Guaranteed 13-month annual salary	Employees who were still working for the SCSB at the end of the year received a double salary payment equivalent to one month's salary in late December, calculated according to the proportion of days worked in the current year. They were also entitled to Chinese New Year bonuses, anniversary vouchers, and year-end bonuses.		In principle, the performance bonuses will not be lower than one month's salary.
Bank employee preferential savings deposits	Benefits are applicable during the employment period of regular employees.		-
Bank employee preferential loans	Full-time employees who have completed at least five years of service.		-
Retirement subsidy measures	Under the old system, pensions are processed according to the SCSB's "Work Rules"; under the new system, pensions are processed according to the Labor Pension Act. President and retiree dinner program.		In compliance with relevant local regulations in overseas regions
Flexible working hours	Due to the unique nature of the SCSB's business, the SCSB may, through written agreements, implement flexible working hours or a shift system for certain units or employees.		Departments may adjust the start and end times of work flexibly based on business needs.
Maternal health protection	Female employees at the SCSB who are pregnant, postpartum, or breastfeeding (including those who continue breastfeeding for up to one year after childbirth) in accordance with the maternal health protection plan.		-
	To encourage female employees to return to the workforce after childbirth, the SCSB has implemented a "breast milk shipment subsidy" program.		
Medical care subsidies	Full-time employees who have completed one year of service. Employees, their spouses, and their minor or school-enrolled children are eligible to apply for hospitalization or surgery subsidies.		-
Child education subsidies	Full-time employees who have completed one year of service. From kindergarten to graduate school, and their minor or school-enrolled children with child education subsidies every semester.		-
Travel subsidies that are better than the current market standards	Full-time employees who have completed one year of service by the end of the previous year are eligible to participate in travel programs organized by the SCSB's subsidiary, China Travel Service (Taiwan), with a subsidy from the Welfare Committee of up to NT\$20,000.		-
Other benefits	Physicians and nurses offered on-site consultation services, health education and guidance.		-
	A massage station was established in the headquarters building.		-
	According to regulations on special employee benefits that are better, which provide benefits superior to those required by law, as well as the Welfare Committee's regulations for employee retirement, marriage, funeral subsidies, and emergency assistance.		According to regulations on special employee benefits, which provide benefits superior to those required by law, as well as the Welfare Committee's regulations for employee retirement, marriage, funeral subsidies, and emergency assistance.
	Organized the annual spring banquet, sports activities, anniversary celebrations, and Employee Assistance Programs (EAPs).		Organized the annual spring banquet, sports activities, anniversary celebrations, and Employee Assistance Programs (EAPs).

Note : Please refer to "About This Report" for important operational locations.

Leave entitlements and wage benefits for female employees during menstruation, pregnancy (including prenatal check-ups and pregnancy-related medical leave), maternity leave, parental leave, and breastfeeding periods are clearly defined. In accordance with relevant regulations, the SCSB provides 8 weeks of paid maternity leave and 1 week of paid prenatal check-up leave for primary caregivers, as well as 1 week of paid paternity leave and prenatal accompaniment leave for non-primary caregivers. Moreover, the SCSB offers an additional 4 days of paid maternity leave beyond statutory requirements. Parental leave is not limited to female employees; all eligible employees are entitled to apply for unpaid parental leave, thereby enhancing support for employees in balancing work and family responsibilities. To further encourage female employees to return to the workplace after childbirth, the SCSB launched the "breast milk shipment subsidy" program in 2024. Under this program, each eligible employee may claim up to 12 reimbursements per year, with a maximum of NT\$400 per delivery, fostering a family-friendly work environment.

Parental leave

Item	Female	Male	Total
Number of employees who applied for parental leave in 2025	39	9	48
Number of employees due to return from parental leave in 2025 (A)	44	9	53
Number of employees due to return from parental leave who actually returned to work in 2025 (B)	37	6	43
Number of employees who returned to work from parental leave in 2024 (C)	25	3	28
Number of employees who returned to work from parental leave in 2024 and remained employed for at least one year after returning (D)	25	2	27
Return-to-work rate after parental leave (%) = B/A	84.09%	66.67%	81.13%
Retention rate after parental leave (%) = D/C	100.00%	66.67%	96.43%

Note: This table includes data for the SCSB only and does not cover its subsidiaries.

Nursing and Childcare

The SCSB currently provides dedicated lactation rooms at its Headquarters, NeiHu, Jiaxin, Personal Banking, and Ren'ai buildings for postpartum female employees, fostering a supportive environment. To further promote a family-friendly workplace and help employees balance work and family responsibilities, the SCSB has also partnered with Hess Educational Enterprise Co., Ltd. to offer corporate childcare services. Employees whose children attend Hess-affiliated preschools or after-school programs are eligible for tuition discounts and extended childcare hours.

4.3.3 COMPENSATION AND INCENTIVES

The SCSB annually reviews employee compensation by considering market salary levels, the Consumer Price Index (CPI), and industry benchmarks. Salary scales are updated at least once every two years, with corresponding adjustments made to the starting salaries of new hires to ensure adequate wages at or above cost of living estimates or benchmarks. Bonuses are distributed during the Dragon Boat Festival and Mid-Autumn Festival based on the SCSB's annual earnings. Year-end performance bonuses are determined through a performance-based evaluation system. At the end of each year, employee performance is assessed against individual annual goals and overall behavioral competencies. Following performance review discussions between supervisors and employees, final performance ratings are confirmed and serve as the basis for determining year-end bonuses. Employees with outstanding performance may also be considered for promotion and salary adjustments. Additionally, in line with public financial institutions, the SCSB offers employees preferential savings programs with set limits, as well as home loans in accordance with related regulations. In 2025, the average female-to-male salary ratio was approximately 0.86:1 for general staff, 0.98:1 for senior management, 1:1 for mid-level management, and 0.94:1 for entry-level management.

The average salary and medium of the salary of non-managerial employees

	Item	2025	2024	2023	Difference
Taiwan	Number of Full-Time Non-Managerial Employees (person)	2,526	2,523	2,606	0.12%
	Average Salary of Full-Time Non-Managerial Employees (NT\$ thousands)	1,496	1,450	1,390	3.17%
	Median Salary of Full-Time Non-Managerial Employees (NT\$ thousands)	1,367	1,321	1,260	3.48%

Note: The calculation of the disparity ratio is based on the percentage result of (2025 - 2024) / 2024.

Gender pay indicators

Salary ratio of female and male on all levels	Salary ratio of female and male	Salary ratio of female and male on all levels	Salary ratio of female and male
Salary for managers on executive level	88 100	Remuneration for managers on mid-level	100 100
Remuneration for managers on executive level	86 100	Salary for managers on entry-level	94 100
Salary for managers on senior level	97 100	Remuneration for managers on entry-level	94 100
Remuneration for managers on senior level	98 100	Salary for non-management employees	90 100
Salary for managers on mid-level	101 100	Remuneration for non management employees	90 100

Gender pay indicators difference

Item of gender pay indicators	Gender difference (%)
Difference in average salary	14.05%
Difference in median salary	11.88%
Difference in average bonus	15.48%
Difference in median bonus	15.14%

- Note 1. Salary includes monthly wages from January to December as well as position allowances. Bonuses include variable compensation such as Dragon Boat Festival and Mid-Autumn Festival bonuses, full attendance bonus, various subsidies, and other types of bonuses.
- Note 2. Gender pay gap for salary = (Male salary – Female salary) / Male salary; Gender pay gap for bonuses = (Male bonus – Female bonus) / Male bonus.
- Note 3. The gender pay data in this section covers only employees of the SCSB in Taiwan. It does not include employees with overseas income, overseas branch employees, or employees of subsidiaries (SCB, SCSB Leasing, and AMK; please refer to the Appendix).
- Note 4. Managers on executive level refer to positions at or above the Executive Vice President level; general management level refers to entry-level, mid-level, and senior managerial positions below, but not including, the Executive Vice President level; non-management refers to employees without managerial duties.

All starting salaries at the SCSB exceed the minimum wage stipulated by the Labor Standards Act and do not vary based on gender or other factors. Gender pay indicators are disclosed annually in the SCSB's Sustainability Report. In addition, the SCSB reviews pay gap data from peer institutions to monitor gender disparities and implements relevant management measures, including the promotion of high-performing female managers to leadership positions, in pursuit of the goal of equal remuneration for men and women.

Long-term Incentive System

The SCSB continues to fulfill its care and commitment to employees by providing employee stock ownership trusts, various subsidies, and other welfare measures, and has been continuously included as a constituent of the Taiwan High Salary 100 Index and the Taiwan Employment 99 Index for multiple years.

Long-term Incentive Measures	Details
 Employee Stock Ownership Trust	To enhance employee morale, motivation, and retention, and share the fruits of sustainable operations, the SCSB established the "SCSB Employee Stock Ownership Association" in 2021, and formulated the "Management Measures for the SCSB Employee Stock Ownership Trust", covering 100% of all employees. A fixed amount of employees' monthly salary is allocated for purchasing trust stocks. Furthermore, the SCSB may provide a monthly incentive bonus (hereinafter referred to as the bonus) to employees based on their monthly contribution amount, serving as an incentive for employees to hold the stocks for the long term.
 Seniority award	The SCSB awarded commemorative trophies and incentives as marks of recognition to colleagues with 25 and 30 years of seniority, applicable to all employees.
 Deferred compensation	To strengthen corporate governance and ensure a strong alignment between the compensation of appointed managers, business performance, future risk management and talent retention, the SCSB added deferred incentive clauses to the "Regulations for Remuneration Management" in 2023. The clause applies to 1.15% of the SCSB's total employees and takes effect starting in 2024. Under this clause, thirty percent of the performance bonuses for managers at the rank of deputy executive vice president or above in grade twelve will be deferred and distributed over a three-year period.
 Service bonus	Employees who have served the SCSB for 15 years and apply for retirement within the same year, but have not completed the entire year of service, are eligible for a service bonus. This policy covers 95.79% of all employees at the SCSB.

4.3.4 FAIR PERFORMANCE APPRAISAL

1. KPI goal management and performance ranking: To achieve the SCSB's organizational strategic objectives and enhance employee competitiveness, the performance management system is utilized to cascade strategic goals from the entire organization down to individual objectives within each department, for the organizational goals to cascade down and connect effectively to the individual objectives of the employee. Throughout the year, continuous communication and dialogue between supervisors and subordinates are conducted to review goal execution, identify factors for goal achievement and areas for improvement regarding occupational behavior, and provide timely feedback to employees. All the SCSB employees are required to participate in regular performance evaluations, which fairly assess their job performance through mechanisms such as goal management and performance ranking. The performance management system covers all employees, with a coverage rate of 100%.
2. Team performance evaluation: To incentivize business departments to enhance operational efficiency and empower employees to execute annual strategic objectives collaboratively, the SCSB has established the "The Shanghai Commercial and Savings Bank Organizational Performance Evaluation Measures for Business Unit", which sets group evaluation items and allocation according to each unit's strategies for the year. Departments that meet or excel in their evaluations will be rewarded with bonuses to encourage teamwork efforts.
3. Two-way (appraisal – feedback) appraisal mechanism and communication: After the top supervisor of the unit completes the final performance appraisal of the appraisee, the appraisal result is sent to the appraisee. The appraisee is asked whether he or she agrees with the appraisal form, and the appraisee may provide feedback to the top supervisor of the unit. This enhances two-way communication on the performance appraisal results between the appraisee and supervisor.
4. 360-Degree performance feedback mechanism: In addition to self-assessment and supervisor evaluations in the annual performance appraisal, staff undergo service quality sampling assessments conducted by the Channel Management Department across all branches and support units nationwide. The Channel Management Department executes cross-departmental assessments and includes service satisfaction feedback in the assessment evaluation mechanism through mystery customer call-ins and the platinum customer service award, achieving multi-dimensional performance assessments.
5. Agile communication: Furthermore, specific departments and project teams hold regular stand-up meetings or weekly meetings during daily operations to discuss business execution, pending tasks, and strategies for addressing execution challenges. This fosters a corporate culture of agile communication, ensuring effective and immediate communication between subordinates and supervisors.

Performance Appraisal Flow and Frequency

Method of performance appraisal	KPI goal management	Performance Ranking	Team Performance Evaluation	Two-way Appraisal
Frequency	Regular review and communication	Annually	Annually	Annually

Freedom of Association and Collective Bargaining

The SCSB grants employees the freedom to associate, and there is an internal employee union available for employees to join voluntarily. Employees participating in the union receive equal treatment in all aspects, including but not limited to salary, bonuses, training, transfers, and promotions.

The percentage of employees participating in the employee union accounted for the following proportion of the total workforce

Year	Ratio	Change from previous year
2025	18.13%	Increased by 3.47%
2024	14.66%	Decreased by 0.25%
2023	14.91%	Increased by 0.32%
2022	14.59%	Increased by 0.72%

The SCSB holds quarterly labor-management consultation meetings with union representatives to communicate and discuss working conditions and related labor issues. The SCSB signed its first collective bargaining agreement in 2025, marking a significant milestone in promoting the institutionalization of labor-management cooperation.

Column | Q

Milestone in Labor- Management Collaboration: Signing of the First Collective Agreement



To further institutionalize labor – management collaboration, the SCSB formally signed its first collective agreement with the employee union on May 27, 2025, coinciding with the SCSB's 110th anniversary. The agreement was signed by the President and the Chairperson of the employee union, with witnesses from the Ministry of Labor and local competent authorities. The agreement not only consolidates existing employee rights and benefits, but also introduces benefits beyond regulatory requirements, including a half-day birthday leave each year and three days of paid special family care leave. These measures concretely implement the SCSB's corporate culture of "warmth, ease, and respect", recognize employees as the SCSB's most important partners, and build a stable and sustainable happy workplace.

4.3.5 EMPLOYEE WORK EXPERIENCE SURVEY

Employees are the SCSB's most important asset. To optimize the employee work experience and understand the feelings of employees, since 2022, the SCSB has commissioned an objective third-party external consultancy to carry out an anonymous employee engagement and satisfaction survey, inviting all active employees to participate. The scope of the employee experience survey has been expanded to include full-time employees worldwide, in order to understand employees' evaluations of five dimensions, including meaningful work, supportive management, positive work environment, opportunity for growth, and leadership and trust. Happiness and stress levels were also included as survey dimensions.

Through the systematic collection of feedback and cross-analysis with relevant indicators such as employee performance and turnover rates, the SCSB formulates strategies to optimize the talent experience and establishes the foundation for talent management planning in the following year.

To further improve survey quality and analytical depth, starting from 2025, the SCSB adjusted its cooperating third-party professional institution and optimized the survey framework and measurement method to gain a more comprehensive understanding of employee feedback and organizational conditions.

Survey Dimensions



Employee engagement

value recognition, effort
commitment, and retention
intention



Employee satisfaction

compensation, development,
promotion, work, culture,
cooperation, and leadership

Survey Methodology



The online questionnaire survey was administered using a 6-point scale, with 1 representing strongly disagree and 6 representing strongly agree, in order to enhance the discrimination of measurement and the accuracy of feedback.

Survey Results of Employee Commitment and Satisfaction

Year of Survey	Coverage Area	Number of Respondents	Response Rate	Overall Engagement	Overall Satisfaction
2025	Taiwan and overseas	1,780	62.11%	71.83	70.83
2024	Taiwan and overseas	1,347	46.46%	70.34	69.95
2023	Taiwan and overseas	1,379	47.05%	70.10	69.83

Note 1. The base date for the number of respondents is based on the period from January 1 to December 31 of the respective year. The total number of employees for each year is based on the number of employees in the SCSB as of December 31 of the respective year.

Note 2. The response rate is calculated by dividing the number of respondents by the total number of SCSB employees worldwide.

2024 Survey Result Analysis and Improvement Plan

- The organizational culture is incorporated into the human resource management strategies, such as setting common values of the corporation, enhancing the description of organizational culture in recruitment materials, including culture adaptation assessment in the talent recruitment standard, integrating the organizational culture into organizational behavior, and merging the common cultural values into various talent activities and courses.

- The multi-aspect performance bonus mechanism is executed to encourage diverse development for talents. For instance, professional deepening, guidance to new employees, subordinate feedback assessment, and bonus for certificate acquisition are incorporated into performance appraisal or bonus point categories.

- Reinforce the role of mentors and supervisors as facilitators, such as building a complete mentor system, providing mentor training, incorporating trainee feedback into mentor performance appraisal, and granting bonus points for mentor performance.

- Promote a culture and awareness of work-life balance through relevant policies and initiatives.

2025 Improvement Plan Implementation Status

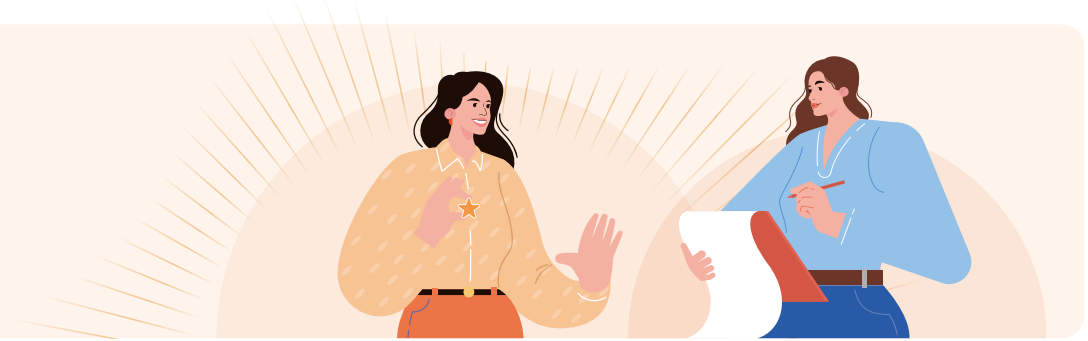
- Build the employer brand, and merge the corporate culture elements of "Warmth, Ease, and Respect" into the brand.
- Strengthen manager leadership training.

- The "Guidelines for Promotion Points" are implemented, with relevant suggestions incorporated therein to encourage diverse development for talents.

- The SCSB implemented the "Takeoff Trilogy" training program to provide guidance for new employees.
- The SCSB promoted a branch mentor system, strengthening the role of mentors as facilitators for new employees, and introduced a promotion points mechanism.
- The "Fast Learning Hub" initiative was launched to encourage knowledge sharing through a relaxed and lively atmosphere, with the outcomes further developed into supplementary training materials.
- The "Growth Partner Program" was implemented in conjunction with employee care mechanisms to monitor employee adaptation and development, thereby strengthening retention.

- Increased flexibility in leave arrangements by piloting the use of hour-based annual leave, thereby enhancing time utilization.
- Optimized health promotion measures by expanding the scope of the Bank-wide mobile health check-up program and related subsidies.

4.4 Occupational Health and Safety



The SCSB attaches great importance to employee health and safety. In 2022, the SCSB introduced the ISO 45001 Occupational Health and Safety Management System and successfully obtained certification. Starting in the second half of 2023, the SCSB expanded the scope of certification nationwide, achieving a coverage rate of 100% at Taiwan locations by 2025. A committee should be established in accordance with the "Regulations of Occupational Health and Safety Management" and the SCSB's "Regulations of the Establishment of Occupational Health and Safety Committees", and quarterly meetings should be convened. According to Article 11 of the Regulations of Occupational Health and Safety Management, labor representatives should account for more than one-third of the committee members. The SCSB's committee consists of 11 members, including 4 labor representatives, thereby complying with legal requirements.

Considering the work patterns of employees, the SCSB follows the framework of the Four Major Plans for Labor Health Services to formulate short-, medium-, and long-term occupational and environmental safety and health indicators and targets. Furthermore, the SCSB conducts overload surveys to identify and evaluate high-risk groups, implements improvement measures including health management and medical personnel interviews, as well as plans relevant health promotion activities. In 2025, the SCSB implemented projects to address potential workplace risks. These include the installation of partitions in electrical switch boxes to minimize the chances of operators accidentally touching live components; the installation of guardrails along the edges of roofs to prevent fall accidents; the installation of handrails and anti-slip strips on stairs to prevent falls and injuries while using stairs.

