

2024 SUSTAINABILITY REPORT



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REPORT INFORMATION



First Financial Holding Co., Ltd. (hereinafter referred to as "FFHC" or "the Company") issued the first Corporate Social Responsibility Report (2011 Corporate Social Responsibility Report, hereinafter referred to as "the Report") in 2012, and has been continuously preparing and issuing the Report for 14 consecutive years. The last issue was in July 2024, The Report has been revised in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", amended the name to "Sustainability Report". Furthermore, the English version of the Report (2014) has been issued since 2015. The Report transparently disclose the sustainable development strategies, actions, performance and future plans of FFHC and its subsidiaries (the Group), and collect opinions and feedbacks from major stakeholders to adjust the sustainable management policy.

Reporting period

The Company's 2024 report covers the Group's impact and implementation status in material subjects such as economy, environment, demographic groups (including human rights) in 2024 (Jan. 1, 2024 to Dec. 31, 2024) in accordance with GRI standards. Part of the content dates back to information relating to differences or growth between 2021 and 2023. There has been no re-editing of information. This report is publicly disclosed after approval by the Board of Directors.

Scope and boundary

This report is not about our financial statement's sustainability data. The scope of this report mainly focuses on our business operations in Taiwan, and encompasses First Financial Holding and its seven subsidiary companies - First Commercial Bank (including overseas branches), First Securities, FSITC, First Life Insurance, First Financial Assets Management (referred to as First Financial AMC hereafter), First Financial Management Consulting, and First Venture Capital. The financial data covers 100% of the scope of First Financial Holding's consolidated financial statements. With respect to information pertaining to social impact, First Bank Culture & Education Foundation has also been included. All financial data are quoted in New Taiwan dollar.

Management Flow

Data collection and compilation

Six major working groups under the ESG Committee and various subsidiaries are responsible for collecting information and data necessary for compiling this report.

Internal management & audit

The ESG Committee's general affairs section is responsible for integrating and drafting this report, which is submitted to FFHC's Board of Directors for review and approval.

External verification

The British Standards Institution (BSI) has been commissioned to verify compliance with GRI general standards in accordance with AA1000 TYPE 2, as part of our effort to continue to maintain a high level of assurance; Ernst & Young Global Limited Accounting has also been commissioned to conduct independent limited assurance in accordance with Communique No. 1 for the Standards of Assurance Engagements ("assurance case involving the verification or review of non-historical financial information") published by the Accounting Research and Development Foundation. Please refer to page 212-216 of this report for more details about the assurance report.

Public Disclosure

Upon the completion of editing and typesetting, this report is disclosed on the FFHC official website, TWSE's ESG InfoHub, and the Market Observation Post System.

Reporting principles

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

Reporting quality

Standard	Certification Bodies
Environmental Education Site	Environmental Protection Administration, Executive Yuan
Product Carbon Footprint Label (First Bank Counter Service/Credit Card)	
Product Carbon Footprint Reduction Label (First Bank Counter Service)	
AA 1000 Assurance Standard application type 2 high level of assurance.	British Standards Institution, BSI
ISO 45001 Safety and Health Management System.	
ISO 20000 IT Service Management System	
Task Force on Climate-related Financial Disclosures (TCFD) Report (Conformity) Verification Statement	
ISO 10002 Customer Complaint Management System	
ISO 27001 Information Security Management System	British Standards Institution, BSI/SGS Taiwan
SAES No. 1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (SASB-Commercial Bank - SASB-Consumer Finance)	
Accounting Research and Development Foundation of Taiwan, Statement of Auditing Standard No. 34 "Implementation of Financial Information Agreement Procedures"	Ernst & Young Global Limited
ISO 14064-1 Greenhouse Gas Inventory	
ISO 50001 Energy Management System	SGS Taiwan
ISO 14001 Environmental Management System	
ISO 20400 Sustainable Procurement - Guideline	
ISO 46001 Water Efficiency Management Systems	
BS 10012 Personal Data Management System	Environment and Development Foundation
Product Carbon Footprint Criticality Verification Statement (First Bank Credit Card)	