Short-, Medium-, and Long-term Indicators and Targets of Occupational and Environmental Health and Safety

Category	Name of Performance Indicator	Explanation of Performance Indicator Calculation Methods	2025 Targets	2026 Targets	2027 Targets
Environmental safety	Employee environmental, health, and safety energy education and training achievement rate	(The actual number of environmental, health, and safety energy-related education training participants/the expected number of environmental, health, and safety energy-related education training participants) * 100%	100%	100%	100%
	Emergency response drill achievement rate	(Cumulative number of emergency response drills/planned number of emergency response drills) * 100%	100%	100%	100%
Occupational safety	Occupational Health and Safety Committee meeting achievement rate	(Number of Occupational Health and Safety Committee meetings/legally required number of Occupational Health and Safety Committee meetings) * 100%	100%	100%	100%
	The overall satisfaction of implementing friendly and healthy workplace promotion lectures and activities	(Satisfaction survey score/total survey score)*100%	85%	90%	90%



SCSB ISO 45001 certificate

Health Risk Evaluation

High Health Risk Factors	The SCSB's Response and Management Measures
 Improper Working Postures	Since most of the SCSB's employees work in seated positions and use computers for extended periods, they are prone to occupational hazards such as visual fatigue, repetitive strain injuries, and poor posture. To address these risks, the SCSB has established the "Human Factors Hazard Prevention Plan" and implemented necessary occupational safety and health measures to prevent potential work-related illnesses. Based on the results of the self-reported musculoskeletal symptom questionnaire completed by employees, the SCSB arranges for occupational health physicians to provide individual assessments and health education for those identified as potentially high-risk. On-site medical personnel collaborate with occupational health service professionals to inspect the workplace and offer ergonomic improvement suggestions. In addition, the SCSB adopted a five-step design thinking approach and incorporated its mascot, Pukii, into a custom-developed sedentary reminder program. The program uses engaging visuals and messages to regularly remind employees to stand up and break prolonged periods of sitting, helping to encourage healthier workplace habits. In 2025, a total of 18 employees identified as potentially high-risk completed interviews, and all were able to continue performing their original duties.
 CO₂ Indoor Carbon Dioxide Concentration Hazards	Due to variations in indoor carbon dioxide (CO₂) concentration, there is a potential risk of respiratory issues and decreased attention. To mitigate these risks, the SCSB commissions a government-approved occupational environment monitoring agency to conduct CO₂ concentration monitoring in the workplace every six months. All monitoring results in 2025 complied with relevant legal standards.
 Abnormal workload / shift / night shift / long working hours	- High-pressure and long working hours can increase the risk of occupational cerebrovascular and cardiovascular diseases, as well as the hazards associated with night work. Therefore, the SCSB has implemented the Prevention Plan for Abnormal Workload-related Illnesses to manage employee health. Employees are also entitled to access the Employee Assistance Program (EAPs), which offers professional counseling services by licensed counseling psychologists and clinical psychologists to enhance overall well-being. - Based on the Abnormal Workload Risk Assessment Form completed by employees, individual risk factors and levels are evaluated. Employees identified as high-risk receive consultations and health education from on-site occupational physicians. Those in the medium- and low-risk categories are cared for through health seminars, wellness newsletters, and interviews conducted by on-site occupational health nurses. - The SCSB has established a comprehensive overtime application procedure and regularly monitors employees' overtime hours. For employees with unusual overtime patterns, follow-ups are conducted to understand the cause and adjust workloads accordingly. In 2025, there were no violations of the Labor Standards Act concerning working hours.
 Workplace violence / Sexual harassment	- The SCSB set up the "Workplace Sexual Harassment Prevention, Complaints, and Penalty Measures", "Sexual Harassment Prevention, Complaints, and Investigation Handling Measures" and the "Plan for Unlawful Infringement Prevention on Duty", covering the prevention of workplace violence, workplace bullying, sexual harassment and employment discrimination. The sexual harassment prevention section is available on the website, providing a complete complaint and handling system, and protecting employees from unlawful physical or mental injury at work. - In 2025, the SCSB handled a total of 3 cases of unlawful infringement and harassment, including sexual harassment and non-sexual harassment, while performing duties. All cases were handled in accordance with specified processes. In November 2025, an online course on "Sexual Harassment Prevention and the Prevention of Unlawful Infringement While Performing Duties" was arranged for the entire bank. To enhance gender sensitivity, awareness, and the ability to recognize power differential relationships among management, an advanced course on "Sexual Harassment Prevention and the Prevention of Unlawful Infringement While Performing Duties" was arranged for managers. Additionally, in June and September 2025, relevant concepts and information on Employee Assistance Program (EAPs) consultation services were promoted through the Business Affairs Meeting to foster a healthy working environment.

4.4.1 OVERTIME MANAGEMENT AND WORK-LIFE BALANCE

The SCSB complies with the "Labor Standards Act" and other relevant regulations by clearly defining working hours, overtime, and leave policies in its "Work Rules", "Employee Compensation and Benefits Guidelines", and "Overtime Application Procedures". The total number of extended working hours may not exceed 46 hours per month. To promote work-life balance, the SCSB compiles a monthly list of employees whose clock-out times exceed 30 hours beyond regular working hours and reminds supervisors to adjust workloads as needed to safeguard employees' physical and mental well-being and ensure workplace safety. The SCSB also encourages employees to maintain a healthy work-life balance by including a special leave policy in the "Work Rules" and offering initiatives such as the "Travel Subsidy Program" to encourage employees to plan and take leave in advance. In cooperation with labor inspections conducted by regulatory authorities, the SCSB has maintained a clean record with no major deficiencies in recent years, underscoring its commitment to fostering a high-quality work environment.



4.4.2 EMPLOYEE HEALTH MANAGEMENT AND HEALTH PROMOTION

The SCSB strives to uphold and care for employee health. The SCSB pays for the health examination for new employees. With regards to the health check-up for employees, a free health check-up is offered every three years, superior to legal requirements, and mobile health examination services are arranged in cooperation with accredited medical institutions. To demonstrate the SCSB's emphasis on employee health, in 2025, the SCSB increased health examination subsidies. In line with the regular health check-up conducted every three years, employees are provided with health examination subsidies ranging from NT\$3,000 to NT\$7,500 based on age. In addition, the Employee Welfare Committee provides an additional NT\$3,000 subsidy to promote employees' voluntary health management and protect their physical and mental health. In 2025, a total of 2,518 employees completed health check-ups.

For follow-up health management, the SCSB's occupational health service medical personnel classify employees' physical and health examination results, conduct on-site health service interviews, and provide health education for high-risk groups. In 2025, medical personnel conducted 15 and 96 on-site health services with doctors and nurses, respectively, interviewing 310 employees with an overall satisfaction rate of 92.4%.

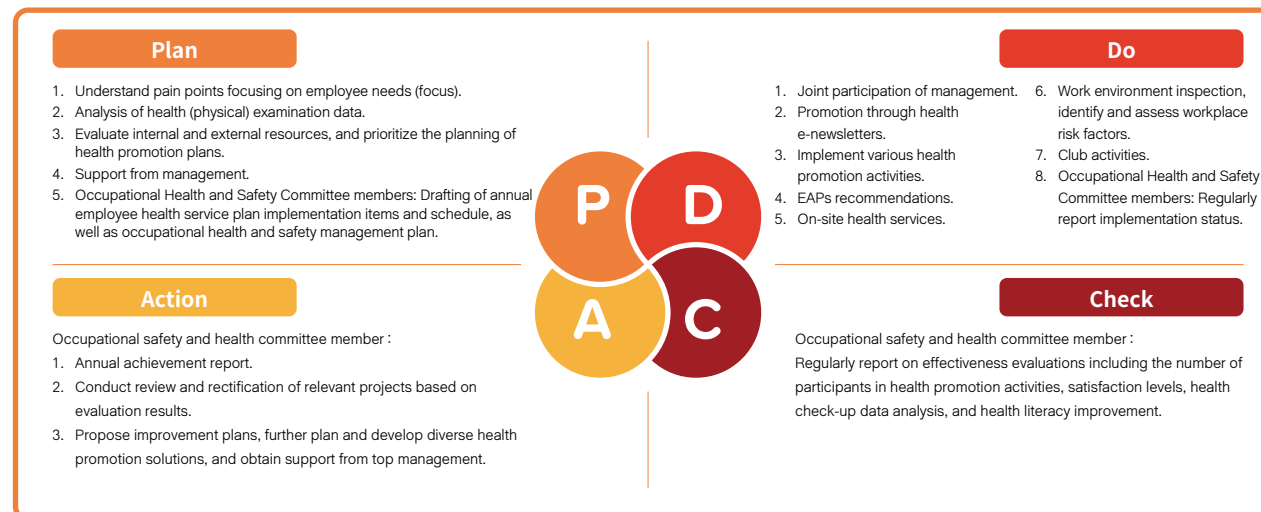
Additionally, the PDCA approach is applied to understand employees' pain points through empathy. Furthermore, practical health promotion lectures and activities were planned to care for employees and encourage them to value their health. At the same time, the SCSB actively builds a comprehensive healthy workplace. In 2025, a total of 20 units at the Head Office building and branch offices all passed the Workplace Health Promotion Self-Assessment Certification.

In addition, the SCSB achieved outstanding results in health promotion and maternal protection and received multiple national and local recognitions in 2024:

- **Healthy Workplace Mark:** The Insurance Agency Department, Yuanlin Branch, and Savings Department Branch were awarded the Badge of Accredited Healthy Workplace – Health Promotion Mark by the Health Promotion Administration, Ministry of Health and Welfare. The Business Department was awarded the Badge of Accredited Healthy Workplace – Health Activation Mark.
- **Excellent Breastfeeding Rooms:** Breastfeeding rooms at the Head Office, Neihu, Chiayin, Personal Banking, and Ren'ai buildings received the High Distinction Breastfeeding Room Certification from the Taipei City Department of Health for their complete facilities and considerate environment.
- **Annual Outstanding Recognition:** In 2024, the Head Office received the Health Communication Award for the National Excellent Healthy Workplace Award, demonstrating the SCSB's long-term commitment to maintaining employees' physical and mental health.



The classification of employees' health conditions is executed based on the health check-up results. High-risk staff are arranged for interviews with labor health service medical personnel on an individual basis according to occupational safety plans, such as the Prevention Plan for Abnormal Workload-related Illnesses, Human Factors Hazard Prevention Plan, Maternal Health Protection Plan, and Middle-aged and Elderly Employee Adaptive Work Plan. Health education and medical advice are provided through interviews to protect the mental and physical health of employees and prevent diseases.



On-site Health Service is Provided by Contracted Occupational Health Service Physicians and Nurses

Contracted Services	Contracted Service Frequency	Number of Service Users in 2025
Contracted labor health service physician	Headquarters building: 4 times/year Neihu building: 3 times/year Chiaxin building: twice/year Renai building: twice/year Other units throughout Taiwan: 4 times/year	In 2025, 50 employees consulted on-site health service physicians.
Contracted labor health service nurses	The headquarters building employs full-time nurses, while the service frequency at other branches is shown below: Neihu building: 3 times/month Chiaxin building: twice/month Renai building: twice/month Other units throughout Taiwan: once/month	In 2025, the health services provided by on-site health service nurses included blood pressure monitoring, height/weight, body fat measurement, waistline measurement, minor wound care, health care, and health consultation. Full-time nurses served 711 staff members and contract nurses served 240 staff members.

Health Lecture Topic	Number of participants	Overall satisfaction
[Nutrition & Weight Management] Stress-Relief Diet: How Food Affects Emotions and Stress	35	95.50%
[Ergonomic Hazard Prevention] Choosing the Right Pillow to Relieve Aches and Pain	57	92.70%
[Healthy Aging] Early Prevention of Dementia – Enhancing Brain Resilience	56	94.80%
[Healthy Aging] Dementia Prevention: What Everyone Should Know (Insights from a Neurologist)	44	93.60%
[Vision Care] Vision Health and an Introduction to Fundus Imaging Interpretation	126	93.60%
[Cardiovascular Disease Prevention] Managing Blood Pressure for a Better Quality of Life	52	92.50%
[Health Check Report Interpretation] How to Understand Your Health Examination Report	72	92.50%
[Ergonomic Hazard Prevention] Healthy Bones, Better Living – Understanding Osteoarthritis	48	91.40%
[Traditional Chinese Medicine Wellness] Stress Relief and Sleep Management through TCM Approaches	56	90.30%

In 2025, there were zero cases of occupational diseases, permanent disabilities, or fatalities resulting from occupational accidents at the SCSB. There were zero severe occupational injuries and 20 recordable occupational injuries, all of which were traffic accidents occurring during business trips or commuting. The actual working hours were 5,669,904 hours, resulting in a recordable occupational injury rate of 3.53 (number of occupational injuries × million hours / actual working hours). No other workers experienced occupational injuries, and the overall average absenteeism rate for SCSB employees in 2025 was 0.26%, meeting the SCSB's target of 0.5% for the same year.

Note 1. The definition of severe occupational injury is based on the "Regulations of the Examination of Injuries and Diseases Resulting from the Performance of Duties by the Insured Persons of the Labor Occupational Accident Insurance" issued by the Bureau of Labor Insurance, Ministry of Labor.

Note 2. Absenteeism rate = ((occupational injury and sick leave + sick leave + personal leave) / total working days) × 100%. Long-term absences due to serious illness were excluded from the 2025 absenteeism calculation.

Note 3. As mentioned above, before 2024, the calculation of sick leave and personal leave included menstrual leave and family care leave. In 2025, the SCSB optimized the absenteeism calculation method by excluding statutorily protected leave types, including family care leave and menstrual leave, to implement the principles of legal compliance and human rights protection. Through the adjustment of this indicator, the SCSB avoids creating leave-related pressure on employees through its management mechanism, supports employees in exercising their leave entitlements with peace of mind, and continues to build a friendly workplace environment that is both supportive and psychologically safe.

Note 4. The calculation scope for the 2025 absenteeism rate includes the SCSB's business locations in Taiwan, as well as its overseas branches and representative offices.

To strengthen employees' awareness of occupational safety and health, the SCSB continuously conducts education and awareness programs. Employees are trained to identify risks and evacuate from the workplace in a timely manner when facing imminent and serious threats to their life or health while performing their duties. In addition, the SCSB has implemented appropriate measures to ensure employees are protected from such risks and conducts occupational safety and health training in accordance with relevant regulations. In 2025, the SCSB arranged for all employees to partake in the "Ergonomic Hazards and Prevention in the Financial and Insurance Industry – Office Settings" online course, which achieved a 100% completion rate. The Administration Management Department is responsible for the annual inspection of fire equipment and AEDs to ensure that equipment at each location can effectively respond to emergencies.

Note: The training completion rate calculation for "Ergonomic Hazards and Prevention in the Financial and Insurance Industry – Office Settings" excludes employees on unpaid leave, long-term leave, new employees who joined in December of the current year, and overseas employees.

Employee Health and Safety Plan

Project Items	Project Description and Achievements
Maternal Health Protection Plan	The SCSB has formulated the "Maternal Health Protection Plan", where occupational health service medical personnel provide care, counseling, and guidance for pregnant, postpartum, and breastfeeding female employees, as well as evaluate maternal workplace hazards. In addition, dedicated breastfeeding rooms are available at the headquarters, Neihu, Chiaxin, and Personal Banking buildings. The breastfeeding rooms comply with the standards for the establishment and management of breastfeeding rooms in public places, providing female employees with a better and safer breastfeeding environment. The SCSB has also established a maternal health education section titled "PU Mommy & Baby Wellness Hub" in the health management system, providing relevant health education information for pregnant, postpartum, and breastfeeding female employees, helping female colleagues acquire pregnancy-related health knowledge and strengthen their self-care capabilities. In 2025, a total of 52 pregnant, postpartum, and breastfeeding female employees received face-to-face or telephone interviews with medical personnel, who provided health education information related to pregnancy and postpartum care. Employees were also informed of maternal protection benefits such as childbirth subsidies, the breast milk delivery subsidy program, and EAPs services. The overall satisfaction rate reached 93.1%. Breastfeeding rooms at the headquarters, Neihu, Chiaxin, and Personal Banking buildings received the Excellent Breastfeeding Room Certification (High Distinction) from the Taipei City Department of Health for the period from September 1, 2024 to August 31, 2027. The Renai Building also applied for and received the Excellent Breastfeeding Room Certification (High Distinction) from the Taipei City Department of Health for the period from September 1, 2025 to August 31, 2028.
Provision of healthcare information	The SCSB issued health e-newsletters to internal colleagues, focusing on infectious disease prevention and control, health care, and employee health promotion. The diverse topics include cardiovascular and cerebrovascular disease prevention, influenza prevention, dementia prevention, nutrition knowledge, cancer prevention, and tobacco hazard prevention. The content is designed with text and graphics to improve readability. Employees may also obtain timely health information through the newsletters. In 2025, 32 e-newsletters were issued, positively benefiting and influencing all 3,000 employees, with total reach of approximately 96,000 person-times. Through diverse communication channels, the SCSB continues to implement workplace health promotion.
Health stairs	The health stairs were established and beautified to encourage colleagues to take the stairs more often. Climbing stairs instead of taking the elevator not only improves cardiopulmonary function and physical endurance but also helps boost employee work efficiency and morale. By integrating exercise into daily routines, the program can promote energy conservation and health. In addition, information such as floor step count and calories burned is also displayed.
Wellness Center	The SCSB has established the "Wellness Center" at the headquarters building, with access control in place to ensure safe use. The facility provides diverse sports and recreational equipment, including upright exercise bikes, elliptical trainers, table football, dart machines, and televisions. It is open for employees to use during their free time to promote physical and mental health, relieve stress, and improve work efficiency.
Cancer screening activity	Cancer screening activities were organized. In total, 41 employees received pap tests and 25 employees received mammography, achieving an overall satisfaction rate of 94.7%. In conjunction with the 2025 mobile health check-up promotion, 334 employees completed fecal occult blood tests.
Technology Fitness Testing Events	In 2025, the technology fitness testing event was executed in the headquarters building. A total of 97 staff members participated in the event, achieving an overall satisfaction rate of 94.7%.
Flu shots	In 2025, the SCSB organized 2 workplace flu shot sessions, offering both publicly funded and self-funded flu shots at the headquarters building. A total of 165 employees participated, including 79 employees receiving publicly funded flu shots and 86 employees receiving self-funded flu shots, achieving an overall satisfaction rate of 96.6%.

4.5 Human Rights and Equality

To fulfill corporate social responsibility, protect the basic human rights of employees, suppliers, and business partners (e.g. customers), the SCSB strives to create an environment that ensures human rights and adheres to regulations of global branches where they are located. The SCSB agrees to and supports various principles disclosed in the "International Bill of Human Rights", "ILO Core Conventions on Labor Standards", "The UN Global Compact", and the "United Nations Guiding Principles on Business and Human Rights (UNGPs)". To eliminate any infringement or violation of human rights and reflect the responsibility of respecting and safeguarding human rights, the "SCSB Human Rights Policy" was formulated, and the "Employee Service Regulations" explicitly stipulate that employees should respect human rights in their daily work.

To strengthen the practice of human rights and ensure the protection of labor conditions, the SCSB has established 13 labor-management meetings across its head office and 12 business units in accordance with the Regulations for Implementing Labor-Management Meeting. These meetings are convened quarterly and composed of representatives from both labor and management, selected according to regulatory requirements. Discussion topics include compensation, working hours, employee benefits, and occupational safety, serving as a key reference for policy adjustments and system improvements. Through this mechanism, the SCSB actively promotes labor-management communication and cooperation, and is committed to continually enhancing the workplace environment.

On the other hand, the SCSB set up the "Workplace Sexual Harassment Prevention, Complaints, and Penalty Measures", "Sexual Harassment Prevention, Complaints, and Investigation Handling Measures" and the "Plan for Unlawful Infringement Prevention on Duty", which cover the prevention of workplace violence, workplace bullying, sexual harassment, and employment discrimination. The sexual harassment prevention section is available on the website, providing a complete complaint and handling system, and protecting employees from unlawful physical or mental injury at work. In 2025, there were 3 cases of unlawful infringement and harassment, including sexual harassment and non-sexual harassment, while performing duties. They were closed according to specified processes. In November 2025, an online course on "Sexual Harassment Prevention and the Prevention of Unlawful Infringement While Performing Duties" was arranged for the entire bank. To enhance gender sensitivity, awareness, and ability to recognize power differential relationships among management, an advanced course on "Sexual Harassment Prevention and the Prevention of Unlawful Infringement While Performing Duties" was arranged for managers. Additionally, in June and September 2025, relevant concepts and information on Employee Assistance Program (EAPs) consultation services were promoted through the Business Affairs Meeting to foster a healthy working environment.