Contact method

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In 2024, the impact of international situations such as the trade and technology war between the U.S. and China as well as the Russia-Ukraine and Israel-Palestine conflicts led to soaring cost of living. However, a stable labor market also supported private consumption. Additionally, the demand for AI and cloud applications flourished, driving growth momentum for related products. As a result, the global economy showed a high level of resiliency, and continued to recover mildly. The FFHC Group cautiously responded to the impact of economic fluctuations, and relied on a stable business strategy to increase our core advantages and operational magnitude. We also took the risk-to-reward ratio into consideration, expanded our business synergy, and engaged in negotiations with our investment and financing targets actively, urging them to make the transition to low carbon emissions and sustainable development. Thanks to concerted efforts, the Group set profit records again. Our consolidated net income amounted to NT\$72.119 billion, and our net income after taxes reached NT\$25.359 billion, up 12.9% from the previous year. Our total assets increased to NT\$4.70 trillion. Our consolidated after-tax ROE and ROA reached 9.82% and 0.56%, respectively. Our after-tax EPS was NT\$1.81.

In light of the importance of sustainable development to business operation, FFHC established the "CSR Committee" in 2011, which was renamed "ESG Committee" in 2022. In keeping with the business management philosophy of "Building Ethical Governance for a Sustainable Future," it internalized environment, social and governance (referred to as ESG hereafter) as its corporate culture. The ESG Committee has six trans-company groups working under it, namely, "Corporate Governance", "Responsible Finance", "Sustainable Financial Products and Services", "Employee Care", "Environmental Sustainability", and "Community Engagement". ESG performance indicators were incorporated into the annual performance evaluation of our subsidiaries. The Group also elevates the ESG Committee as a functional committee under the Board of Directors, with three independent directors serving as members. A Chief Sustainability Officer has been installed to continue to drive our progress towards sustainable development.

To respond to the risks climate change poses to operations of the financial industry, FFHC verified and identified the risks and opportunities associated with climate change for the Group's operations based on the "Climate-Related Financial Disclosures Recommendations" published by the Task Force on Climate-Related Financial Disclosures (TCFD), in addition to formulating mitigating measures as well as short, mid-, and long-term goals. The Group followed up on KPI results, conducted scenario analysis on climate risk cases, quantized the resulting financial impact, and published TCFD reports between 2021 and 2024. For four straight years, the Group received a "Level-5+" audit statement-the highest grade-from the British Standards Institution (BSI), and presented a report pertaining to the results of climate change risk assessment, mitigating measures, and status of implementation to the Audit Committee and Board of Directors. The Group has incorporated climate risk management into its business operation flows through controlling and managing related risk indicators. It also incessantly adjusts its business strategies to continue to enhance climate governance. Moreover, as part of the efforts to accommodate the introduction of the IFRS Sustainability Disclosure Standards, the Group's sustainability and financial reports & information have been integrated, so that information relating to S1 and S2 can be disclosed in our 2026 annual report.

As a member of the Financial Supervisory Commission's Coalition of Movers and Shakers on Sustainable Finance, FFHC strives to introduce Partnership for Carbon Accounting Financials (PCAF) financial carbon inventories and SBTi's (Science Based Target initiative) carbon reduction pathways. First Financial Holding and its subsidiaries have completed greenhouse gas inventories of all business locations in Taiwan and abroad, and have also complied with the Science Based Targets (SBT) for carbon reduction since 2023. Under the scenario of controlling warming to under 1.5°C, the Group has set a target that its total Scope 1 and Scope 2 carbon emissions must be reduced by 4.85% annually from the baseline year (2022). It has also joined the PCAF and SBTi. PCAF's suggested methodology has been adopted to verify the financial carbon emissions of Scope 3 investment and financing cases, and short, mid-, and long-term carbon reduction targets for major investment & financing business have been set based on the inventory results. These targets were officially reviewed and approved by the SBTi in June 2024, and have been executed accordingly. The Group also established a decarbonization mechanism for its investment/financing operations. Targeting corporate financing relating to coal mining, project financing relating to building coal-fired power plants (excluding those qualified for the transition to carbon reduction), as well as corporate financing cases where the share of revenues from atypical oil and gas exceeds a

certain threshold, the Bank pledged not to undertake any such new cases or approve additional funds for existing loans. Related positions are expected to return to zero by 2030. We also publicly pledged not to invest in "high carbon-producing corporations with no transition plans", "companies whose coal operations account for more than 25% of revenue," and "companies whose atypical oil and gas operations account for more than 10% of revenue". In 2024, the Bank's existing positions on such companies were completely eliminated.

In addition, the Group continues to push forward multiple green financing projects to support industries in their transition to low carbon emissions. As of the end of 2024, approved domestic and foreign green financing projects had reached NT\$247.65 billion cumulatively. In particular, the Group has granted loans to a cumulative total of 478 clients for the "Sustainability Linked Loan Program", in which companies whose ESG performance indicators have improved are prioritized. A cumulative total of NT\$696.4 billion has been approved. We also provided funds needed for programs to improve the environmental benefits of pollution control, green transportation, green buildings/green factories, and energy and resource conservation. We also issued financial bonds focusing on sustainable development, and rolled out a time deposit program for sustainable development. The funds are used to help companies develop renewable energy programs such as solar and wind generation installations, as well as credit cases for social housing. In doing so, we hope to guide companies, investors and deposit account customers to invest in clean energy industries and march towards the 2050 net-zero emissions goal. On the other hand, First Financial Management Consulting has successfully raised and managed three green energy funds totaling NT\$780 million. Meanwhile, First Venture Capital also invested NT\$333 million in building a solar power plant with a capacity of approximately 47.6 MW. When the aforementioned project is completed, it is expected to reduce 47,600 metric tons of CO₂e every year, comparable to the annual carbon absorption by around 123 Da'an Forest Parks. FFHC also led by example by establishing a "Green Building Label Certification Program" team in 2010. As of the end of 2024, we had revamped 35 existing buildings, which have all received the Green Building Labels from the Ministry of the Interior (including Diamond class for 29 buildings, Gold class for one building, Silver class for one building, Bronze class for one building, and Certified for three buildings). Two newly constructed buildings have obtained the Gold-class Green Building Label. Our London branch office building has also obtained the "PASS" green building rating from the Building Research Establishment (BRE) in the UK. In 2024, all of these green buildings contributed to a combined annual reduction of 2,963 metric tons of CO₂e.

In response to the government's goal of building environment-friendly and low-carbon cities, FFHC-as of 2024-had constructed 25 solar-powered branches, contributing to an annual reduction of 148.76 metric tons of CO₂e. Since 2015, we have purchased green electricity, carbon credits and renewable energy certificates totaling 14.867 million kWh. For 2025, we have also set a target of generating and using 250 MWh of renewable energy, as we continue to increase the share of renewable energy that we use. We installed "green roofs featuring solar power generation, rainwater harvesting and ecological hydroponic functions" on our Wanhua, Huashan, and Chang'an branch buildings, which help create zero carbon farms that integrate solar power generation, rainwater harvesting, and an aquaponics system. In particular, our Wanhua Branch has been certified by the Environmental Protection Administration as an "Environmental Education Facility." It is the only certified environmental education facility and field in the financial industry, and has been chosen as a designated environmental education facility for visitation by the Control Yuan's Committee on Social Welfare and Environment Hygiene Affairs as well as the Ministry of Environment. The branch has rolled out multiple environmental education courses incorporating core financial competencies. In 2024, we held 41 environmental education sessions for enterprises, government agencies, and schools, with a total of 1,321 people participating. We also promote the renewal and reconstruction of dangerous and old buildings by offering preferential loans aimed at "accelerating the reconstruction of dangerous and old urban buildings". As of the end of 2024, we had undertaken a cumulative total of 262 urban renewal cases, with the total approved amount reaching NT\$233.082 billion. In particular, 164 of these projects have been awarded Silver-class Green Building Label certification or above, and 4,903 households have benefited as a result.