The SCSB Human
Rights Policy

Initiate investigation

Form a group

Handle the case based on rules

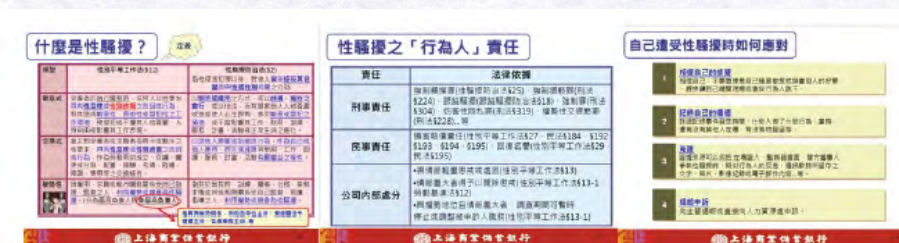
If the unlawful infringement or sexual harassment has been verified, the SCSB may transfer, demote, cut pay, punish employees or impose other punishments on the employees based on relevant regulations such as working rules, depending on the severity.

Column 1

Workplace Misconduct and Sexual Harassment Prevention Promotion Series

To reinforce colleagues' sexual harassment-related awareness, the SCSB has launched the e-Academy course entitled "Sexual Harassment Prevention and Unlawful Infringement Prevention on Duty" to further strengthen colleagues' sensitivities toward relevant issues.

“Sexual Harassment Prevention and Unlawful Infringement Prevention on Duty”



- Workplace sexual harassment and other unlawful infringement prevention-1 (Gender equality awareness and literacy, and basics, forms and regulations of workplace sexual harassment)
- Workplace sexual harassment and other unlawful infringement prevention-2 (Complaint or counseling channels for workplace sexual harassment, process and method for business units to handle workplace sexual harassment complaints, how to face and deal with suspected victims and suspected actors, victim assistance and rights protection, and other unlawful infringement prevention)
- Three acts of gender equality, and the complaint, counseling channel and psychological counseling of workplace sexual harassment and unlawful infringement prevention at SCSB-EAPS

“Sexual Harassment Prevention and Unlawful Infringement Prevention on Duty (Advanced)”

- Workplace sexual harassment and other unlawful infringement prevention (enhance gender sensitivity, awareness, and ability to recognize power differential relationships among management, impact assessment of workplace sexual harassment on business units and employees, impact assessment of the way the employer solves workplace sexual harassment issues on business development and employee career development, incident handling procedure in the Sexual Harassment Prevention Act, and comprehensive operation of the complaint handling mechanism for workplace sexual harassment)
- Three acts of gender equality, and the complaint, counseling channel and internal handling procedure, and psychological counseling of workplace sexual harassment and unlawful infringement prevention at SCSB-FAPs

Public Disclosure: Prohibition of Sexual Harassment and Sexual Assault



Reporting Channel for Unlawful Infringement and Sexual Harassment

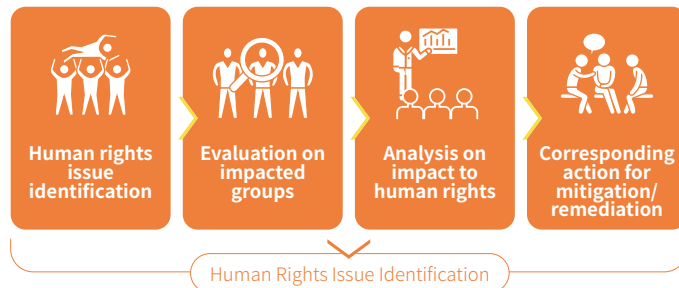
Reporting Channel for Unlawful Infringement and Sexual Harassment

- Dedicated Management Unit: Human Resources Department
- Hotline: (02) 2531-9206
- Email: hr@scsb.com.tw

For sexual harassment complaints, written submissions may be mailed to the following address:

Head of Human Resources, The Shanghai
Commercial & Savings Bank
No. 2, Section 1, Minquan East Road, Zhongshan
District, Taipei City, Taiwan.

The SCSB's Human Rights Risk Due Diligence Process



The SCSB conducts regular assessments of key human rights issues and affected groups annually, or when new business relationships are established, such as mergers, acquisitions, or joint ventures. The scope of data collection includes topics such as forced labor, human trafficking, child labor, freedom of association, collective bargaining, equal pay, discrimination, excessive working hours, and mental health in the workplace. Based on the identification results in 2024, the SCSB assessed human rights risk impacts on suppliers, all employees, and third-party personnel, such as dispatched workers. Based on the findings, two issues were identified as potentially high-risk or already occurring: excessive working hours and workplace mental health. Responsive actions were taken accordingly.

Impact Group Assessment

Based on the issues of concern to the SCSB, the potential sources of risk related to impact groups are assessed, and human rights impact analyses are conducted accordingly.

Human rights risk identification

Survey scope	Survey target	Policy for compliance	Potential human rights issue	Groups covered by human rights risk	Survey Approach
Own operations	SCSB employee	“SCSB Human Rights Policy” “Regulations Governing Employee Treatment” “Workplace Sexual Harassment Prevention, Complaints, and Penalty Measures” “Plan for Unlawful Infringement Prevention on Duty”	- Excessive working hours - Occupational health and safety - Mental health at workplace - Diversity, inclusion and anti-discrimination - Right to collective bargaining - Equal pay for equal work - Privacy protection	- Employees - Female employees - Taiwanese indigenous peoples - Third-party employees, such as dispatched workers - Survey Approach: Human Rights Due Diligence	Human Rights Due Diligence
	Supplier/ Business partner	“SCSB Human Rights Policy” “Supplier Corporate Social Responsibility Guidelines” “ISO 20400 Sustainable Procurement Guidelines” “Integrity Clauses and Anti-corruption Statement”	- Excessive working hours - Occupational health and safety - Mental health at workplace - Diversity, inclusion and anti-discrimination - Forced labor - Human trafficking - Child labor - Freedom of association	- Female employees - Third-party employees, such as dispatched workers - Children	Supplier Social Responsibility Commitment
Value chain	Served clients	“The SCSB Group Personal Data Protection Policy” “The SCSB Personal Data Management Policy”	- Diversity, inclusion and anti-discrimination - Privacy protection	- Female employees - Taiwanese indigenous peoples	Customer Satisfaction Survey
	Other business activities, such as investment and financing, and social engagement	“Regulations for Sustainable Development Engagement”	- Excessive working hours - Occupational health and safety - Mental health at workplace - Diversity, inclusion and anti-discrimination	Local community	-

Human Rights Impact Analysis and Mitigation/Remediation Measures

Human Rights Risk Issues	Impacted Groups	Source of Risk	Percentage of the number of operators identified with human rights risk	Type of Mitigation/ Remediation	Response	Percentage of the number of people taking relevant improvement measures
Excessive working hours	All employees	1. To meet specific business needs 2. Employees' personal reasons	2.40% ¹	Mitigation – Prevention of injury	The SCSB has complied with labor regulations. Attendance regulations were specified explicitly in the "Work Rules", "Regulations Governing Employee Treatment" and "Guidelines for Overtime Application" in the SCSB.	100% ²
				Remediation – Restoration	In the last two weeks of every month, the SCSB calculated employees with monthly accumulated excessive working hours exceeding 30 hours, and reminded the unit supervisors to adjust the workload in time to ensure work-life balance for employees.	
Mental health at workplace	All employees	1. Management's sensitivity toward employees who are in need of care 2. When employees' mental health is at a high-risk state 3. Work environment	1.87% ³	Mitigation – Prevention of injury	The SCSB shared articles every month on topics such as work adaptation, career assistance, interpersonal relationships, marriage and parenting, family care, legal issues, and psychological counseling, offering solutions to assist workers in improving their work and life quality.	100% ⁴
				Remediation – Restoration	Employee Assistance Programs (EAPs) assisted employees by hiring external professional "employee consultants" to help identify and resolve issues that may affect them in three major areas including work, life, and health. Counseling was provided via phone or email, and if necessary, face-to-face counseling sessions were carried out to assist in the physical and mental health of employees, and foster a supportive organizational culture and work environment.	

Note 1. The total number of employees with monthly accumulated overtime hours exceeding 30 hours in 2025, from January to December, divided by the total number of employees in the SCSB, excluding locally employed personnel in overseas branches.

Note 2. In 2025, a total of 67 employees exceeded 30 hours of overtime work per month. After appropriate care and adjustments to workload by the SCSB, all employees showed improvement and did not violate the regulations regarding overtime hours stipulated in the Labor Standards Act.

Note 3. The total number of cases utilizing Employee Assistance Programs in 2025 divided by the total number of employees in the SCSB, excluding locally employed personnel in overseas branches.

Note 4. In 2025, there were a total of 52 cases utilizing Employee Assistance Programs. Through the involvement of external professional "employee counselors", these cases assisted employees in identifying and resolving issues affecting their personal work, life, and health dimensions.

Suppliers / Third-party Employees

Human Rights Risk Issues	Impacted Groups	Source of Risk	Percentage of Human Rights Risks Identified	Type of Mitigation/ Remediation	Response
Excessive working hours	Third-party employee (temp worker)	1. To meet specific business needs 2. Employees' personal reasons	In 2025, 100% of contracts were signed in compliance with labor laws and relevant regulations for dispatched personnel.	Mitigation Prevention of injury	The SCSB has complied with labor regulations. Regulations for dispatched personnel were specified explicitly in the "SCSB Dispatched Personnel Management Regulations". For other rules, the SCSB's "Work Rules" and "Regulations Governing Employee Treatment" shall apply mutatis mutandis.
				Remediation Restoration	The working hours of dispatched personnel complied with the rules. For overtime of dispatched personnel, the SCSB authorized the dispatching agency to assist in monitoring the execution of their duties.
Mental health at workplace	Third-party employee (temp worker)	1. Management's sensitivity toward employees who are in need of care 2. When employees' mental health is at a high-risk state 3. Work environment		Mitigation Prevention of injury	The SCSB shared articles every month on topics such as work adaptation, career assistance, interpersonal relationships, marriage and parenting, family care, legal issues, and psychological counseling, offering solutions to assist dispatched workers in improving their work and life quality.
				Remediation Restoration	Dispatched workers received the same assistance as the SCSB employees. Employee Assistance Programs (EAPs) assisted dispatched workers by hiring external professional "employee consultants" to help identify and resolve issues that may affect them in three major areas including work, life, and health. Counseling was provided via phone or email, and if necessary, face-to-face counseling sessions were carried out to foster a supportive organizational culture and work environment.
	Supplier	Work environment	In 2025, the signing rate of the Supplier Social Responsibility Commitment reached 99%.	Mitigation Prevention of injury	1. Stipulate supplier corporate social responsibility regulations 2. Add ethics clauses and anti-corruption statements, including occupational health, to supplier contracts 3. Sign the Supplier Social Responsibility Commitment
				Remediation Restoration	Implement supplier labor rights audits and downgrade ratings or terminate transactions with non-compliant suppliers.

The SCSB actively promotes awareness of related concepts among employees, upholding the strategic focus of "fulfilling social responsibility and building a positive corporate image." In 2025, the SCSB continued to provide human rights education and training.

Human Rights Education Training — The SCSB

Total number of trained employees	Percentage of trained employees	Total training hours	Average training hours per person
2,871	100%	55,071.50	19.18

4.6 Financial Inclusion

The SCSB upholds the service philosophy of "Always placing customers' needs first", orienting towards societal needs and advancing multiple initiatives to enhance the accessibility of financial services for vulnerable groups. These groups include children, the general public, diverse communities, and the elderly, aligning with the principles of inclusive finance. Our Cambodian subsidiary, AMK, also offers micro-loans to farmers, contributing to local income and standard of living improvements. The SCSB remains committed to ongoing efforts in introducing financial products that meet a broader range of needs, contributing to a more prosperous and harmonious society.

4.6.1 FINANCIAL INCLUSION LOAN

To support businesses across Taiwan, the SCSB issued a total of 31,597 corporate loans in 2025, with an outstanding loan balance of approximately NT\$385.1 billion. Of this amount, NT\$301.4 billion, accounting for 78.27%, was extended to small and micro-sized enterprises.

Service Recipients	Social benefits		Commercial benefits
	Number of loans granted at the end of 2025 (Loan)	Cumulative beneficiary households (Account)	Loan balance at the end of 2025 (NT\$ Billion)
Micro-Enterprises	14,801	4,152	86.1
SME	15,803	4,834	215.3
Large-scale enterprise	993	282	83.7

Note 1: Small and medium-sized enterprises (SMEs) are categorized according to the definition provided by the Financial Supervisory Commission (FSC), with those having capital of less than NT\$30 million being further classified as micro-enterprises.

Note 2: The definition of community development is based on the initiatives outlined in the Ministry of Health and Welfare's Regulations on Community Development Work. There were no loan cases related to community development in the current year.

To enhance investors' understanding of loans with social benefits, the SCSB provides specific disclosures regarding overdue and collection information for micro enterprise loans. This practice aims to reflect both the social impact of the loans and the risk management associated with them to investors.

Credit category	Number of overdue loans in 2025 (Loan)	Balance of overdue loans as of the end of 2025 (NT\$ Million)	Number of loans under collection case in 2025 (Loan)	Outstanding balance of loans under collection at the end of 2025 (NT\$ Million)
Micro-Enterprises	52	70	415	267

In 2025, there were 44,850 personal loans in total and the balance was about NT\$368.7 billion by the end of the year. The SCSB offered numerous loan programs including student loans, housing loans, and start-up loans. Implementation of the programs in 2025 is shown below:

Category	Target	Philosophy	Number of loans in 2025	Loan balance at the end of 2025 (NT\$ Thousand)
Student loans	People who need the student fund	The SCSB offered outstanding students the necessary funds for their studies to provide them with peace of mind while studying.	103	75,915
Housing subsidies	People with a self-purchased/self-owned house	Offered disadvantaged groups preferential interest rates, loan amounts, and repayment terms for home purchase loans and home renovation loans.	247	450,795
Green building loans	Obtained the collateral with the "green building candidate certificate" and "green building label"	Preferential loans for buildings secured by the "green building candidate certificate", "green building label", and "smart building label". Preferential loans for buildings secured by the "green building candidate certificate", "green building label", and "smart building label".	1,068	13,080,000
Reverse mortgage	Elders who own houses	Helped seniors to remain self-sufficient by using their property to obtain a monthly income for their daily expenses.	7	13,167
First-time purchase program for youths	First-time home buyer loan programs	The SCSB provided housing subsidies for youths in Taiwan so that they can purchase their own home with peace of mind.	1,715	4,236,852
Youth start-ups	Small enterprises founded less than five years	Provided start-ups with revolving loans to help stabilize their operations.	53	14,086
Owner's cash loans (business owners' cash loans)	Small/micro business owner	The SCSB stimulated the domestic entrepreneurial economy by providing small loan channels for small and micro business owners.	3	1,282
Relief loans	Clients with relief needs (including labor relief loans and the central bank's guaranteed loans for small business operators)	The SCSB supported workers and small businesses to get through the pandemic.	18	632
Post-pandemic recovery project loan (type i)	Clients with relief needs	Provided financial assistance to small and medium-sized enterprises to support post-pandemic recovery and the resumption of operations. Each loan application is eligible for a maximum amount of NT\$35 million.	5,908	17,180,405
Post-pandemic revitalization loans (type ii)	Clients with relief needs	Provided financial assistance to small and medium-sized enterprises to facilitate post-pandemic revitalization and resume operations, up to NT\$4 million per loan application.	95	55,417

Column | 🔍

Hong Kong Subsidiary Supports SME Financing and Data-Driven Financial Services

The Hong Kong subsidiary, Shanghai Commercial Bank, actively participates in the SME Financing Guarantee Scheme launched by the Hong Kong Special Administrative Region Government, supporting small and medium-sized enterprises in securing stable sources of funding. SCB continues to expand its engagement across diverse industries, including green-related sectors, start-ups and technology, healthcare, import and export, and wholesale and retail. Through diversified financial services, SCB contributes to industrial development and economic vitality. In addition, SCB continues to enhance the accessibility of financial services by providing essential banking services to SMEs, retail customers, and underserved segments, supporting easier access to financial resources and advancing financial inclusion.

In the area of digital finance, SCB participates in the Commercial Data Interchange (CDI) platform promoted by the Hong Kong Monetary Authority (HKMA). The platform leverages data-sharing mechanisms to replace manual data collection and document retrieval with automated, program-based data queries, enabling efficient collection of corporate operational data and improving the loan application and credit assessment process, while enhancing operational efficiency and data timeliness.

SCB has also incorporated the Interbank Account Data Sharing (IADS) mechanism into SME loan application processes. Subject to customer authorization, this mechanism enables banks to access machine-readable account transaction data from other banks. The approach improves the efficiency of credit assessments, supports ongoing credit reviews and post-loan monitoring, and strengthens risk management capabilities. Through data integration and automation, SCB enhances both the efficiency of credit processes and the overall quality of financial services provided to SMEs.

4.6.2 TRUST TRANSITION

The SCSB proactively supported the Trust 2.0 Plan organized by the FSC. The Trust 2.0 Promotion Team was established at the headquarters in September 2020, and the SCSB implemented two major programs including the Strategic Alliance and Trust Helper. The former focused on the promotion of Trust 2.0 to implement comprehensive care trust, while the branch Trust Helper offered immediate trust service to customers at branch locations, aiming to facilitate the establishment of care trusts for senior citizens or people with disabilities. As of the end of 2025, the SCSB forged alliances with 461 partners from diverse industries, including long-term care facilities, nursing homes, social welfare charity groups, accountants, including bookkeepers, attorneys, and the medical and healthcare industries.

Key initiatives of FSC's Trust 2.0 promotion	Execution status by The SCSB
Guide Industry Players to gradually enhance the capabilities and organizational Structure of their trust departments	- The Trust Department continues to collaborate with the Wealth Management Department, Insurance Agency Department, and Wealth Succession Department to establish an expert team, offering clients comprehensive services. - The Trust 2.0 Promotion Task Force was established in September 2020, responsible for driving initiatives related to Trust 2.0. - The Trust Department also continues to work with the Retail Banking Division to deploy "Trust Assistants" at branch offices, with the goal of extending and expanding the scope and reach of trust services.
Revise the Establishment and assessment principles of the trust industry's salary system	The promotion of trust business has been incorporated into branch or personnel assessments, with the Trust Department continuing to plan incentive programs to enhance the promotion incentives for trust business.
Encourage enterprises to establish employee welfare trusts	Commenced the establishment of an employee stock ownership trust at SCSB starting from 2021.
Promote the certification system for "Eldercare Financial Planning Consultant" in trust expertise.	The SCSB continues to encourage employees to participate in the certification examinations for "Eldercare Financial Planning Consultant" and "Family Trust Planning Consultants" and obtain certification. The SCSB fully subsidizes the tuition and examination fees for certified employees and provides incentive bonuses.
Promote the certification system for "Family Trust Planning Consultants" in trust expertise.	
Collaborate with social welfare organizations, care facilities, and medical institutions in cross-industry partnerships.	- Continue to launch incentive programs for cross-industry alliance referrals in branches in 2023 to expand cooperation and promote elderly care trust through seminars and advocacy. - Establish an elderly care trust business platform on the SCSB's website, integrate various information and strategic alliances. Additionally, in alignment with the Trust 2.0 policy, the SCSB's alliance partner information is displayed on the Trust Association's cross-industry alliance platform. - In collaboration with branch offices and medical institutions, the Trust Department has joined efforts to establish dementia service centers. It has also co-hosted promotional and educational events with municipal governments, social welfare organizations, and healthcare institutions to raise public awareness.
Talent cultivation, advocacy, and mechanisms for industry-academia cooperation	- Implement training courses required for the Trust 2.0 project, covering various professional courses related to trust business such as trust, law, accounting, taxation, and asset management. - Conduct trust-related training courses for personnel in cross-industry alliance industries. - Participate in the "Trust Love" campaign organized by the Commercial Times targeting college youth. - Collaborate with industries related to elderly and disabled care, where the Trust Department and industry partners provide services to each other's clients, ensuring elderly and disabled individuals can enjoy a comprehensive and fulfilling living experience. - Support the Trust Association's 2024 "Township Trust Promotion Tour," conducting outreach activities across urban and rural areas to raise awareness about asset protection, fraud prevention, and elder care planning. - Cooperate with the Trust Association and Songnian University to offer trust education courses specifically designed for older adults.

The SCSB values cultural preservation and the rights of disadvantaged students, women, children, seniors, and people with disabilities. The SCSB has assisted these groups by forming several charitable trusts and elderly care trusts. The trust situation for 2025 is illustrated below:

Category	Name	Philosophy	Trust Principal Balance at the End of 2025 (in NT\$)
Charitable trust	Education fund charitable trust of Fu-Pei-Mei dietary culture	Promoted Chinese culinary culture, enhanced the taste of life, cultivated happiness, and achieved harmony and joy in family life.	149,000
	Qinen Education Fund Charitable Trust of Rotary Club of Taipei ¹	The purpose of the trust is to care for the education and holistic development of students who have lost their parents, provide academic excellence awards for students in domestic colleges and universities, and assist the livelihoods of financially disadvantaged students. In 2025, the products reached about 66 people, and the total amount issued was NT\$3,055,000.	55,946,000
	Social fund charitable trust of TBLC	Donations or sponsorships were provided for the welfare of children, youths, women, seniors, people with disabilities, or other social welfare services in Taipei City.	200,000
Care trust	Senior care trust	Through the planning of care trust funds, seniors can receive adequate care in nursing homes, allowing them to enjoy quality family time without worrying about the security of their assets.	275,189,489
	Trust for people with disabilities ²	Through the planning of care trust funds, people with disabilities can receive adequate care or live in adequate nursing homes, and receive proper support without worrying about the security of their assets. In 2025, there were four new beneficiaries applying for the trust for people with disabilities, and the amount for trust property was NT\$13,988,269.	74,868,501

Note 1: (1)This applies to financially disadvantaged new or current college students. Those with one or both parents who have passed away, those from a single-parent family, or those whose families have fallen into misfortune are prioritized.
(2)This applies to current students who earned an "A" in conduct and an average of 75 in GPA, without any failed subjects.
Note 2: Beneficiaries of the trust for people with disabilities must be disability certificate holders.

Column | 

Protecting the Financial Security of Persons with Disabilities through Trust Services

The SCSB utilizes trust mechanisms to assist vulnerable groups in planning and managing their assets. Ms. Li, a client referred by the Taipei Rehabilitation Association of Persons with Mental Disabilities, is under assisted declaration. Her aging parents expressed concerns regarding her future asset management and daily care, leading the SCSB to design a customized integrated self-benefit monetary trust structure. Under this arrangement, Ms. Li serves as both the trustor and beneficiary, placing future insurance payouts from her parents and her personal savings into the trust. The Taipei Rehabilitation Association acts as the trust supervisor. The trust agreement stipulates that the association may request monthly disbursements from the trustee within a predefined amount to cover Ms. Li’s living and care expenses, ensuring continuous support. Any single disbursement exceeding the agreed limit requires the consent of the assistant or guardian before execution.

This trust structure ensures that Ms. Li’s assets are used exclusively for her care needs under the supervision of the trust supervisor, reducing the risk of fraud or misuse. The Taipei Rehabilitation Association will continue to refer additional clients for similar arrangements, collaborating with the SCSB to promote the use of trust mechanisms in safeguarding the financial security of persons with disabilities.

4.6.3 PROTECT THE RIGHTS OF PEOPLE WITH DISABILITIES

The SCSB not only offered trust services designed for people with disabilities as well as their families and relatives to accommodate their needs for managing wealth through trusts but also provided off-site signing services for customers who were unable to visit the SCSB branches. Furthermore, the SCSB has established a service improvement mechanism for senior citizens and people with disabilities. Relevant opinions are compiled by the heads of each business division and discussed in meetings chaired by the President to continuously optimize and improve service quality. The SCSB's online banking and mobile APP banking services offer a user-friendly version and the SCSB’s official website has obtained the "A" level certification for accessibility, providing a user-friendly interface with A-level accessibility standards for the entire website. The digital banking "Transaction Section" on the homepage of the official website offers online banking services designed for the visually impaired. Additionally, the SCSB's ATMs provide "Accessible ATM" services for the visually impaired, including functions such as cash withdrawal, transfer, balance inquiry, and changing passwords, all meeting accessibility specifications.

Item	Implementation status
Building accessible design	- The SCSB's premises are equipped with accessible facilities including adequately positioned entrances with "service bells" and "accessible service counters". - The business hall at SCSB has a "friendly service" feature that prioritize service calls to elders, pregnant women and people with disabilities. Security personnel and concierges are ready to help people with disabilities conduct various financial services. - In all branches, "form-free" and QR code-based online form-filling services are provided for various transactions such as account opening, deposits, withdrawals, and remittances/exchange deposit tickets. - In all branches, the entrances feature friendly "guide dogs are welcome" and "sign language service" stickers, creating a welcoming environment.
Account opening and deposit/ withdrawal services	- Assistance was provided for people with disabilities to perform deposit and withdrawal transactions at the counter. The bank staff would provide detailed information on the documents required and help them with various transactions. - Bank staff who were not designated account officers would assist visually impaired customers in opening a general current savings account. - Produced braille stickers for passbook covers, ATM card holders, and service bells. Also provided magnifying glasses, writing boards, and simple communication cards for the convenience of people with disabilities.
Property trust services	- Provided property trust services for people with disabilities. - Provided off-site consultations and signing services to help those who are inconvenient to travel to take care of care trust matters. - Provided an enlarged version of the personal trust deed in friendly font. - Disability certificate holders were eligible for discounts on trust handling fees and management fees. - The SCSB provided bespoke planning and management services for trust funds.
Text-based customer service	- Provided an online customer service area for accessing various business information, and intelligent customer service to resolve customer problems immediately. - The handheld bank APP has undergone OWASP security testing by Taiwan Digital Talking Books Association (TDTB) and iForensics Digital Forensics Lab. - At all branches, smart text customer service QR codes were posted next to the hotline in the 24-hour automated service area. Clients can scan the QR code and communicate with our customer service center in text. - The SCSB's customer service center provides senior-friendly financial services by reducing wait times for elderly customers. A dedicated priority access code is set within the voice response system, allowing customers who enter the code to be prioritized and connected to service representatives more quickly.
Signed language interpretation/real-time transcription service	Various branches offered real-time video sign language interpretation / transcription services for hearing-impaired customers. Branch staff can contact sign language interpreters / transcribers via video conference, or customers can make an appointment for on-site sign language interpretation / real-time transcription services in advance.
Personal loan services	To cater to the needs of customers with hearing impairments, notifications for loan approvals were sent through appropriate channels such as SMS or email.

Item	Implementation status
Accessible ATM	- As of December 31, 2025, all ATMs met the requirements for people with disabilities. There was a total of 184 wheelchair-accessible ATMs that were in accessible environments, with automatic doors, ramps, and other facilities. There was a total of 268 accessible ATMs for the visually impaired. - In SCSB, the deposit and withdrawal circulator has fully offered voice deposit functions for the visually impaired. - All branches provide spare headsets for accessible ATMs, which are available for loan to customers in need.
Handling fee discount	The SCSB offered the "application for automated service fee waiver and account modification for people with disabilities" service on its official website.
Accessible official website	The SCSB's official website caters to the browsing habits of most users across different platforms and provides a user-friendly interface that complies with the level A standard of web accessibility.
Accessible online bank	The "digital banking" transaction section on the official website offered online ATM and online banking services designed for the visually impaired. Service functions include: (1) NTD designated account transfer (2) NTD non-designated account transfer (3) application for automated service fee waiver for people with disabilities (4) NTD and foreign currency interest rate inquiry (5) foreign exchange rate inquiry of the day (6) balance inquiry.
Accessible APP	- The SCSB's mobile banking APP "handheld bank" offers a user-friendly version, and it passed the accessible function test of mobile APP conducted by the Taiwan Digital Talking Books Association (TDTB). - The services designed for the visually impaired provided by the user-friendly version include: (1) NTD designated account transfer (2) NTD non-designated account transfer (3) deposit account inquiry (4) account transaction details (5) NTD and foreign currency interest rate inquiry (6) foreign exchange rate inquiry of the day.

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Digital Ambassadors

To address the digital gap and service needs of elderly individuals and people with disabilities, the SCSB has implemented a "Digital Ambassador" program. Branch operations and compliance managers serve as the core drivers of this initiative, supported by the launch of "Digital Ambassador Professional Training Programs" to systematically cultivate specialized talent.

Through internal knowledge sharing and cross-unit collaboration, the SCSB strengthens employees' understanding and application of digital financial services, enhancing overall customer experience while improving the quality and competitiveness of the SCSB's digital services.



4.6.4 SUSTAINABLE INSURANCE

The SCSB's Insurance Agency Department strives to provide premium services to meet the insurance needs, risk management, and financial planning of customers across all age groups. Furthermore, the SCSB offers comprehensive financial insurance services aimed at personal and asset protection, retirement planning, and asset inheritance for the public.

Primary services of life insurance include allocating insurance products by customizing risk planning, offering adequate advice, and analyzing customers' needs. The insurance products include health insurance, whole life insurance, endowment insurance, principal repayment life insurance, investment insurance, annuity insurance, housing loan life insurance for housing loan customers, as well as group and personal injury insurance for corporate customers. Primary services of property insurance cover risks associated with personal housing, factories of corporate customers, cargo transportation, trade credit, as well as director's and supervisor's liability for corporate customers.

In 2025, the SCSB provided a total of 412 insurance products related to environmental care, social responsibility, and ESG topics, generating a total premium of approximately NT\$4,143,068. To give back to society and protect the rights of disadvantaged groups, the SCSB also sponsors micro insurance for various vulnerable groups each year. In 2025, a total of 86 micro insurance sponsorships was provided, with premiums totaling NT\$15,498, benefiting 86 individuals.

Topic	Name	Details	Expected Benefits	Number Of Cases	Premium in 2025(NT\$)
Environmental Care	Green home insurance	Green building materials can be used to repair residential damage to transform homes into energy-saving green homes.	Using green building materials to repair homes helps to improve indoor air quality and maintain indoor environmental quality for occupants.	271	443,582
	Solar electronics insurance	High-quality insurance policies designed for solar energy, energy-saving, and carbon-reducing equipment.	Solar energy is a form of renewable, sustainable, and clean energy that can be applied to homes. To encourage national participation in green energy generation, the SCSB offers insurance coverage for individuals or businesses with solar electronic equipment installed on their premises.	9	135,260
Social Responsibility	Small amount whole life insurance	In response to the government's promotion of inclusive financial services, the SCSB strives to enhance basic protection needs for economically disadvantaged or specific groups.	The SCSB offered insurance plans with low coverage thresholds and premiums, providing economically disadvantaged or senior customers with the opportunity to buy insurance.	5	205,484
	Annuity insurance	Cooperated with government policies to promote annuity insurance and enhance the Taiwanese people's planning for longevity risk.	With the appeal of "regular contributions while still young and receiving monthly income annuity after retirement", the SCSB strives to generate a stable cash flow for retirees and mitigate their potential longevity risks.	2	794,600
	Micro insurance	In line with the government's promotion of inclusive financial services, the SCSB has allocated funds to sponsor insurance protection plans for vulnerable groups.	The insurance plans designed for vulnerable groups serve to offer them essential protection with minimal premium payments. In the event of death or disability due to an insured accident, the plan can protect the insured and their families from financial hardship.	86	15,498
ESG Link	Products that meet the definition of ESG	Cathay Life Insurance – True Care Protection (long-term care) Cathay Life Insurance – True Health Protection (surgery) Cathay Life Insurance – True Peace Protection (hospitalization) Cathay Life Insurance – Le Health Protection (cancer insurance) Cathay Life Insurance – New Comprehensive Health Protection (critical illness) Cathay Life Insurance – MultiCare Protection (cancer treatment) First Life – Good Intent Protection (accident insurance).		ESG embodies practical actions supporting sustainability and social issues, and can also serve as a reference indicator for risk. In 2025, the SCSB launched 30 ESG-aligned wealth management products in accordance with FSC criteria, including funds, overseas bonds, overseas equities, and insurance products. As of the end of 2025, there were 162 products in total, with assets under management reaching NT\$2.39 billion.	

Note 1: Vulnerable groups include: micro enterprises, poor people, people with disabilities, people with low income, individuals in countryside or remote areas, women, elders, young people with special conditions, people with health conditions or disabilities, ethnic minorities, immigrants or informal workers, uneducated people, or people who are forcibly displaced.

Note 2: The units receiving micro insurance premium donations in 2025 were the Spinal Cord Injury Welfare Association of Hualien County and Taoyuan Chang Chang Care Institution.

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PukiiBank Youth Financial Planning Program

Children are a lifelong asset to their parents, and the SCSB is committed to safeguarding what matters most to our customers. To help minors under the age of 18 develop financial planning skills early on, the SCSB launched the PukiiBank savings account, offering exclusive preferential interest rates. The account is paired with a personalized Pukii Bank Easy Debit Card, which allows for domestic and international ATM withdrawals and transfers. This initiative encourages teenagers to develop responsible spending habits by using a Visa card, managing payments through designated account deductions, reviewing passbook records, and reconciling monthly transaction statements—thereby fostering a mindset of spending within their means. Since its launch in 2014, the program has opened over 5,232 accounts.



4.7 Sustainability and Financial Education

Since 2006, the SCSB has actively supported the FSC's policies by collaborating with the BAROC, TABF, and The National Federation of Credit Co-operatives R.O.C. (NFCC) to organize the "Financial Knowledge Promotion in Campuses and Communities". The SCSB has been honored by the FSC and received the certificate of appreciation for more than ten consecutive years since 2011. To help children and clients understand investment and financial concepts as well as sustainability trends, the SCSB has also organized children's financial camps and various lectures via offline or online multimedia platforms such as Facebook. The following summarizes activities held in 2025:

Event name	Philosophy of the event	Number of sessions	Number of participants	Target group	If it is a continuous activity
Financial Knowledge Promotion in Campuses and Communities	Topics including money concepts, credit card concept, financial management, debt management and fraud prevention teach students and the public the correct financial knowledge.	35	1,973	Students of elementary school, middle school, high school and vocational school, social welfare units and care groups in all counties and cities in Taiwan	Since 2006, our employees have been serving as the lecturers when participating in the promotion event every year.
Financial services charity carnival	With the themes of financial knowledge promotion, financial fraud prevention, and charity, the SCSB strives to provide an enjoyable and educational carnival experience through a variety of activities.	1	Numbers not available	General public	11 sessions have been held since 2018. Two sessions are held every year. The sessions were suspended in 2021 and 2022 due to the pandemic.
Sustainable Finance Forum – "Toward Net Zero: Sustainable Transformation for Enterprises and Family Businesses"	The wave of carbon fee policy is coming. The SCSB invites experts in different domains to discuss policies and business opportunities.	1	103	Corporate clients, including micro-enterprises, and suppliers	Since 2022, SCSB has organized events centered on sustainable finance, receiving enthusiastic responses from corporate clients and suppliers.
Taiwan Impact Investing International Forum	Leaders from domestic and overseas government, industry, academia, research, media, and global benchmark organizations were invited to gather and explore the theme of "Investing in the Future: Climate Solutions, Sustainable Supply Chains, and Impact Capital," marking Taiwan's inaugural year of impact investing with a focus on this theme.	1	On-site: 291 Online: 3,742	General public	Since 2023, the SCSB has collaborated with private associations under a sponsorship model to hold one session each year, with cumulative participation reaching 585 on-site participants and 4,160 online participants.

Event name	Philosophy of the event	Number of sessions	Number of participants	Target group	If it is a continuous activity
Themed lectures	To lead market capital toward investment profitability and Sustainable Development Goals (SDGs), themed lectures were organized to discuss topics such as carbon trading and impact investment.	4	332	Corporate clients, including micro-enterprises, suppliers, and the public	Beginning in 2023, the SCSB has co-hosted over 15 events in collaboration with private associations to promote impact investing.
Fintech Taipei 2025	The SCSB worked with Financial Information Service Co., Ltd., other banks and e-payment institutions to promote "TWQR digital payment". During the exhibition, an experience and gift redemption event was held to encourage the public to stop by and enjoy the convenience and outcomes brought by Fintech innovation.	1	70,000	General public	Since 2024, the event has been held once annually, with cumulative participation reaching 102,000 visits.
Village and trust promotion tour plan	Organize seminars in villages for people to learn about the importance of care trust and spread the concept of trust business to the public.	2	25	Older adults in the local community	First held in 2024, with cumulative participation reaching 50 visits.
Songnian University – Trust 2.0 service and elderly property trust planning	Explained the concept of trusts and financial fraud prevention to senior citizens in an easily understandable manner, improving their awareness of financial fraud and illustrating the benefits of trusts.	2	79	Students from Song Nian University	Since 2024, with cumulative participation reaching 119 visits.
Professional Investors and High-Net-Worth Client Forum	In alignment with the SCSB's key business strategies and regulatory initiatives for the Kaohsiung Asset Management Zone, the forum supports high-net-worth clients in understanding economic trends, as well as gaining insights into wealth management knowledge and applications related to the Zone.	2	80	High-net-worth wealth management clients with assets under management at the SCSB exceeding NT\$100 million	First held in 2025.
Long-term Care Trust Awareness Campaign	Commissioned by the Taipei City Government Department of Social Welfare, the Parents' Association for Persons with Intellectual Disabilities conducted outreach activities to promote trust services integrated with caregiving support for families of individuals with intellectual disabilities.	1	63	Persons with mental and physical disabilities and their families	First held in 2025.
	Explained the concept of trusts and financial fraud prevention to the public in an easily understandable manner, improving awareness of financial fraud and illustrating the benefits of trusts.	1	50	Rotary Club members	First held in 2025.
FinSight Corporate Visit Program	Organized FinSight corporate visit activities for university students, providing knowledge on wealth management and ESG, while helping them gain insights into career development in the financial industry.	2	89	Junior and senior undergraduate students who are about to graduate	First held in 2025.
Hong Kong Subsidiary – Anti-Fraud Education Community Workshop	Conducted anti-fraud education community workshops in collaboration with NGOs, raising awareness of common fraud schemes, demonstrating safe digital banking practices, and promoting financial protection services such as "Money Safe," to enhance fraud awareness and financial security capabilities among the elderly.	Numbers not available	Numbers not available	Senior citizens	First held in 2025.

Column | 🔍

Cross-industry collaboration: Trust operation promotion



The SCSB continues to collaborate with social welfare organizations and government agencies to promote trust services and property management education for people with physical and mental disabilities. In 2025, the activity was commissioned by the Taipei City Government Department of Social Welfare and implemented by the Taipei Association for Parents of Persons with Intellectual Disabilities, focusing on families of persons with intellectual disabilities. The program promoted the integration of trust services with care and nursing support, explaining trust regulations, trust structures, and their applications in safeguarding the assets and daily care of beneficiaries, while also sharing practical case studies and operational experience. This promotion continues the SCSB past experience in working with social welfare organizations dedicated to serving people with intellectual disabilities. Through thematic presentations and case discussions, participants were able to better understand the importance of trusts in asset management and daily care arrangements. In the future, families may use trust arrangements to safeguard the financial security of beneficiaries, and may be referred to the SCSB for relevant trust services when needed, thereby creating a financially friendly care environment. This not only enhances the professional knowledge of social welfare organizations and families, but also further implements financial inclusion and social responsibility, ensuring that people with physical and mental disabilities and their families receive financial protection in a safe and trusted environment.

4.8 Anti-Fraud Awareness and Financial Security

With the increasing digitalization of financial transactions, fraud schemes have become more diverse and sophisticated, posing significant challenges to customers' asset security and the overall integrity of the financial system. To fulfill the responsibility of protecting customer rights and in alignment with regulatory anti-fraud initiatives, the SCSB continues to strengthen its anti-fraud management framework. Through a combination of internal controls, employee training, and external awareness campaigns, the SCSB is committed to building a secure and trustworthy financial service environment.

Anti-Fraud Information Hub

The SCSB has established official anti-fraud information platforms, such as the SCSB Anti-Fraud Awareness, which systematically integrate the latest fraud schemes, educational videos, and real-life cases. Through continuous updates and segmented content presentation, the SCSB enables the public to stay informed about evolving fraud trends and risk patterns in a timely manner, thereby enhancing their ability to identify, respond to, and protect themselves against fraud.



Anti-Fraud Tips

The SCSB has established an anti-fraud information section on its official website and created a dedicated "Anti-Fraud Tips" page, using simple and easy-to-understand content design to help the public build correct anti-fraud awareness in daily financial activities. The content not only covers explanations of common fraud schemes but also emphasizes practical operational guidance to strengthen real-time identification and response capabilities:



- Enhancing digital security awareness through real-life usage scenarios

The SCSB reminds the public to verify the authenticity of website sources before logging into online banking or conducting transactions, and to avoid accessing transaction pages through unknown links in messages, emails, or social media platforms. Integrating anti-fraud awareness into real usage scenarios effectively reduces the risk of phishing attacks.

- Establishing the principle of "official channels first"

The SCSB promotes the use of official websites and mobile applications for all financial transactions, discouraging the use of unknown links or third-party platforms, reducing the risk of account theft or personal data leakage, and reinforcing proper financial service usage habits.