To respond to the United Nations' sustainable development goals for providing financial services to vulnerable demographic groups and remote areas, FFHC actively promotes inclusive finance and has expanded financing services for domestic small and medium enterprises. As of the end of 2024 outstanding loans to SMEs had

CHAIRMAN'S MESSAGE

reached NT\$960.57 billion, and our market share has topped all domestic banks for 15 consecutive years. We also continue to support loans for "small and micro enterprises", "Loans for Young Entrepreneurs and Start-ups", "Loans for Micro Entrepreneurs", and "Micro Loans for Female Entrepreneurs", and have undertaken a total of 13,285 such accounts. Our online loan application platform "Micro Enterprise e-Services" enables small and micro enterprises to quickly obtain start-up loans and operating capital. 5,621 applications were accepted in total in 2024. Furthermore, to provide care to our aging society, we offered the "e-First Smart Money Management" retirement financial management service. On top of that, the cumulative trust assets of elderly customers and persons with disabilities had reached NT\$33.454 billion by 2024. We also undertook 215 cases of the "Comfort Loan" reverse mortgage loans, with an approved amount totaling around NT\$1.595 billion.

In terms of financial innovation, we continued to promote the "Consumer Carbon Footprint Inquiry" service, which has set a precedent among state-owned banks. With this service, consumers can inquire about the carbon emissions of the transactions made with their credit cards each month via the iLeo app. We also optimized the "ESG Sustainable Application Map Inquiry Tool", providing simulations on various kinds of climate change information, so that the user can understand disaster risks and potential as well as information about environmentally sensitive areas, which is conducive to ESG policy-making and risk management. In addition, as of the end of 2024, First Commercial Bank's "iLEO Digital Account" had accumulated more than 1.91 million users, making it the fourth largest digital account in Taiwan. The "iLEO App" has also been downloaded 1.49 million times cumulatively, with an annual growth rate of 35.5%. Moreover, as the banking-as-a-platform (BaaP) model becomes increasingly mature, we decided to launch the "First Good Life" on the iLEO App (including dedicated everyday life scenarios, such as travel, house rental, green consumption, and charity, etc). The service went online in Nov. 2023, and had logged more than 200,000 visits cumulatively as of the end of 2024.

FFHC has been actively building a gender-equal and gender-friendly work system and workplace environment. The share of our female employees and the average compensation of female executives have outpaced those of their male counterparts. Furthermore, as part of our efforts to create a workplace environment conducive to mothers' health, we provide maternity (prenatal checkup) leave and paternity (prenatal checkup) leave that exceed the minimum benchmark set by labor laws, in addition to increasing employee childbirth subsidies to NT\$250,000 for the third childbirth. Female employees who undergo intrusive artificial insemination procedures are eligible for two days of paid leave, as we strive to realize our management vision of a "happy workplace". For two straight years, we have been awarded the "OHS SDGs" by the Occupational Safety and Health Administration, Ministry of Labor, in addition to being named as one of the "Best Companies to Work for In Asia" by the human resource magazine HR Asia.