- Strengthening the ability to identify fraudulent websites

The SCSB educates the public on recognizing phishing websites by checking domain names, spelling inconsistencies, and unusual symbols, thereby enhancing the ability to detect fraudulent sites.

- Increasing awareness of personal data protection and verification mechanisms

The SCSB emphasizes that under no circumstances should customers disclose online banking credentials, one-time passwords (OTP), or other sensitive information to others, preventing fraudsters from obtaining such information through impersonation.

- Embedding anti-fraud actions into daily habits

Through clear and practical guidance such as "checking the website URL before logging in" and "not clicking on unknown links," the SCSB encourages the public to integrate anti-fraud awareness into everyday financial behavior.



- Collaborated with government agencies and relevant organizations to promote anti-fraud education and integrate outreach resources, leveraging cross-institutional cooperation mechanisms to share fraud-related information and practical experience, thereby enhancing the connectivity and effectiveness of the overall anti-fraud network.
- In 2025, the SCSB signed a memorandum of understanding on anti-fraud collaboration with the Criminal Investigation Bureau of the Ministry of the Interior, utilizing a public – private partnership platform to track the latest fraud trends, exchange case experience, and further strengthen anti-fraud awareness and cybersecurity protection for elderly and financially vulnerable groups, ensuring the protection of financial consumers' rights.



- Through digital media, social platforms, and official channels, the SCSB continues to disseminate anti-fraud information and risk alerts using timely and diverse formats, such as graphics and short-form videos, effectively expanding outreach and increasing public awareness.
- The SCSB organizes the "Anti-Fraud Intelligence Hub" outreach series and financial education seminars, leveraging the SCSB's compliance units and branch network to promote anti-fraud knowledge within local communities. A localized approach is adopted to enhance awareness of common fraud techniques across different customer segments. In 2025, a total of 158 outreach events were conducted, reaching 3,691 participants, including employees, customers, and community members. Each session was led by management and conducted in collaboration with the SCSB Cultural and Educational Foundation, using videos and real-life cases to strengthen participants' ability to identify and prevent fraud, and to further reinforce grassroots financial security and social responsibility.
- For more information on anti-fraud initiatives and financial education outcomes, please refer to CH 4.7 Sustainability and Financial Education.



4.9 Social Engagement

Since its establishment in 1915, the SCSB has been committed to the principle of "serving society", emphasizing the promotion of public welfare activities. Through various initiatives, the SCSB provides a more secure life for the elderly, youth, and persons with disabilities, striving to create a more compassionate society. To extend the power of "good" to every corner of society, the SCSB established the "SCSB Cultural and Educational Foundation" and the "SCSB Charity Foundation" in 1990 and 2010, respectively. In recent years, the SCSB has actively integrated its business operations with philanthropic efforts, combining credit card rewards and occupational affinity cards for charitable purposes to effectively disseminate social influence. With the ethos of "taken from the community, giving back to society", SCSB employees form a volunteer team, spreading the power of "good" across various regions in Taiwan.

To effectively manage the resources invested in social engagement and assess their outcomes, the SCSB utilizes the Business for Societal Impact (B4SI) community investment assessment framework. In 2025, the SCSB categorized its social projects into charitable donations, community investments, and business initiatives. Through quantified results, the SCSB evaluates the input and output of relevant social welfare projects, aiming to allocate resources for social welfare engagement appropriately and improve resource conversion efficiency. This ensures the sustainable development of charity projects, maintaining the SCSB's original intention of fostering goodness in society.

The SCSB's donations in 2025, excluding the SCSB Cultural & Educational Foundation, the SCSB Charity Foundation, and AMK, the SCSB's Cambodian subsidiary, totaled NT\$82.38 million for the year. This amount primarily included NT\$66.85 million donated to the Credit Guarantee Fund, NT\$13 million donated to the SCSB Cultural & Educational Foundation to facilitate cultural and sustainable development, and NT\$2 million donated to the Formosa Dreamers. In 2025, the SCSB Cultural & Educational Foundation and the SCSB Charity Foundation sponsored academic seminars, cultural activities, and charitable activities by contributing approximately NT\$24.69 million and NT\$2.56 million, respectively. The total budget was approximately NT\$27.25 million.

In addition, the Shanghai Commercial Bank (Hong Kong subsidiary) continued to contribute to social welfare initiatives in 2025, including charitable donations of approximately NT\$9.50 million, community investments of approximately NT\$1.44 million, and in-kind donations of approximately NT\$0.19 million, totaling approximately NT\$11.13 million.

Overall, the SCSB, together with its subsidiaries and foundations, has contributed to social welfare through diverse initiatives, continuously expanding its social impact and fulfilling its commitment to sustainable development across different regions, while striving to promote shared prosperity and long-term value creation.

Unit: NT\$

Donation Category	Total Amount Donated
Cash donations	119,838,467
Working hours	-
In-kind donations	746,452
Management cost	-
Total	120,584,919

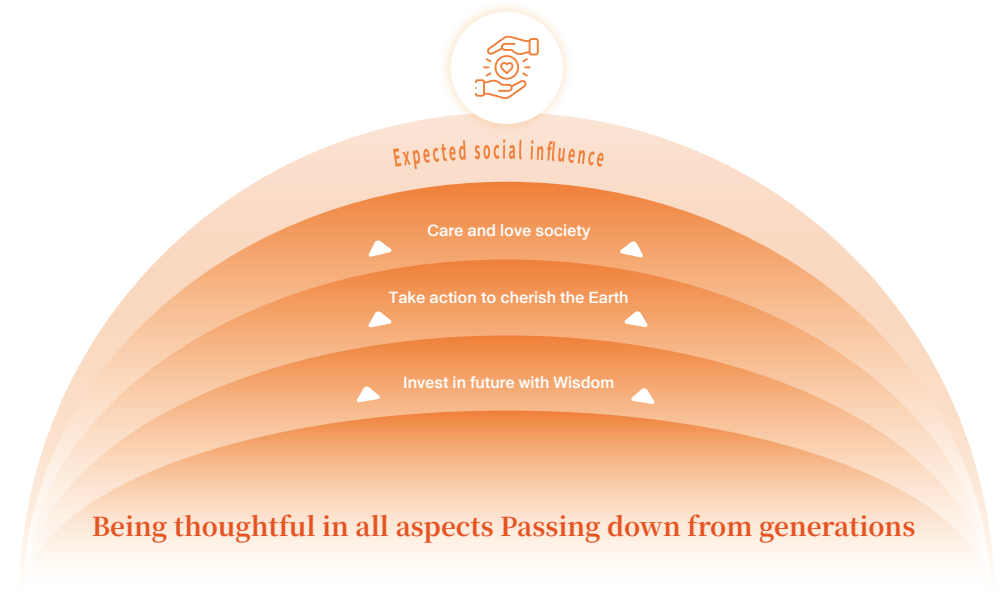
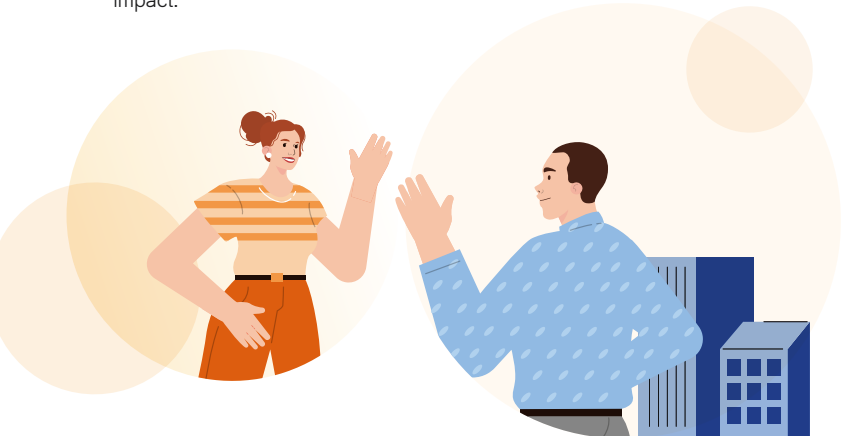
Unit: NT\$

Charity event category	Total Expenditure	Percentage of total expenditure
Charitable donations	24,287,084	20.14%
Community investments	71,296,735	59.13%
Business initiatives	25,001,100	20.73%
Total	120,584,919	100.00%

Note: The data includes the subsidiary of the Shanghai Commercial Bank (Hong Kong). The exchange rate is calculated according to the exchange rate announced by the Central Bank on the last business day of 2025, December 31, 2025, where USD1 = NT\$31.438, HKD \$1=NTD\$4.038.

4.9.1 CHARITABLE STRATEGY

With a century-long history, the SCSB has always aspired to be a commercial bank that assists individuals in starting families and enterprises in transmitting their legacy. At its inception, the SCSB aimed to become a cornerstone of the community, embodying the core philosophy of "Being thoughtful in all aspects, passing down from generation to generation". It actively integrates its resources, strengthens relationships with customers and supply chain partners, and incorporates the needs and expectations of stakeholders. Through three major philanthropic strategies: "Care and Love Society", "Taking Action to Cherish the Earth", and "Invest in the Future with Wisdom", the SCSB combines its core financial strength to create the greatest possible social impact.



	Care and Love Society	Take Action to Cherish the Earth	Invest in the Future with Wisdom
Value to the SCSB	Convey the "power of goodness" is the SCSB's belief. By working together with employees, business operations, and clients, and through continuous investment of resources and actions, the SCSB deepens mutual understanding and connections, allowing care and love to continue spreading throughout society.	The Earth and its environment are irreplaceable resources. Only by preventing the continued depletion of natural resources and supporting the sustainable economic development of ecologically sensitive communities can the SCSB and its business partners achieve long-term, shared prosperity.	The SCSB acknowledges the transformative power of knowledge in society: fostering skilled labor forces, promoting stable economic growth, and nurturing the ability to address societal issues, thereby continuously providing momentum for the advancement of human civilization. Moreover, such societal investments inevitably yield returns to the SCSB by providing outstanding talent, stable customers, and mutual progress for humanity and the SCSB alike.
Corresponding SDGs	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 1.1、1.5 2.1、2.2 3.4	2 ZERO HUNGER 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND 2.3、2.4 8.3 12.8 14.1、14.2 15.5	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS 4.3、4.5、4.7 8.10 11.4、11.7 13.3 17.16、17.17
Responsibility Unit	Head Office The SCSB volunteer team The SCSB Charity Foundation	Head Office Administrative Management Department	Head Office The SCSB volunteer team The SCSB Cultural and Educational Foundation

	Care and Love Society	Take Action to Cherish the Earth	Invest in the Future with Wisdom
Communication mechanisms	- The Head Office consolidates business resources, gathers customer and national policy data, and promotes social stability during the pandemic. - The SCSB volunteer team and the SCSB Charity Foundation regularly visit social welfare organizations to assess their needs and ensure the efficiency of resource utilization.	- The Head Office collects a list of ecological issues and ecologically sensitive communities, participating in regular and irregular activities, deepening understanding, and mitigating the economic impact of local environmental vulnerability caused by the community. - The Head Office collaborates with local conservation organizations through financial sponsorship and practical conservation actions to safeguard biodiversity and ecosystem functioning in various regions.	- The SCSB volunteer team regularly visits remote areas to identify the needs of rural school children, ensuring access to quality education and opportunities, and ensuring fairness and efficiency in the distribution of social resources. - The Head Office and the SCSB Cultural & Educational Foundation collect knowledge lecture needs from key stakeholders, including rehabilitated individuals, retired military personnel, disadvantaged women, and people with disabilities, organize relevant lectures, promote the popularization of financial knowledge, and provide basic management knowledge needed for entrepreneurship. - To promote sustainable development, the Head Office and the SCSB Cultural & Educational Foundation actively organize a series of sustainability development seminars and participate in campus ESG sharing to convey sustainability knowledge.
Goals for the next 3 – 5 years	- Continue to promote public welfare initiatives linked to the SCSB's core sustainable finance business, SDGs alignment, or net-zero transition, with a total of 20 events. - Collaborate with the Cultural and Educational Foundation to organize ESG-related lectures and forums for the general public, promoting social and economic activities, with a total of 20 events. - Continue to rank within the top 25% in the FSC's Fair Customer Treatment Principles evaluation.	- Organize energy-saving and carbon-reduction incentive programs. - Continuously promote paperless operations. - Gradually reduce the utilization rate of gasoline and diesel vehicles, including leased vehicles, for business operations. - Obtain green building, smart building, and LEED certifications for company-owned buildings. - Complete climate-related disclosures as required by regulatory authorities.	- Collaborate with the Cultural and Educational Foundation to continuously promote ecological activities and ESG knowledge. - Cultivate digital finance talent. - Continue to conduct financial education outreach programs in schools and communities.

4.9.2 CARE AND LOVE SOCIETY

♥♥ Business Benefits

- Strengthened collaboration with strategic partners and creating a wonderful value with different industries.
- Bolstered brand values through media exposure.
- Enhanced employee engagement, and all branches realized social care in local communities.

♥♥ Environmental/Social Benefits

- Participated in 43 public welfare initiatives, with charitable donations amounting to approximately NT\$0.52 million from the SCSB, NT\$0.52 million from the Cultural and Educational Foundation, and NT\$2.315 million from the Charity Foundation, totaling approximately NT\$3.35 million in charitable contributions

♥♥ Supporting Campus Screenings of 《細漢大仔》"Xihàn Dàizǎi" — Witnessing the Strength of Growth

The SCSB Cultural and Educational Foundation continues to promote education and cultural initiatives. In 2025, the Foundation sponsored a nationwide high school campus tour of the film "Xihàn Dàizǎi," directed by Lin Ying-Tso. Centered on adolescent development, the film explores themes such as family dynamics, school bullying, and peer relationships. The tour began in September, with the first screening held at Taipei Yuda High School, attracting over a hundred student participants. Post-screening discussions were organized to guide students in reflecting on their own growth experiences, fostering empathy and self-identity.

According to Secretary-General Lu Yu-Ching of the Foundation, young people represent the future of society, yet they often face challenges such as limited emotional support, imbalanced family structures, and peer pressure during their development. Addressing these challenges requires collective attention and support from all sectors of society. Through the integration of art and film, the campus tour enables students to resonate with the content, learn to approach developmental challenges with a positive mindset, and transform the educational setting into a platform for dialogue on social issues.





♥♥ Supporting the 2025 Charity Carnival – Advancing Sustainable Actions of Care

The SCSB supports the "2025 Charity Carnival," jointly organized by the Taiwan External Trade Development Council (TAITRA) and the Little Tree Love Association. This two-day public welfare event, themed "Awaken Love, Sustain Love," brings together educators, volunteers, corporate partners, and families to promote the practice of compassion and kindness in daily life, education, and society. Since 2024, the SCSB Cultural and Educational Foundation has partnered with the Little Tree Love Association to organize one charitable event each year. These events have attracted more than 28,000 participant attendances in total, continuously expanding the Foundation's social impact. Through sponsorship of this event, the Foundation supports the implementation of the Little Tree Love Association's core concept of the "Happiness Trilogy" in schools and communities, including the "Bringing Love into Campuses" initiative, the "Embrace the Heart Movement," and immersive carnival experiences. These initiatives span areas such as emotional education, family relationships, and sustainable living, helping young people cultivate positive values and empathy. The event featured eight themed zones, including "Mind Exploration," "International Culture," "Science and Growth," and "Family Engagement," with participation from organizations such as the National Palace Museum and the National Taiwan Science Education Center. The program enabled students from both rural and urban areas to share learning and growth experiences. Through active participation in public welfare initiatives, the SCSB demonstrates its commitment to corporate social responsibility by supporting the educational and emotional development of children across Taiwan. Through the integration of arts and experiential education, the Foundation guides younger generations to reflect on personal growth and social responsibility, sustaining the cycle of care and illuminating every corner of society.

♥♥ Supporting Laonong Elementary School – Advancing Sustainable Education and Community Prosperity in Rural Areas

The SCSB continues to support the educational development of Laonong Elementary School located in Liugui District, Kaohsiung City. In 2025, the SCSB provided a donation of NT\$200,000 to support the school's centennial anniversary celebration and the inauguration of its athletic field, demonstrating its commitment to rural education and school development through tangible action. With a history of over one hundred years, Laonong Elementary School has long served students in mountainous areas. Through collaboration among the school, the local community, and various stakeholders, improvements to the school's athletic facilities have been completed, creating a safer and more supportive learning environment.

The centennial celebration reflects strong collaboration among the school, community, and local stakeholders, showcasing the outcomes of collective efforts. The school continues to integrate local culture with education, strengthening the quality of rural education. The SCSB will continue to support the development of education in rural areas, contributing to a more balanced distribution of educational resources and promoting sustainable growth.





♥♥ Love in Taoyuan and Hsinchu – Caring for Families of Patients in a Vegetative State

The SCSB, together with the SCSB Charity Foundation, participated in the “Shine for You Charity Fair,” supporting the efforts of the Genesis Social Welfare Foundation Taoyuan Branch in providing long-term care services for patients in a vegetative state. The Genesis Social Welfare Foundation has long been dedicated to caring for economically disadvantaged patients in vegetative states, striving to alleviate the caregiving and financial burdens on families while continuously supporting vulnerable groups through concrete actions.

The charity fair was held in Zhongli, Taoyuan, featuring a variety of booths and public welfare activities, and inviting the public to participate and contribute to fundraising for long-term care services. The SCSB also engaged through its volunteer team, demonstrating its commitment to social care and corporate social responsibility through active participation. The initiative aims to bring together broader societal support, spreading warmth and compassion within the community.

♥♥ Supporting Diverse Children and Youth – Advancing Care and Equal Growth Opportunities for Children of Migrant Workers

The SCSB upholds its commitment to caring for children and vulnerable groups. Together with the SCSB Charity Foundation, the SCSB supported the “LOVE Kids Park – Equal Love for Every Child” initiative organized by the Taiwan Fund for Children and Families, focusing on the living conditions and developmental needs of children of undocumented migrant workers. The volunteer team conducted site visits to the Taipei Children’s Home, engaging directly with the organization to understand the services provided, including residential care, psychological counseling, and daily life support. These efforts support children in growing up in a stable environment and contribute to their healthy development.



♡♡ Gratitude and Care – Supporting Migrant Workers and New Residents

Guided by the principle of “gratitude and care,” the SCSB participated in the “Healthy Migrant Workers, Vibrant Industries” cross-cultural exchange event organized by the Garden of Hope Foundation. Through concrete actions, the SCSB promotes health equity and the concept of care without borders, supporting the well-being of migrant workers and new residents in Taiwan.

On the day of the event, Manager Tsai Ya-Lien from the Zhongli Branch of the Taoyuan-Hsinchu Volunteer Team represented the SCSB, demonstrating the SCSB's commitment to cultural inclusion and diversity. The event featured a variety of interactive activities and attracted nearly 200 participants from migrant communities, fostering cross-cultural understanding and strengthening collective social support through engagement and exchange.



♡♡ Supporting the "Financial Services Charity Carnival"

The SCSB participated in the "2025 Financial Services Charity Carnival," jointly organized by the Bankers Association of the Republic of China. The SCSB contributed NT\$487,484 at the Chiayi event.

The carnival focused on financial literacy promotion, charitable initiatives, and anti-fraud awareness, enabling the public to experience both the accessibility of financial education and the warmth of social welfare activities.



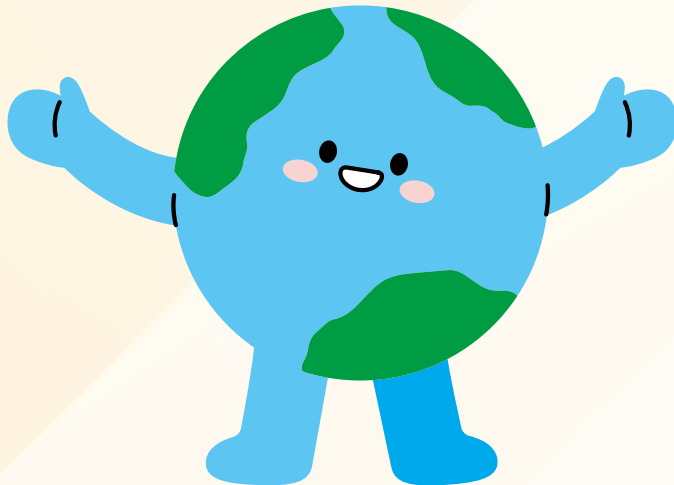
4.9.3 TAKE ACTION TO CHERISH THE EARTH

♥♥ Business Benefits

- Promoted the environmental protection movement and the SCSB's climate governance culture through media exposure
- Strengthened employees' environmental thinking and enhance organizational cohesion. A total of 160 employees and their family members participated in the "Shimen Green Reef Charity Promotional Event"

♥♥ Environmental/Social Benefits

- The "Walking with Trees" Employee Walking Campaign converted employees' daily step counts into tree-planting contributions, achieving a total carbon reduction of 6,941.6 kilograms.
- The SCSB adopted the Salt Pan Wetlands to support biodiversity conservation.
- In support of BNP Paribas' Tree Planting Sponsorship Program, more than 19,260 trees were planted in India and Indonesia.