FFHC has combined group resources and its employees to actively engage in public welfare events. In 2024, it invested more than NT\$130 million to subsidize disadvantaged schoolchildren and groups, fund the cultivation of talented athletes, and support food banks and exhibition/performance platforms for the art and cultural communities. We rolled out diverse inclusive finance products targeting the elderly, youths, women, disadvantaged demographics and SMEs, and issued various green and charity credit cards, including the World Card, Leezen Co-branded Credit Card, Living Green Card, YiLan Affinity Card, and Taoyuan Affinity Card. A fixed percentage of the amount of transactions made with these credit cards would be donated to benefit environmental conservation and social welfare events, as part of our efforts to encourage our credit card holders to engage in sustainable consumption. We have thereby donated NT\$813 million cumulatively. Due to our stellar ESG efforts and performance, we have also amassed many important domestic and foreign ESG awards, including continued inclusion as a constituent stock of the world's top 3 ESG indexes - DJSI, FTSE and MSCI. We were also rated as a "top 5% listed company" in the Corporate Governance Evaluation of the Taiwan Stock Exchange Corporation for the tenth time. We were an awardee at the National Council for Sustainable Development's "2024 National Sustainable Development Awards (enterprises category)". We were also honored at the Ministry of Environment's Sixth "National Enterprise Environmental Protection Award", becoming the only Taiwanese enterprise to have been awarded in six straight years. Aside from being ranked in the top 25% of all banks in the "Second Sustainable Finance Evaluation" by the Financial Supervisory Commission, First Commercial Bank was also "ranked in the top 25% for fair customer treatment" for three straight years by the Financial Supervisory Commission. First Securities was also ranked in the top 25% among securities firms in the FSC's "Second Sustainable Finance Evaluation", while First Life Insurance, for two years in a row, was also "ranked in the top 26%-50% for fair customer treatment", as the Group continues to deepen its culture for fair customer treatment and integrity.

Looking ahead to 2025, the Group will stay true to its development goals of steady management and innovative planning, devote itself to adjusting the Group's profit structure, enhance digital developments, stay on top of the financial market pulse, and implement information, operation and channel integrations between our subsidiaries. We will leverage the Group's strength to create integrated value, and integrate our core operations into ESG implementations. We will seek to grasp business opportunities associated with green finance, and partner with our supply chains, customers and shareholders to accelerate the transition to sustainability, in an effort to create a sustainable, mutually prosperous and new financial ecosphere.

First Financial Holding Chairman

Yechin Chion



AWARDS AND ACKNOWLEDGMENTS IN 2024



OVERALL ESG PERFORMANCE

- Ranked in the top 5% of the global bank industry in the S&P Global Sustainability Yearbook on eight occasions
- Ranked in the "top 5% of listed companies" in the Corporate Governance Evaluation by Taiwan Stock Exchange Corporation on ten occasions
- The subsidiary bank and securities company were both ranked in the top 25% in the FSC's Second Sustainable Finance Evaluation
- The subsidiary bank and securities company both made the TWSE's "list of companies with better institutional investor stewardship disclosure"
- Selected for inclusion as a constituent stock of the FTSE4Good Emerging Index for eight years in a row
- Taiwan Corporate Sustainability Awards (TCSA) - "Top 100 Sustainable Paradigm Company Award", "Taiwan Corporate Sustainability Reports Award—Platinum Award, Financial & Insurance Industry", "Climate Leadership Award", "Workplace Wellbeing Leadership Award", "Social Inclusion Leadership Award", "Innovative Growth Leadership Award", and "Talent Development Leadership Award"
- Presented with the "Sustainability Resilience Pilot Award" by the British Standards Institution (BSI) for nine straight years
- The subsidiary bank won the "Best Digital Banking Award", "Best Overseas Business Development Award", and "Best Human Resources Development Award" at the Taiwan Academy of Banking and Finance's "12th Elite Awards for Taiwan Banking Excellence".
- The subsidiary bank was honored at the "National Sustainable Development Awards (enterprises category)" by the National Council for Sustainable Development, and was the only company in the financial industry to be awarded on three occasions

ENVIRONMENTAL PERFORMANCE

- The subsidiary bank was awarded the Gold Award, the top accolade in the sixth "National Enterprise Environmental Protection Award" hosted by the Ministry of Environment, becoming the only enterprise in Taiwan to be awarded for six straight years
- FFHC received the "A" rating for both climate change and forests at the 2024 CDP questionnaires. We also received an A-for water security, while receiving recognition across all three major issues for environmental sustainability.
- The subsidiary bank was presented with one Gold Award and one Silver Award for Environmental Sustainability at the "Taiwan Institute for Sustainable Energy's Fourth Taiwan Sustainability Action Awards", in addition to a Bronze Award at "The Second Taiwan Biodiversity Awards-Profit-seeking Enterprise Group"
- The subsidiary bank's 201 business locations have received the "Green Office Certification" from the Ministry of Environment, tops in the financial industry.

SOCIAL PERFORMANCE

- Selected for the "Sustainable Pilot Enterprise in Healthy Workforce" award by the Occupational Safety and Health Administration, Ministry of Labor on two occasions.
- Selected by the human resource magazine HR Asia as one of the "Best Companies to Work for In Asia"
- FSC's "Financial Education Contribution Award-Best Devotion Award" and "Financial Education Contribution Award-Best Collaboration Award" Excellence Award
- The subsidiary life insurance company was named as an "outstanding insurance company for increasing insurance & protection plans for Taiwanese" for the 29th consecutive time
- Won the annual "Sports Activist Awards" from the Sports Administration, Ministry of Education for six straight years, including "Sponsorship Category-Golden Quality Award", "Long-term Sponsorship Award", and "Promotion Category-Golden Quality Award"
- Won the Taipei City Government's "Parenting Friendly Enterprise Award-Benchmark Enterprise Group"
- Recognized by the New Taipei City Government as an outstanding enterprise for "family-friendly measures & measures promoting workplace equality"
- Won the Silver Award for social inclusion at the "Fourth Taiwan Sustainability Action Awards" hosted by the Taiwan Institute for Sustainable Energy, as well as "Taipei Golden Eagle Micro Movie Festival-Best Online Popularity Award-First Runner-up"



FFHC was selected for inclusion as a constituent in the Dow Jones Sustainability World Index for 7 years in a row, and was also selected for inclusion as a constituent in the Dow Jones Sustainability Emerging Markets Index for the 9th consecutive year.

FFHC's TCFD report obtained the highest level certification of "LEVEL-5+" again by the British Standards Institute 4 times.