您存款 我捐款

護野鳥 享優利

1.68% (6個月期) 優利定存

活動時間：即日起至114年12月31日

翼起守護

野鳥永續

台幣定存專案

♥♥ Protecting the Earth – Wild Bird Conservation Program

Since 2023, under the coordination of the National Property Administration, Ministry of Finance, the SCSB has sponsored the Chinese Wild Bird Federation and the Tainan Wild Bird Society to adopt state-owned non-public land designated as salt pan wetlands, supporting the protection of wild bird habitats. The initiative includes actions such as (1) bird surveys and patrols in salt pan areas, (2) rescue and rehabilitation of injured birds, (3) capacity-building training for bird survey personnel, (4) research on migratory bird routes, and (5) participation in international conservation knowledge exchange, contributing to the preservation of environmental biodiversity.

The SCSB also engages its customers in ecological conservation efforts under the concept of "Your Deposits, Our Contribution." In 2023, the SCSB launched the "Eco-Friendly Preferential Time Deposit Program" to encourage customers to participate.

In 2025, the SCSB launched the updated "Protecting Wings Together – Wild Bird Sustainability NT Dollar Time Deposit Program," continuing to encourage customer participation while allocating a portion of proceeds as donations to the Tainan Wild Bird Society. The 2025 program offered a six-month deposit with an interest rate of 1.68%, attracting 661 participants and achieving a total subscription amount of NT\$1.884 billion, further contributing to wetland conservation and wild bird protection.

♥♥ "Walk with Trees" – Transforming Employee Wellness into Environmental Action

In alignment with its ESG sustainability vision, the SCSB launched the "Walk with Trees" employee wellness program, converting daily walking steps into symbolic actions of tree planting and forest conservation. The initiative encourages employees to integrate both health and environmental protection into their everyday lives.

The program was conducted over a 60-day period from April 1 to May 30, 2025, with a total of 93 employees actively participating. Through a health app, employees accumulated daily step counts, which were translated into corresponding environmental actions once specific milestones were reached. By the end of the program, employees collectively recorded 48,884,249 steps, equivalent to a travel distance of 34,218.97 kilometers, achieving a total carbon reduction of 6,941.6 kg, and contributing to the planting of five trees. The seedlings will be cultivated into native Taiwanese species by the Kaohsiung Love Tree Association and used in wetland restoration projects, supporting ecological conservation and environmental sustainability. Through the "Walk with Trees" initiative, the SCSB enhances employee health awareness while integrating daily actions with corporate social responsibility, effectively advancing its ESG commitments.



♥♥ 2025 Earth Day Lights-Out Campaign



The SCSB has participated for five consecutive years in the global lights-off initiative launched by the World Wide Fund for Nature (WWF). In 2025, the initiative was expanded beyond the SCSB's 74 branches across Taiwan to include affiliated companies and China Travel Service Taiwan, with all participants turning off outdoor signage and neon lights for three consecutive evenings. This collective action demonstrates the SCSB's commitment to energy conservation, carbon reduction, and sustainable development. The initiative also aligns with the United Nations Sustainable Development Goal SDG 17 (Partnerships for the Goals), promoting multi-stakeholder collaboration to reduce carbon emissions and accelerate progress toward net-zero targets. By advancing environmental greening efforts, the SCSB also supports the preservation of biodiversity and sustainable ecosystem development.

♥♥ Supporting BNP Paribas Tree Planting Sponsorship Program – Planting Over 19,260 Trees in India and Indonesia

The SCSB participated in the Tree Planting Sponsorship Program exclusively introduced in Taiwan by BNP Paribas Wealth Management, in collaboration with the French social enterprise Reforest' Action, which is dedicated to forest restoration. The program provides high-net-worth clients with an opportunity to contribute to forest conservation through their investment activities. For every USD 10,000 invested in sustainable financial products developed by BNP Paribas, one tree is planted in India or Indonesia through Reforest' Action. In 2025, the SCSB contributed to the planting of 17,409 trees in Aceh, Indonesia, and 1,851 trees in Assam, India, totaling over 19,260 trees. The initiative generated 19,260 hours of local employment, sequestered approximately 2,889 metric tons of CO₂e, created habitats for 57,780 animals, and provided 77,040 months of oxygen supply. Through this program, the SCSB integrates wealth management services with environmental sustainability, contributing to climate action, biodiversity conservation, and positive social impact.

4.9.4 INVESTED IN THE FUTURE WITH WISDOM

Business Benefits

- Bolstered academic exchanges, with a total of 16 schools joining the industry – academia collaboration program
- Hosted sustainable development lectures to refine employees' sustainable financial thinking
- Hosted the sustainable finance forum "Corporate response and transition strategies under the carbon fee policy" to facilitate the financial industry, investor and corporation to take climate actions together

Environmental/Social Benefits

- Supported cultural diversity by sponsoring 214 project activities related to financial education, arts and culture, including charitable donations, community investments, and business advocacy. SCSB donated NT\$ 2,003,309, SCSB Cultural & Educational Foundation donated NT\$ 23,020,084, and SCSB Charity Foundation donated NT\$ 250,000, approximately NT\$ 25.27 million.
- Number of scholarship recipients: 444 total scholarship amount: Approximately NT\$ 14 million

♡♡ Sustainable Finance Forum – "Toward Net Zero: Sustainable Transformation for Enterprises and Family Businesses"

The SCSB, in collaboration with the SCSB Cultural and Educational Foundation and the Taiwan Impact Investing Association (TIIA), jointly organized the Sustainable Finance Forum – "Toward Net Zero: Sustainable Transformation for Enterprises and Family Businesses." Amid the evolving carbon pricing landscape and the global transition toward net zero, the forum invited industry experts to share insights on policy developments and market trends. Discussions focused on the transformation challenges and emerging opportunities that enterprises face under carbon pricing mechanisms. The forum highlighted strategic planning and practical approaches for enterprises and family businesses in navigating the transition to net zero, while also exploring the role and opportunities of sustainable finance in supporting corporate transformation. The initiative supports enterprises in aligning with policy directions and strengthening their understanding of net-zero transition and sustainable development.



♡♡ Cultural and Arts Lecture Series

To cultivate a reading culture, promote lifelong learning, and enhance the overall standard of cultural education, the SCSB has organized a wide range of knowledge-based and practical lecture series on a monthly basis since 2002. In collaboration with Film Appreciation Magazine, the SCSB launched a new series titled "Haiguang Cinema," hosting 10 film screenings during the year to revisit classics and foster meaningful exchanges in arts and culture.

Other ongoing series and their 2025 session counts (with cumulative totals) include: Literary Cinema with 12 sessions (97 cumulative), Executive Reading Club with 12 sessions (229 cumulative), Our Literary Dream with 12 sessions (184 cumulative), Wealth Lecture Series with 10 sessions (65 cumulative), Healthy Living Series with 8 sessions (175 cumulative), Entrepreneur Talks with 12 sessions (55 cumulative), The Beauty of Sound Series with 20 sessions (235 cumulative), and Enriching Life Series with 35 sessions (291 cumulative).

Each session attracts approximately 100 participants. The total number of sessions has reached 1,300, with cumulative participation exceeding 100,000 attendees, reflecting strong engagement and widespread appreciation among the public.



♡♡ Scholarships and Financial Education Initiatives

Guided by the principle of "giving back to society," the SCSB continues to invest in education, culture, and public welfare initiatives, fulfilling its corporate social responsibility. In 1990, the SCSB established the SCSB Cultural and Educational Foundation, providing long-term support to enhance the positive impact of financial institutions on society. The scholarship program has now entered its 36th year, benefiting more than 7,500 students, with total scholarships exceeding NT\$220 million, aimed at encouraging outstanding students and cultivating professional talent. In 2025, a total of 444 students received scholarships from the SCSB and its Foundation, with total disbursements of approximately NT\$14 million. The SCSB also actively organizes financial education programs to enhance customers' financial literacy (for more information, please refer to Section 4.7 Sustainability and Financial Education).

5

APPENDIX

- 5.1 Sustainability Indicators – Governance
- 5.2 Sustainability Indicators – Environmental
- 5.3 Sustainability Indicators – Social
- 5.4 GRI Content Index
- 5.5 Sustainability Accounting Standards Board (SASB) and Index Comparison table
- 5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Comparison Table
- 5.7 TCFD Climate-related Information and Index Comparison Table
- 5.8 Independent Auditors' Limited Assurance Report



5.1 Sustainability Indicators – Governance

Unit: NT\$

Donation to the SCSB Associated with Political/Policy Impact						
		Year	2022	2023	2024	2025
Donations and expenditures						
Lobbying, interest representation or similar			0	0	0	0
Local, regional or national political campaigns / organizations / candidates			0	0	0	0
Trade associations or tax-exempt groups			0	0	0	0
Others (e.g. spending related to ballot measures or referendums)			0	0	0	0
Total			0	0	0	0
Scope of coverage			100%	100%	100%	100%

Unit: NT\$

Regulatory penalties imposed by authorities			
	2023	2024	2025
Penalty amount	10,306,000	0	12,000,000

5.2 Sustainability Indicators – Environmental

Unit: tCO₂e

Group GHG Emissions Summary					
Scope and Category		2022	2023	2024	2025
Scope 1		1,331.25	1,650.55	2,332.33	2,311.48
Scope 2 (Market-based)		14,728.52	12,203.67	12,860.06	11,239.83
Scope 2 (Location-based)		14,902.81	12,632.09	13,534.94	12,546.08
Scope 1+ Scope 2 (Market-based)		16,059.77	13,854.22	15,192.39	13,551.31
Scope 1+ Scope 2 (Location-based)		16,234.06	14,282.64	15,867.27	14,857.56
Scope 3	Category 1: Purchased goods and services	-	-	69.38	250.27
	Category 3: Fuel- and energy-related activities (not included in Scope 1 or 2)	1,223.89	1,387.14	1,691.98	1,746.65
	Category 5: Waste generated in operations	-	-	106.76	180.56
	Category 6: Business travel	1,497.37	1,667.96	1,929.75	1,731.93
	Category 7: Employee commuting	1,951.20	1,856.70	4,019.47	3,904.03
	Category 11: Use of sold products and services	-	-	32.35	26.22
	Category 12: End-of-life treatment of sold products	4.10	5.00	3.68	2.99
	Category 15: Investments and financing activities	2,268,221.64	2,838,150.58	1,998,315.98	1,637,030.27
Total Scope 3 emissions		2,272,898.20	2,843,067.38	2,006,169.35	1,644,872.93

Note 1. The greenhouse gas inventory boundary for 2022 to 2023 covered SCSB, the Hong Kong subsidiary, SCSB Leasing, and AMK. In 2024, to align with the SCSB's SBT emission reduction targets and to comprehensively capture subsidiary emissions, the inventory scope was expanded to include SCSB Asset Management, SCSB Marketing, and China Travel Service. Additional categories, including Category 1, Category 5, and Category 11, were also incorporated. Due to the expansion of both the organizational boundary and reporting categories, emissions across all scopes increased compared to previous years.

Note 2. Scope 1 and Scope 2 emissions data of the SCSB and its subsidiaries in 2025, as well as Scope 3 emissions data excluding those related to investment and financing activities, were verified by SGS Taiwan in 2026. An ISO 14064-1:2018 greenhouse gas verification statement was obtained, covering the period from January 1 to December 31, 2025.

Note 3. To accurately reflect the carbon reduction impact of the SCSB's use of renewable energy on its overall greenhouse gas emissions, data for the years 2022 to 2024 have been retrospectively adjusted. Location-based greenhouse gas emissions have been recalculated using Taiwan's average grid emission factor.

Water resource consumption summary					
Location	Water withdrawal	2022	2023	2024	2025
SCSB	Million cubic meters	0.0569	0.0651	0.0691	0.0715
SCB		0.0059	0.0057	0.0040	0.0038
AMK		0.0446	0.0444	0.0483	0.0454
Total		0.1074	0.1152	0.1214	0.1169

Unit: MWh

Energy consumption summary						
Location	Energy type (Unit: MWh)	2022	2023	2024	2025	2025(GJ)
SCSB	Gasoline	1,643.00	1,852.23	1,726.71	1,562.11	5,623.14
	Diesel	4.00	22.71	2.06	10.51	37.83
	Natural gas	34.00	37.23	61.76	85.79	308.80
	Purchased steam	114.00	154.59	184.88	129.61	466.56
	Purchased electricity – Non-renewable	14,243.00	14,369.90	14,734.00	13,833.81	49,801.73
	Non-renewable energy consumption	16,038.00	16,436.66	16,709.41	15,621.83	56,238.06
	Purchased electricity – Renewable	352.00	865.51	1,423.93	4,460.27	16,056.98
	Total energy consumption	16,390.00	17,302.17	18,133.34	20,082.10	72,295.04
SCB	Gasoline			244.27	161.29	580.64
	Diesel	278.22	487.93	11.36	8.31	29.92
	Natural gas			26.06	146.65	527.94
	Purchased steam	7,571.04	7,230.88	7,109.34	7,044.62	25,360.64
	Non-renewable energy consumption	7,849.26	7,718.81	7,391.03	7,360.87	26,499.14
	Renewable energy	-	-	0.00	0.00	0.00
	Total energy consumption	7,849.26	7,718.81	7,391.03	7,360.87	26,499.14
AMK	Diesel	1,350.17	1,223.15	716.96	426.17	1,534.08
	Diesel-Vehicle	826.61	675.73	608.10	648.79	2,335.46
	Diesel-Generator	63.97	79.47	23.59	122.78	441.96
	Purchased electricity – non-renewable	2,322.80	2,596.66	2,661.03	2,459.41	8,853.89

Unit: MWh

Energy consumption summary						
Location	Energy type (Unit: MWh)	2022	2023	2024	2025	2025(GJ)
AMK	Non-renewable energy consumption	4,563.56	4,575.01	4,009.68	3,657.15	13,165.39
	Renewable energy	-	-	0.00	0.00	0.00
	Total energy consumption	4,563.56	4,575.01	4,009.68	3,657.15	13,165.39
Total	Non-renewable energy consumption	28,450.81	28,730.48	28,110.12	26,639.85	95,902.59
	Renewable energy consumption	352	865.51	1423.93	4,460.27	16,056.98
	Total energy consumption	28,802.81	29,595.99	29,534.05	31,100.12	111,959.57

Waste disposal

Location	Non-hazardous waste	2022	2023	2024	2025
SCSB	Recycling/Reuse	94.00	94.42	85.00	72.35
	Incineration (energy recycling)	170.00	107.00	106.00	100.97
	Total	264.00	201.42	191.00	173.32
SCB	Recycling/Reuse	-	-	0.00	0.00
	Incineration (energy recycling)	-	-	99.13	87.28
	Total	-	-	99.13	87.28
AMK	Recycling/Reuse	-	-	0.00	0.00
	Incineration (energy recycling)	223.13	226.95	197.29	182.51
	Total	223.13	226.95	197.29	182.51
Total	Recycling/Reuse	94.00	94.42	85.00	72.35
	Incineration (energy recycling)	393.13	333.95	402.42	370.76
	Total	487.13	428.37	487.42	443.11

5.3 Sustainability Indicators – Social

Employee composition by employment contract and type			SCSB	SCB	SCSB Leasing (China)	AMK	Total	Percentage of total employees in each category
Full-time employee	Female	<30 years old	329	225	1	692	1,247	14.77%
		30-50 years old	938	550	6	481	1,975	23.40%
		>50 years old	367	217	-	7	591	7.00%
	Male	<30 years old	173	240	1	1,410	1,824	21.61%
		30-50 years old	656	529	3	924	2,112	25.02%
		>50 years old	408	222	3	19	652	7.73%
	Region	Domestic locations	2,777	1,798	14	3,533	8,122	96.23%
		Overseas locations	94	185	-	-	279	3.31%
	Total		2,871	1,983	14	3,533	8,401	99.54%
Part-time employee	Female	<30 years old	-	-	-	1	1	0.01%
		30-50 years old	1	5	-	-	6	0.07%
		>50 years old	3	5	-	-	8	0.09%
	Male	<30 years old	-	5	-	-	5	0.06%
		30-50 years old	5	1	-	-	6	0.07%
		>50 years old	-	14	-	-	14	0.17%
	Region	Domestic locations	9	28	-	-	37	0.44%
		Overseas locations	-	2	-	1	3	0.04%
	Total		9	30	-	1	40	0.46%

Diversity indicators for employees – Gender

Item		SCSB	SCB	SCSB Leasing (China)	AMK	Total	percentage of women in this category
Female	Total number of female employees	1,638	1,002	7	1,181	3,828	45.35%
	Senior management	<30 years old	-	4	-	-	-
		30-50 years old	1	114	-	9	216
		>50 years old	15	73	-	-	37.83%
	Mid-level management	<30 years old	-	29	-	5	-
		30-50 years old	1	197	3	22	358
		>50 years old	23	78	-	-	37.06%
	Entry-level management	<30 years old	-	58	-	59	-
		30-50 years old	32	137	-	153	586
		>50 years old	112	34	-	1	46.47%
	Total number of female managers	184	724	3	249	1,160	49.11%
	Management positions in revenue-generating functions (business units)	135	72	-	18	225	47.27%
	Science, Technology, Engineering, and Mathematics (STEM)-related positions	91	36	-	13	140	23.73%

Diversity indicators for employees – Nationality

Note: Revenue-generating units include Business Units, Business Divisions, and Channel Management Department.