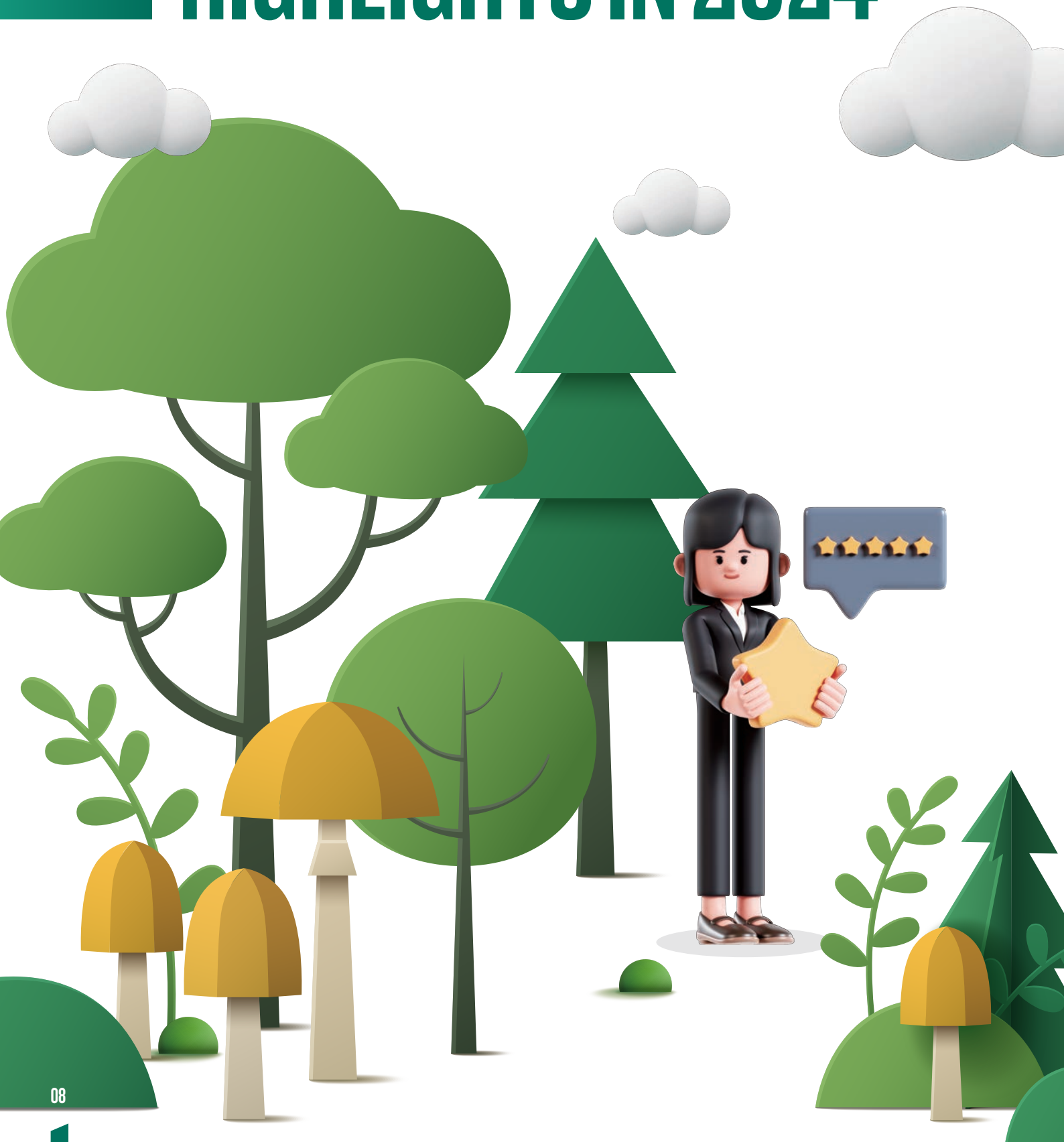
(BSI) Awarded the highest rating of AAA in ESG ratings for the banking sector by MSCI All Country World Index (MSCI ACWI Index) 3 times