Item		Nationality	SCSB	SCB	SCSB Leasing (China)	AMK	Total	Percentage of total employees in each category	Percentage of total management level
Nationality	Taiwan	Management positions	362	6	1	-	369	33.09%	13.17%
		Non-management positions	2,424	-	-	-	2,424		
	China and Hong Kong	Management positions	5	1,393	4	-	1,402	23.14%	50.04%
		Non-management positions	41	501	9	-	551		
	Vietnam	Management positions	3	-	-	-	3	0.39%	0.11%
		Non-management positions	30	-	-	-	30		
	Singapore	Management positions	2	3	-	-	5	0.21%	0.18%
		Non-management positions	13	-	-	-	13		
	Cambodia	Management positions	-	-	-	939	939	41.87%	33.51%
		Non-management positions	-	-	-	2,595	2595		
	The U.S.	Management positions	-	51	-	-	51	0.86%	1.82%
		Non-management positions	-	22	-	-	22		

Item	Nationality	SCSB	SCB	SCSB Leasing (China)	AMK	Total	Percentage of total employees in each category	Percentage of total management level
The U.K.	Management positions	-	26	-	-	26	0.33%	0.93%
	Non-management positions	-	2	-	-	2		
Australia	Management positions	-	-	-	-	-	0.00%	0.00%
	Non-management positions	-	-	-	-	-		
Canada	Management positions	-	6	-	-	6	0.07%	0.21%
	Non-management positions	-	-	-	-	-		
Malaysia	Management positions	-	1	-	-	1	0.02%	0.04%
	Non-management positions	-	1	-	-	1		
Portugal	Management positions	-	-	-	-	-	0.01%	0.00%
	Non-management positions	-	1	-	-	1		
Myanmar	Management positions	-	-	-	-	-	0.00%	0.00%
	Non-management positions	-	-	-	-	-		
Total	Management positions	372	1,486	5	939	2,802	100.00%	100.00%
	Non-management positions	2,508	527	9	2,595	5,639		

Total new hire employees		SCSB	SCB	SCSB Leasing (China)	AMK	Total
Female	<30 years old	111	76	-	163	350
	30-50 years old	36	67	-	16	119
	>50 years old	7	9	-	-	16
Male	<30 years old	72	111	1	493	677
	30-50 years old	37	82	-	114	233
	>50 years old	3	31	-	-	34
Region	Domestic locations	252	361	1	786	1,400
	Overseas locations	14	15	-	-	29
Subtotal of new hires		266	376	1	786	1,429
Total number of employees		2,871	1,983	14	3,533	8,401
New hire rate		9.27%	16.68%	7.14%	22.25%	16.95%
Average hiring cost per new employee (NT\$)		11,476	122,457	-	241,520	375,453

Number of employee departures		SCSB	SCB	SCSB Leasing (China)	AMK	Total
Female	<30 years old	67	60	-	166	293
	30-50 years old	53	55	-	29	137
	>50 years old	4	38	-	1	43
Male	<30 years old	45	89	1	521	656
	30-50 years old	42	61	-	186	289
	>50 years old	4	55	-	-	59
Region	Domestic locations	204	341	1	903	1,449
	Overseas locations	11	17	-	-	28
Subtotal of employee departures (excluding retirements and unpaid leave)		215	358	1	903	1,477
Number of voluntary departures		203	229	-	645	1,077
Total number of employees		2,871	1,983	14	3,533	8,401
Overall employee turnover rate		7.49%	17.81%	7.14%	25.57%	17.53%
Voluntary turnover rate		7.07%	11.39%	-	18.26%	12.78%

Gender Pay Indicators

Salary ratio of female and male on all levels (Female:Male)	SCSB	SCB	SCSB Leasing (China)	AMK
Executive management personnel salary	0.88 : 1	0.79 : 1	-	0.70 : 1
Executive management personnel compensation (total remuneration)	0.86 : 1	0.80 : 1	-	0.68 : 1
General management salary	0.97 : 1	0.87 : 1	0.79 : 1	0.74 : 1
General management compensation (total remuneration)	0.97 : 1	0.88 : 1	0.73 : 1	0.74 : 1
Non-management salary	0.90 : 1	1.15 : 1	0.92 : 1	1.07 : 1

Salary ratio of female and male on all levels (Female:Male)	SCSB	SCB	SCSB Leasing (China)	AMK
Non-management compensation (total remuneration)	0.90 : 1	1.15 : 1	0.21 : 1	1.07 : 1
Average total salary (overall)	0.86:1	0.84 : 1	0.77 : 1	0.97 : 1
Average total compensation (overall)	0.85:1	0.74 : 1	0.72 : 1	0.95 : 1

Gender Pay Indicators Difference

Gender pay difference (%)	SCSB	SCB	SCSB Leasing (China)	AMK
Difference in average salary	14.05%	15.90%	23.48%	3.08%
Difference in median salary	11.88%	13.70%	13.19%	-11.53%
Difference in average bonus	15.48%	25.64%	28.27%	5.03%
Difference in median bonus	15.14%	10.90%	16.55%	-52.51%

Note : Gender Salary Difference (%) = (1 - ratio of female to male salary) ×100%. The calculation method for bonus and gender difference is the same.

Average training hours (hours per capita) By course type	SCSB	SCB	SCSB Leasing (China)	AMK
Physical course	23.28	21.60	-	1.80
Online course	36.26	41.77	-	1.52
Internal training	49.98	58.18	-	3.30
External training	9.56	10.45	-	0.22
Overall average training hours (hours per capita)	59.54	68.63	-	3.52

Average training hours (hours per capita) By diversity indicators		SCSB	SCB	SCSB Leasing (China)	AMK
Nationality	Taiwan	60.14	72.46	-	-
	China and Hong Kong	46.61	60.53	-	-
	Vietnam	39.69	-	-	-
	Singapore	32.57	54.75	-	-
	Thailand	-	-	-	-
	Cambodia	-	-	-	3.62
	Indonesia	-	-	-	-
	Australia	-	-	-	8.00
	Canada	-	50.17	-	-
	Malaysia	-	30.75	-	-
	Portugal	-	35.25	-	-
	United States	-	-	-	-
	United Kingdom	-	48.62	-	-
	Myanmar	-	-	-	-
Female	Senior management	<30 years old	-	76.94	-
		30-50 years old	36.60	63.39	56.78
		>50 years old	40.91	70.95	-
	Mid-level management	<30 years old	-	51.67	-
		30-50 years old	84.46	60.75	68.18
		>50 years old	44.23	65.94	-
	Entry-level management	<30 years old	-	53.21	-
		30-50 years old	82.89	56.53	56.78
		>50 years old	72.58	54.37	-
	Non-management	<30 years old	69.80	65.65	-
		30-50 years old	57.69	49.99	93.33
		>50 years old	53.28	45.81	-

Average training hours (hours per capita) By diversity indicators		SCSB	SCB	SCSB Leasing (China)	AMK	
Male	Senior management	<30 years old	-	57.75	-	
		30-50 years old	-	61.47	135.61	
		>50 years old	54.91	57.60	-	
	Mid-level management	<30 years old	-	56.48	-	139.75
		30-50 years old	53.77	58.04	-	104.40
		>50 years old	47.89	54.22	-	-
	Entry-level management	<30 years old	-	52.44	-	141.34
		30-50 years old	62.31	56.84	-	146.34
		>50 years old	56.55	50.90	-	-
	Non-management	<30 years old	68.86	66.03	-	129.55
		30-50 years old	60.70	56.90	-	97.99
		>50 years old	47.46	38.82	-	-
Overall average training hours (hours per capita)		59.54	68.63	-	3.52	

Average training cost (NT\$ per employee) By training format	SCSB	SCB	SCSB Leasing (China)	AMK
In-person training	4,413	10,243	-	184
Online training	483	548	-	189
Internal training	1,915	8,105	-	-
External training	2,981	7,707	-	373
Overall average training cost (NT\$ per employee)	4,896	10,917	-	373

Average training cost (NTD per capita) By diversity indicators		SCSB	SCB	SCSB Leasing (China)	AMK
Nationality	Taiwan	4,967	9,141	-	-
	China and Hong Kong	2,080	9,223	-	-
	Vietnam	2,605	-	-	-
	Singapore	5,363	5,451	-	-
	Thailand	-	-	-	-
	Cambodia	-	-	-	373
	Indonesia	-	-	-	-
	Australia	-	-	-	-
	Canada	-	8,261	-	-
	Malaysia	-	121	-	-
	Portugal	-	-	-	-
	United States	-	480	-	-
	United Kingdom	-	7,837	-	-
	Myanmar	-	-	-	-
Female	Senior management	<30 years old	-	22,657	-
		30-50 years old	2,067	17,451	949
		>50 years old	10,672	18,698	-
	Mid-level management	<30 years old	-	5,480	1,943
		30-50 years old	11,372	8,249	1,044
		>50 years old	3,913	8,015	-
	Entry-level management	<30 years old	-	7,216	-
		30-50 years old	6,302	5,883	31
		>50 years old	6,341	3,012	-
	Non-management	<30 years old	4,540	7,198	194
		30-50 years old	4,776	2,218	192
		>50 years old	3,463	1,370	-

Average training cost (NTD per capita) By diversity indicators			SCSB	SCB	SCSB Leasing (China)	AMK
Male	Senior management	<30 years old	-	13,190	-	-
		30-50 years old	-	14,604	-	2,614
		>50 years old	16,666	12,531	-	-
	Mid-level management	<30 years old	-	6,813	-	-
		30-50 years old	7,553	9,136	-	1,038
		>50 years old	6,069	8,534	-	314
	Entry-level management	<30 years old	-	9,634	-	35
		30-50 years old	8,843	6,217	-	606
		>50 years old	8,048	1,921	-	606
	Non-management	<30 years old	4,714	6,953	-	-
		30-50 years old	4,604	3,777	-	426
		>50 years old	3,986	574	-	274
Overall average training cost (NT\$ per employee)			4,896	8,848	-	373

5.4 GRI Content Index

Statement of Use	The Shanghai Commercial and Savings Bank, Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard is being released when the Report is published.

Disclosure Items		Correspondent Chapter	Page
GRI 2: General Disclosures 2021			
2-1	Organizational details	1.4 Group Overview	30
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 information has been restated.	
2-5	External assurance	About the Report Independent Auditors' Limited Assurance Report	
2-6	Activities, value chain and other business relationships	1.4 Group Overview 3.3 Green Operations	30 92
30	Employees	4.1 Employee Composition and Diversity ¹	103
2-8	Workers who are not employees	4.1 Employee Composition and Diversity	103
2-9	Governance structure and composition	1.2 Sustainable Development Strategies 2.1 Corporate Governance	18 36
2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance	36
2-11	Chair of the highest governance body	2.1 Corporate Governance	36
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Stakeholder and Material Topics 1.2 Sustainable Development Strategies	9 18
2-13	Delegation of responsibility for managing impacts	1.2 Sustainable Development Strategies	18
2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainable Development Strategies	18
2-15	Conflict of interest	2.1 Corporate Governance	36
2-16	Communication of critical concerns	1.2 Sustainable Development Strategies 2.2 Ethical Management	18 43

Disclosure Items		Correspondent Chapter	Page
2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance	36
2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance	36
2-19	Remuneration policies	2.1 Corporate Governance	36
2-20	Process for determining remuneration	2.1 Corporate Governance	36
2-21	Annual total compensation ratio	In 2025, the SCSB's total compensation ratio was 12.04, with a year-on-year change in total compensation of -1.25%.	
2-22	Statement on sustainable development strategy	Message from the Chairman Message from the President 1.2 Sustainable Development Strategies	
2-23	Policy commitments	2.2 Ethical Management 4.5 Human Rights and Equality	43 122
2-24	Embedding policy commitments	2.2 Ethical Management 4.5 Human Rights and Equality	43 122
2-25	Processes to remediate negative impacts	1.1 Stakeholder and Material Topics 2.2 Ethical Management 4.5 Human Rights and Equality	9 43 122
2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethical Management 4.5 Human Rights and Equality	43 122
2-27	Compliance with laws and regulations	2.3 Compliance (Significant non-compliance with laws and regulations identified by the SCSB: the fine reaches NT\$100,000 or above or the company is penalized by being suspended from practice)	45
2-28	Membership associations	1.1 Stakeholder and Material Topics	9
2-29	Approach to stakeholder engagement	1.1 Stakeholder and Material Topics	9

Disclosure Items		Correspondent Chapter	Page
2-30	Collective bargaining agreements	4.3 Employee Compensation and Benefit	111
		The SCSB's enterprise labor union formally requested collective bargaining with the SCSB on February 20, 2024. Following thorough discussions and negotiations between representatives of both labor and management, a collective agreement was signed on May 27, 2025. This collective agreement includes provisions that exceed statutory labor requirements, such as the introduction of a half-day birthday leave (to be taken within the employee's birth month) for union members and up to three days of paid family care leave subject to special approval. These measures further support employees in balancing work and family caregiving responsibilities, demonstrating the SCSB's commitment to employee well-being.	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	1.1 Stakeholder and Material Topics	9
3-2	List of material topics	1.1 Stakeholder and Material Topics	9
Material Topics Corporate Governance			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	2.1 Corporate Governance 4.1 Employee Composition and Diversity	103
Material Topics Privacy Protection			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Privacy Information Protection	63
Material Topics Ethical Business Conduct			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 205 : Anti-corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical Management	43

Disclosure Items		Correspondent Chapter	Page
205-3	Confirmed incidents of corruption and actions taken	2.2 Ethical Management	43
GRI 206 : Anti-competitive behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2 Ethical Management	43
Material Topics Information Security			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.5 Information Security	55
Material Topics Compliance			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	2.3 Compliance 2.6 Customer Relationship Management	45 59
417-2	Incidents of non-compliance concerning product and service information and labeling	2.3 Compliance	45
417-3	Incidents of non-compliance concerning marketing communications	2.3 Compliance	45
Material Topics Talent Attraction and Retention			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 401 : Employment 2016			
401-1	New employee hires and employee turnover	4.1 Employee Composition and Diversity	103
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Employee Compensation and Benefit	111
401-3	Parental leave	4.3 Employee Compensation and Benefit	111

Disclosure Items		Correspondent Chapter	Page
Material Topics Economic Performance			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 201 : Economic Performance 2016			
201-1	Direct economic value generated and distributed	1.5 Operating Performance 4.9 Social Engagement	33 136
Material Topics Green Operations and Net-Zero Action			
GRI 3: Material Topics 2021			
3-3	Management of Material Topics	1.1 Stakeholder and Material Topics	9
GRI 302 : Energy 2016			
302-1	Energy consumption within the organization	3.3 Green Operations	92
GRI 303 : Water and Effluents 2018			
303-3	Water withdrawal	3.3 Green Operations	92
GRI 305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	3.3 Green Operations	92
305-2	Energy indirect (Scope 2) GHG emissions	3.3 Green Operations	92
305-3	Other indirect (Scope 3) GHG emissions	3.3 Green Operations	92
GRI 306 : Waste 2020			
306-3	Waste generated	3.3 Green Operations	92
306-5	Waste directed to disposal	3.3 Green Operations	92
GRI 308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	3.3 Green Operations	92
GRI 414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	3.3 Green Operations	92

Disclosure Items		Correspondent Chapter	Page
Topic-specific disclosures			
GRI 207 : Tax 2019			
207-1	Tax guidelines	1.6 Tax Governance	34
GRI 403 : Occupational Health and Safety 2018*			
403-1	Occupational health and safety management system	4.4 Occupational Health and Safety	118
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Occupational Health and Safety	118
403-3	Occupational health services	4.4 Occupational Health and Safety	118
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational Health and Safety	118
403-5	Worker training on occupational health and safety	4.4 Occupational Health and Safety	118
403-6	Promotion of worker health	4.4 Occupational Health and Safety	118
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4 Occupational Health and Safety	118
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	4.2 Employee Training and Career Development	106
404-3	Percentage of employees receiving regular performance and career development reviews	4.3 Employee Compensation and Benefit	111
GRI 415 : Public Policy 2016			
415-1	Political contributions	2.2 Ethical Management	43

5.5 Sustainability Accounting Standards Board (SASB) and Index Comparison table

Disclosure topics	Index code	Accounting index	Correspondent chapter/Description	Page
Data Security	FN-CB-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected	2.5 Information Security 2.7 Privacy Information Protection	55 63
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	2.5 Information Security	55
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programs designed to promote small business and community development	4.6 Financial Inclusion	127
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programs designed to promote small business and community development	4.6 Financial Inclusion	127
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	4.6 Financial Inclusion	127
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	4.7 Sustainability and Financial Education	132
Incorporation of Environmental, Social, & Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	3.1 Sustainable Finance	68
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	3.2 Climate and Nature-related Information	73
	FN-CB-410b.2	Gross exposure for each industry by asset class	3.2 Climate and Nature-related Information	73
	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	3.2 Climate and Nature-related Information	73
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions	3.2 Climate and Nature-related Information	73
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	2.2 Ethical Management	43
	FN-CB-510a.2	Description of whistleblower policies and procedures	2.2 Ethical Management	43
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Not applicable (The SCSB is not a G-SIB.)	
	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	2.1 Corporate Governance 2.4 Risk Management	36 50
Activity metric	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	1.4 Overview of the SCSB 4.6 Financial Inclusion	30 127
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	4.6 Financial Inclusion	127

5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Comparison Table

Article content		Details		Corresponding chapter	
Article 4 Table 1-3 No.1	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Number of information security breach incidents		0	
		Number of customers affected by information security breaches		0	
		Proportion of breaches related to personal data		0 %	
Article 4 Table 1-3 No.2	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.			4.6 Financial Inclusion	
		Target	Social benefits		Business benefits
			Number of loans granted at the end of 2025 (Loan)		Loan balance at the end of 2025 (NT\$ Billion)
		Micro-enterprise	14,801		86.1
		Note 1. SMEs are the ones complying with the definition specified by the FSC, and micro-businesses are the ones with the amount of capital below NT\$30 million.			
		Note 2. The definition of community development is based on the Ministry of Health and Welfare's "Regulations on social development work". There are no community development related loans this year.			
Article 4 Table 1-3 No.3	Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	Event name		Target group	Number of participants
		Financial Knowledge Promotion in Campuses and Communities		Students of elementary school, middle school, high school and vocational school, socials welfare unit and care groups in all counties and cities in Taiwan	1,973
		Songnian University – Trust 2.0 Services and elderly property trust planning		Students of Songnian University	79
		Long-term Care Trust Awareness Campaign		Persons with intellectual disabilities and their families	63
		Village and trust promotion tour plan		Senior community residents	25
		4.7 Sustainability and Financial Education			

Article content		Details	Corresponding chapter		
Article 4 Table 1-3 No.4	Products and services designed by individual operating units to create benefits for the environment or society.	● At the end of 2025 Green energy infrastructure credit extension :	3.1 Sustainable Finance 4.6 Financial Inclusion		
		Types of credit		Number	Balance (NT\$ billion)
		Solar power		397	2.749
		Offshore wind power		3	2.920
		● By the end of 2025, 1,068 green building loan applications were approved, with a balance of NT\$ 13.08 billion.			
		● Social related loan program :			
		Category		Number of loans in 2025	Loan balance at the end of 2025 (NT\$ thousand)
		Student loans		103	75,915
		Reverse mortgage		7	13,167
		First-time purchase program for youths		1,715	4,236,852
		Youth start-ups		53	14,086
		Post-Pandemic Recovery Project Loan (Type I)		5,908	17,180,405
		Post-Pandemic Revitalization Loans (Type II)		95	55,417
		Low-carbon and smart transformation development, regulated and designated factory infrastructure optimization project loan		1,686	5,982,863
		● Charitable and care trust:			
Category	Name	Trust principal balance at the end of 2025 (NT\$)			
CHARITABLE TRUST	Education fund charitable trust of Fu-Pei-Mei dietary culture	149,000			
	Qinen education fund charitable trust of rotary club of Taipei	55,946,000			
	Social fund charitable trust of TBLC	200,000			
CARE TRUST	Senior care trust	275,189,489			
	Trust for people with disabilities	74,868,501			
Article 4-1 Table 2	Climate-related information	3.2 Climate and Nature-related Information 3.3 Green Operations	3.2 Climate and Nature-related Information 3.3 Green Operations		
Article 4-2	Average and median salary of full-time employees who do not hold managerial positions, as well as the changes in these two figures compared to the previous year	4.3 Employee Compensation and Benefit	4.3 Employee Compensation and Benefit		

5.7 TCFD Climate-related Information and Index Comparison Table

	Disclosure Items	Correspondent Chapter	Page
Governance	a Describe the board's oversight of climate-related risks and opportunities.	3.2 Climate and Nature-related Information	73
	b Describe management's role in assessing and managing climate-related risks and opportunities.	3.2 Climate and Nature-related Information	73
Strategy	a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	3.2 Climate and Nature-related Information	73
	b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3.2 Climate and Nature-related Information	73
	c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2° C or lower scenario.	3.2 Climate and Nature-related Information	73
Risk Management	a Describe the organization's processes for identifying and assessing climate-related risks.	3.2 Climate and Nature-related Information	73
	b Describe the organization's processes for managing climate-related risks.	3.2 Climate and Nature-related Information	73
	c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	3.2 Climate and Nature-related Information	73
Metrics and Targets	a Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.2 Climate and Nature-related Information	73
	b Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	3.2 Climate and Nature-related Information 3.3 Green Operations	73 92
	c Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	3.2 Climate and Nature-related Information	73

5.8 Independent Auditors' Limited Assurance Report

Deloitte.

勤業眾信

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

The Shanghai Commercial & Savings Bank, Ltd.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of The Shanghai Commercial and Savings Bank, Ltd. ("the Company") for the year ended December 31, 2025.

Subject Matter Information and Applicable Criteria

See Appendix 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 the criteria specifically designed by the Company, 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, processes, 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, 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 Shin-Tsung Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

June 23, 2026

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.

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APPENDIX

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Matrix Describe in the Rules Governing the Preparation and Filing of Sustainability Reports															
1.	<table><tr><td>Number of information security breach incidents</td><td>0</td></tr><tr><td>Number of customers affected by information security breaches</td><td>0</td></tr><tr><td>Proportion of breaches related to personal data</td><td>0%</td></tr></table>	Number of information security breach incidents	0	Number of customers affected by information security breaches	0	Proportion of breaches related to personal data	0%	5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Comparison Table	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, Paragraph1, Table1-3, No.1									
Number of information security breach incidents	0																		
Number of customers affected by information security breaches	0																		
Proportion of breaches related to personal data	0%																		
2.	<table><tr><th>Target</th><th>Social benefits Number of loans granted at the end of 2025 (Loan)</th><th>Business benefits Loan balance at the end of 2025 (NT\$ Billion)</th></tr><tr><td>Micro- Enterprises</td><td>14,801</td><td>16.1</td></tr></table> Note 1: SMEs are the ones complying with the definition specified by the FSC, and micro-businesses are the ones with the amount of capital below NT\$30 million. Note 2: The definition of community development is based on the Ministry of Health and Welfare's "Regulations on social development work". There are no community development related loans this year.	Target	Social benefits Number of loans granted at the end of 2025 (Loan)	Business benefits Loan balance at the end of 2025 (NT\$ Billion)	Micro- Enterprises	14,801	16.1	5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Comparison Table	Number and amount of loans outstanding qualified 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, Paragraph1, Table1-3, No.2									
Target	Social benefits Number of loans granted at the end of 2025 (Loan)	Business benefits Loan balance at the end of 2025 (NT\$ Billion)																	
Micro- Enterprises	14,801	16.1																	
3.	<table><tr><th>Event Name</th><th>Target group</th><th>Number of participants</th></tr><tr><td>Financial Knowledge Promotion in Campuses and Communities</td><td>Students of elementary school, middle school, high school and vocational school, social welfare unit and care groups in all counties and cities in Taiwan</td><td>1,573</td></tr><tr><td>Songshan University - Trust 2.0 service and elderly property trust planning</td><td>Students from Songshan University</td><td>79</td></tr><tr><td>Long-term Care Trust Awareness Campaign</td><td>Persons with mental and physical disabilities and their families</td><td>63</td></tr><tr><td>Village and trust promotion tour</td><td>Senior community residents</td><td>25</td></tr></table>	Event Name	Target group	Number of participants	Financial Knowledge Promotion in Campuses and Communities	Students of elementary school, middle school, high school and vocational school, social welfare unit and care groups in all counties and cities in Taiwan	1,573	Songshan University - Trust 2.0 service and elderly property trust planning	Students from Songshan University	79	Long-term Care Trust Awareness Campaign	Persons with mental and physical disabilities and their families	63	Village and trust promotion tour	Senior community residents	25	5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Comparison Table	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, Paragraph1, Table1-3, No.3
Event Name	Target group	Number of participants																	
Financial Knowledge Promotion in Campuses and Communities	Students of elementary school, middle school, high school and vocational school, social welfare unit and care groups in all counties and cities in Taiwan	1,573																	
Songshan University - Trust 2.0 service and elderly property trust planning	Students from Songshan University	79																	
Long-term Care Trust Awareness Campaign	Persons with mental and physical disabilities and their families	63																	
Village and trust promotion tour	Senior community residents	25																	

(Continued)

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#	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.	At the end of 2025 Green energy infrastructure credit extension <table><tr><th>Types of credit</th><th>Number</th><th>Balance (NT\$ billion)</th></tr><tr><td>Solar power</td><td>397</td><td>2,749</td></tr><tr><td>Offshore wind power</td><td>3</td><td>2,920</td></tr></table> By the end of 2025, 1,068 green building loan applications were approved, with a balance of NT\$13.08 billion. Social related loan program <table><tr><th>Category</th><th>Number of loans in 2025</th><th>Loan balance at the end of 2025 (NT\$ thousand)</th></tr><tr><td>Student loans</td><td>103</td><td>75,915</td></tr><tr><td>Reverse mortgage</td><td>7</td><td>13,167</td></tr><tr><td>First-time purchase program for youths</td><td>1,715</td><td>4,256,852</td></tr><tr><td>Youth start-ups</td><td>53</td><td>14,086</td></tr><tr><td>Post-Pandemic Recovery Project Loan (Type I)</td><td>5,908</td><td>17,180,405</td></tr><tr><td>Post-Pandemic Revitalization Loans (Type II)</td><td>95</td><td>55,417</td></tr><tr><td>Low-carbon and smart transformation development, regulated and designated factory infrastructure optimization project loan</td><td>1,686</td><td>5,982,863</td></tr></table> Charitable and care trust: <table><tr><th>Category</th><th>Name</th><th>Trust principal balance at the end of 2025 (NT\$)</th></tr><tr><td>Charitable trust</td><td>Education fund charitable trust of Pa-Pai-Mei dietary culture</td><td>149,000</td></tr><tr><td></td><td>Qion education fund charitable trust of rotary club of Taipei</td><td>55,946,000</td></tr><tr><td></td><td>Social fund charitable trust of TBLC</td><td>200,000</td></tr><tr><td>Care trust</td><td>Senior care trust</td><td>275,189,489</td></tr><tr><td></td><td>Trust for people with disabilities</td><td>74,868,501</td></tr></table>	Types of credit	Number	Balance (NT\$ billion)	Solar power	397	2,749	Offshore wind power	3	2,920	Category	Number of loans in 2025	Loan balance at the end of 2025 (NT\$ thousand)	Student loans	103	75,915	Reverse mortgage	7	13,167	First-time purchase program for youths	1,715	4,256,852	Youth start-ups	53	14,086	Post-Pandemic Recovery Project Loan (Type I)	5,908	17,180,405	Post-Pandemic Revitalization Loans (Type II)	95	55,417	Low-carbon and smart transformation development, regulated and designated factory infrastructure optimization project loan	1,686	5,982,863	Category	Name	Trust principal balance at the end of 2025 (NT\$)	Charitable trust	Education fund charitable trust of Pa-Pai-Mei dietary culture	149,000		Qion education fund charitable trust of rotary club of Taipei	55,946,000		Social fund charitable trust of TBLC	200,000	Care trust	Senior care trust	275,189,489		Trust for people with disabilities	74,868,501	5.6 Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and Index Composition Table	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, Paragraph1, Table1-3), No.4
Types of credit	Number	Balance (NT\$ billion)																																																					
Solar power	397	2,749																																																					
Offshore wind power	3	2,920																																																					
Category	Number of loans in 2025	Loan balance at the end of 2025 (NT\$ thousand)																																																					
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(Continued)

#	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
5.	Stakeholder identification Conform to five aspects in the AA1000 SES (AA1000 Stakeholder Engagement Standard), dependency, responsibility, influence, diverse perspectives, and tension. Define 9 categories of stakeholders. 1.1 Stakeholder and Material Topics GRI 3-1: 2021 Process to determine material topics N/A			
	Confirmation of sustainability issues Referred to international sustainability standards and regulations, including GRI Standards, SASB, SDGs, TCFD and sustainability evaluations such as the S&P Corporate Sustainability Assessment (CSA), CDP, MSCI and Sustainable Finance Evaluation. Key Focus Areas for stakeholder communication Overview of Peer Industry Practices Invited 9 categories of stakeholders to evaluate the positive and negative impacts of sustainability issues to evaluate impact materiality, with the SCSB conducting an overall assessment. Financial materiality: the degree of impact on the organizational value. Impact materiality: the degree of impact on the economy, the environment, and people (including human rights). Material topics were prioritized based on the results of the double materiality analysis.			
	Double-Materiality Analysis 16 questionnaires were collected from internal management. 494 questionnaires were collected from internal and external stakeholders. Material topics Identify the annual sustainability material topics based on the level of impact and explain the impact of material topics. Selecting 13 material topics			

(Continued)

#	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																
6.	<table><tr><th>Energy Type</th><th>2025</th></tr><tr><td>Unit Gasoline</td><td>GJ</td></tr><tr><td>Diesel</td><td>5,098</td></tr><tr><td>Natural gas</td><td>38</td></tr><tr><td>Purchased steam</td><td>305</td></tr><tr><td>Purchased electricity - non-renewable</td><td>633</td></tr><tr><td>Purchased electricity - renewable</td><td>49,397</td></tr><tr><td>Total</td><td>9,921</td></tr></table> Note 1: Energy unit conversions are calculated based on 1 cal = 4.184 J and 1 GJ = 2,778 MWh. Note 2: For Taiwan operations, calorific values for gasoline, diesel, and natural gas are based on those announced in the Ministry of Environment's Enterprise GHG Emissions Information Platform (2025), with coefficients of 7,586 kcal/l, 8,636 kcal/l, and 8,067 kcal/m³, respectively. Note 3: For gasoline used at locations in Vietnam, Indonesia, and Thailand, calorific values are based on Greenhouse Gas Reporting: Conversion Factors 2024, Indonesia: Fuel - Diesel and Gasoline, and The Comparison of Fuel Consumption for Small Gasoline Engines Fueled by Commercial Gasoline in Thailand under Different Conditions, with coefficients of 33.61 MJ/L, 33,264 MJ/L, and 31.48 MJ/L, respectively. Note 4: For China operations, gasoline is calculated based on National Standard for Motor Gasoline (GB 17930-2016) (density 720-775 kg/m³, average 747.5 kg/m³) and General Rules for Calculation of Comprehensive Energy Consumption (GBT 2589-2020) (calorific value 10,300 kcal/kg), resulting in a coefficient of 7,699 kcal/L. Purchased steam is based on GBT 2589-2008 with a calorific value coefficient of 3,763 MJ/ton. Natural gas is based on GBT 2589-2020 with a calorific value coefficient of 35.61 MJ/m³. Note 5: Natural gas in Hong Kong is based on billing data with a calorific value of 48 MJ/unit, while natural gas in Singapore follows the City Energy Handbook on Gas Supply with a calorific value of 38.3 MJ/m³. Note 6: The calorific value coefficient for purchased electricity in both overseas and Taiwan operations is 3,600 GJ per million kWh. Note 7: Purchased renewable electricity is directly procured, in 2025, corresponding to 2,755,817 kWh. Note 8: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices	Energy Type	2025	Unit Gasoline	GJ	Diesel	5,098	Natural gas	38	Purchased steam	305	Purchased electricity - non-renewable	633	Purchased electricity - renewable	49,397	Total	9,921	3.3 Green Operations	GRI 302-1: 2016 Energy consumption within the organization	N/A
Energy Type	2025																			
Unit Gasoline	GJ																			
Diesel	5,098																			
Natural gas	38																			
Purchased steam	305																			
Purchased electricity - non-renewable	633																			
Purchased electricity - renewable	49,397																			
Total	9,921																			
7.	<table><tr><th>Item</th><th>2025</th></tr><tr><td>Water withdrawal (megatons)</td><td>71.5</td></tr></table> Note 1: The SCSB assesses water stress based on the WRI Aqueduct framework. As Taiwan is not classified as a water-stressed region, the SCSB is not considered to withdraw water from water-stressed areas. Based on the Drinking Water Quality Standards, the water withdrawn by the SCSB is classified as freshwater. Note 2: The data covers the SCSB's operating locations in Taiwan, overseas branches, and overseas representative offices. Note 3: 100% of the SCSB's water withdrawal is sourced from a third-party supply - the Taiwan Water Corporation - with no use of groundwater or other alternative water sources.	Item	2025	Water withdrawal (megatons)	71.5	3.3 Green Operations	GRI 303-3: 2018 Water withdrawal	N/A												
Item	2025																			
Water withdrawal (megatons)	71.5																			

(Continued)

#	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
8.	2025 average employee training hours			4.2 Employee Training and Career Development	GRI 404-1: 2016 Average hours of training per year per employee	N/A
		Employee type	Average training hours			
Female	Top management	<30 years old	36.60			
		30-50 years old	40.91			
		>50 years old	-			
	Mid-level management	<30 years old	84.46			
		30-50 years old	44.23			
		>50 years old	-			
	Entry-level management	<30 years old	82.89			
		30-50 years old	72.58			
		>50 years old	60.80			
Non-management level	<30 years old	57.69				
	30-50 years old	53.28				
	>50 years old	-				
Male	Top management	<30 years old	-			
		30-50 years old	54.91			
		>50 years old	-			
	Mid-level management	<30 years old	53.77			
		30-50 years old	47.89			
		>50 years old	-			
	Entry-level management	<30 years old	62.31			
		30-50 years old	56.55			
		>50 years old	69.86			
Non-management level	<30 years old	69.70				
	30-50 years old	47.46				
	>50 years old	-				
Note 1: The total number of full-time female employees was 1,634, with total training hours of 99,211.64 hours and an average of 60.72 training hours per person.						
Note 2: The total number of full-time male employees was 1,237, with total training hours of 71,726.80 hours and an average of 57.98 training hours per person.						
Note 3: The total number of top-level management employees was 41, with total training hours of 2,022.94 hours and an average of 49.34 training hours per person; the total number of mid-level management employees was 101, with total training hours of 4,965.39 hours and an average of 49.16 training hours per person; the total number of entry-level management employees was 130, with total training hours of 15,759.48 hours and an average of 68.52 training hours per person; and the total number of non-managerial employees was 2,499, with total training hours of 148,190.48 hours and an average of 59.30 training hours per person.						
Note 4: A dash “-” indicates that no employees of the respective gender and job level participated in training programs in 2025.						
Note 5: The data in this table only covers the SCSB and does not include its subsidiaries.						

(Continued)

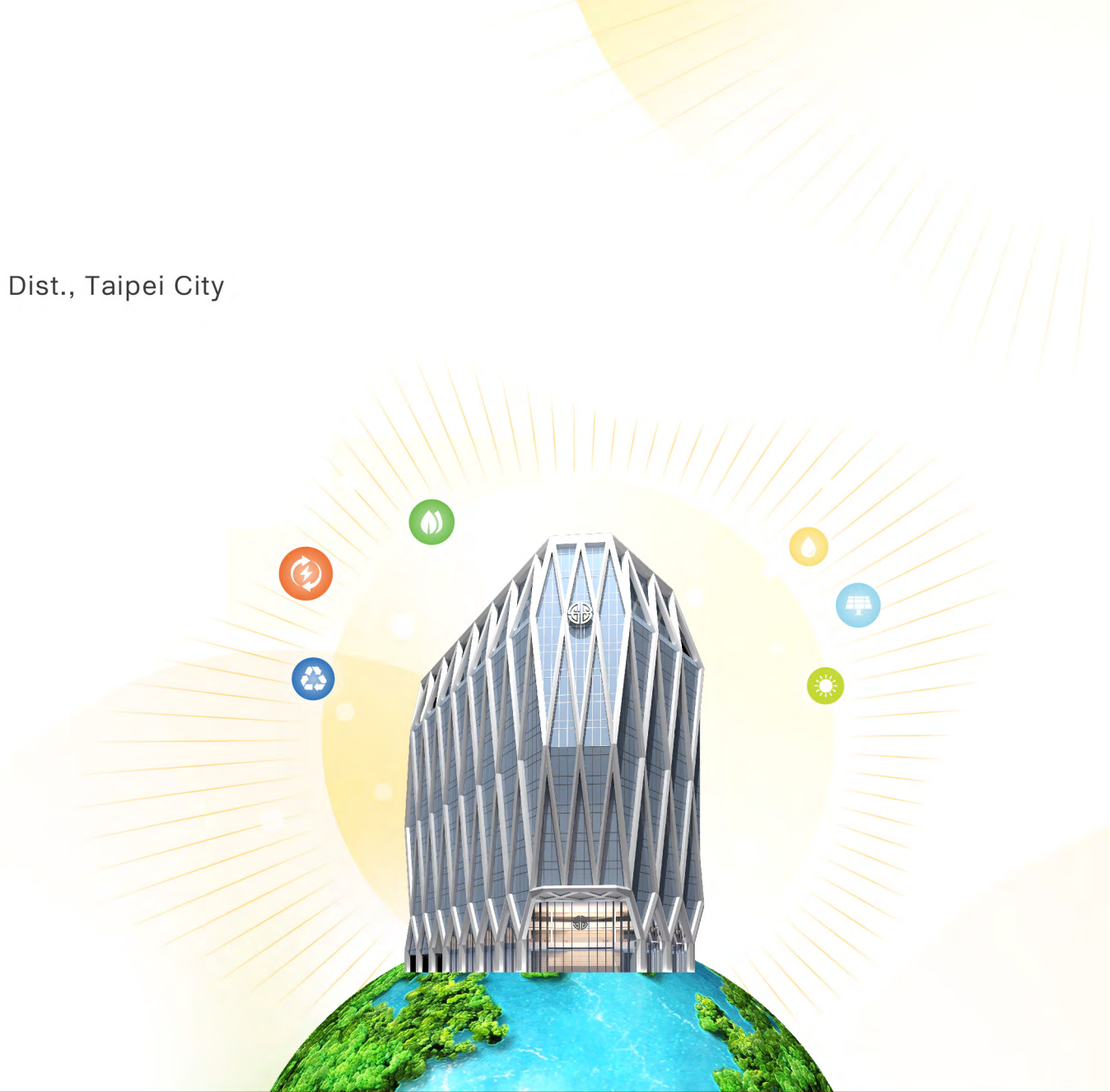
#	Subject Matter Information	Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports																						
9.	Gender pay indicators. Salary ratio of female and male on all levels <table><thead><tr><th></th><th>Salary ratio of female and male</th></tr></thead><tbody><tr><td>Salary for managers on executive level</td><td>88 100</td></tr><tr><td>Remuneration for managers on executive level</td><td>86 100</td></tr><tr><td>Salary for managers on senior level</td><td>97 100</td></tr><tr><td>Remuneration for managers on senior level</td><td>98 100</td></tr><tr><td>Salary for managers on mid-level</td><td>101 100</td></tr><tr><td>Remuneration for managers on mid-level</td><td>100 100</td></tr><tr><td>Salary for managers on entry-level</td><td>94 100</td></tr><tr><td>Remuneration for managers on entry-level</td><td>94 100</td></tr><tr><td>Salary for non-management employees</td><td>90 100</td></tr><tr><td>Remuneration for non-management employees</td><td>90 100</td></tr></tbody></table> - Salary includes monthly wages from January to December as well as position allowances. Bonuses include variable compensation such as Dragon Boat Festival and Mid-Autumn Festival bonuses, full attendance bonus, various subsidies, and other types of bonuses. - The gender pay data in this section covers only employees of the SCSB in Taiwan. It does not include employees with overseas income, overseas branch employees, or employees of subsidiaries. - Managers on executive level refer to positions at or above the Executive Vice President level, general management level refers to entry-level, mid-level, and senior managerial positions below, but not including, the Executive Vice President level; non-management refers to employees without managerial duties. - The overall average absenteeism rate for SCSB employees in 2025 was 0.26%. - Absenteeism rate = (Occupational injury and sick leave + sick leave + personal leave/vacational working days) x 100%. Long-term absences due to serious illness were excluded from the 2025 absenteeism calculation. - As mentioned above, before 2024, the calculation of sick leave and personal leave included menstrual leave and family care leave. In 2025, the SCSB optimized the absenteeism calculation method by excluding statutorily protected leave types, including family care leave and menstrual leave, to implement the principles of legal compliance and human rights protection. Through the adjustment of this indicator, the SCSB avoids creating leave-related pressure on employees through its management mechanism, supports employees in exercising their leave entitlements with peace of mind, and continues to build a friendly workplace environment that is both supportive and psychologically safe. - The calculation scope for the 2025 absenteeism rate includes the SCSB's business locations in Taiwan, as well as its overseas branches and representative offices.		Salary ratio of female and male	Salary for managers on executive level	88 100	Remuneration for managers on executive level	86 100	Salary for managers on senior level	97 100	Remuneration for managers on senior level	98 100	Salary for managers on mid-level	101 100	Remuneration for managers on mid-level	100 100	Salary for managers on entry-level	94 100	Remuneration for managers on entry-level	94 100	Salary for non-management employees	90 100	Remuneration for non-management employees	90 100	4.3 Employee Compensation and Benefit	Designated indicator 1 Gender pay indicators	N/A
	Salary ratio of female and male																									
Salary for managers on executive level	88 100																									
Remuneration for managers on executive level	86 100																									
Salary for managers on senior level	97 100																									
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Salary for non-management employees	90 100																									
Remuneration for non-management employees	90 100																									
10.		4.4 Occupational Health and Safety	Designated indicator 2 Gender pay indicators	N/A																						
11.	Service Recipients Cumulative beneficiary households (Account) <table><thead><tr><th></th><th>152</th></tr></thead><tbody><tr><td>Micro-Enterprises</td><td>4,834</td></tr></tbody></table> Note 1: Small and medium-sized enterprises (SMEs) are categorized according to the definition provided by the Financial Supervisory Commission (FSC), with those having capital of less than NT\$30 million (after further classified as micro-enterprises). Note 2: The definition of community development is based on the initiatives outlined in the Ministry of Health and Welfare's Regulations on Community Development Work. There were no loan cases related to community development in the current year.		152	Micro-Enterprises	4,834	4.6 Financial Inclusion	Designated indicator 3 The cumulative beneficiary households of loans to micro-enterprises and SME in 2025	N/A																		
	152																									
Micro-Enterprises	4,834																									
12.	In 2025, there was a total of 5 cases applied to the Equator Principles and underwritten by the SCSB.	3.1 Sustainable Finance	Designated indicator 4 Number of Cases to Which the Equator Principles Were Applied and Committed in 2025	N/A																						

(Concluded)

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