PRODUCTS AND SERVICES

- The subsidiary bank was ranked in the "top 25% for fair customer treatment" by the Financial Supervisory Commission for three straight years, and the subsidiary life insurance company was ranked in the "top 26%-50% for fair customer treatment" by the Financial Supervisory Commission for two straight years
- "Best Product- Top National Award", "Best Product", "Best Popular Brand", and "Outstanding Enterprise" at the 21st National Brand Yushan Award
- The subsidiary bank won the top prize at the FSC's "stage 3 evaluation on the trust industry for promoting Trust 2.0" and "Innovation Award for Trust Operations", first runner-up in group A for the "Retirement Trust Award", "Trust Alliance Award", and "Special Award for Participating in the National Credit Guarantee Mechanism"
- The subsidiary bank won the Ministry of Economic Affairs' "Credit Guarantee Gold Award-Financial Institution Group", "Credit Guarantee Gold Award-Outstanding Credit Manager", "Green Credit Promotion Award", "Post-Pandemic Revitalization Award-Financial Institution Group", "Post-Pandemic Revitalization & Transition Award for Local Areas", "Liaison Enterprise Award", "Outstanding Performance in Collection for Credit Guarantee Fund Cases" and "Excellence Award for Total Financing Amount of Credit Guarantee Fund" among "financial institutions & credit managers with outstanding performance for SME credit guarantee fund".
- The subsidiary bank won the following awards at the Commercial Times' Digital Financial Award-"Digital Fair Customer Treatment Award" and "Digital Inclusive Financing Award-Excellence Award, as well as the following awards at the publication's "Trust Award"- "Best Innovation in Real Estate Management & Trust Award-Gold Award", "Best Innovation in Urban Renewal & Reconstruction of Unsafe and Old Buildings Trust Award-Gold Award", "Best Innovation in Family Trust Award-Gold Award", "Best Innovation in Employee Benefits Trust Award-Excellence Award", "Best Innovation in Trust Product Integration Award-Excellence Award", "Best Innovation in Sustainable Trust-Excellence Award", "Best Technology Innovation Trust Award-Excellence Award", and "Best Service Model for Trust Award-Excellence Award". In addition, it also won Mastercard's "Best Sustainable Product Award", as well as the "Domestic Bank Customer Recommendation Award-Excellence Award" at the Wealth Financial Award.
- The subsidiary bank was awarded at Business Today's "Assessments on Wealth Management Banks & Securities Companies"-first place finish in the "Best Fair Customer Treatment Award", second place in the "Best Wealth Management Consultant Team Award", second place in the "Best Product Award", second place in the "Best Elderly-Friendly Award", and third place in the "Best Risk Control Award".
- The subsidiary securities company won the TWSE's "Intermediary Institute"- "Working Together Award-Second Runner-up in Securities Underwriters", "March into the Future Award-First Place in IPO Fundraising", "Innovation Promotion Award-Securities Underwriters", and was chosen as an outstanding institution in the securities category for the tallying of bonus point for information sharing in 2023 by the Financial Information Sharing and Analysis Center (F-ISAC).
- FSITC was presented with the "Best S&F Paper Award-Excellence Award for Innovative Practice " by the FSC
- The subsidiary life insurance company won the "Insurance Industry Driving Various Business Operations in Alignment with Policies"- "Six Cores & Public Works Investment Contest-Project Investment Group" award from the FSC
- Taiwan Institute for Sustainable Energy's Fourth Taiwan Sustainable Investment Awards-"Institutional Impact -Exemplary Award (Bank Category), (Investment Trust Category), and Performance Award (Securities Category), (Life Insurance Category). The subsidiary securities company also won the "Case Impact-Sustainability Topic Investment Award-Silver Grade"
- "FSITC Global Utilities and Infrastructure Fund I TWD Acc" won "Smart Taiwan Fund Awards-Utilities & Infrastructure Stock Fund Award". "FSITC Asian Emerging Market Fund" won "LSEG Lipper Fund Awards Taiwan-"Asian Emerging Market Stock Three Years Award"
- At the Fourth CMoney Golden Glory Award, First Capital Management was the first runner-up in the "Profit Estimation Accuracy Award" for best research report, and finished in the fourth place in the "Best Returns Estimation Award"



PERFORMANCE HIGHLIGHTS IN 2024





ENVIRONMENT

- Built **3** "zero-carbon green roofs" and **25** solar-powered branch offices
- Revamped **38** privately-owned buildings to obtain the Green Building Labels, including the Diamond class (29), Gold class (3; including two newly constructed buildings), Silver class (1), Bronze class (1), and Certified class (3), in addition to obtaining the "PASS" grade green building certification from Britain's Building Research Establishment (BRE)
- Cumulatively, the Green Light Sustainability Program has made donations to **7** social welfare organizations and **82** elementary schools in far-flung areas, with **24,665** sets of light fixtures replaced with LED for a cumulative carbon reduction of around **1,141** metric tons
- Using the science-based targets (SBT) of controlling warming to under 1.5°C, the Group has set a target of reducing its total Scope 1 and Scope 2 carbon emissions by 4.85% annually from the baseline year (2022). In 2024, the combined carbon reduction from Scope 1 and Scope 2 reached 3,105.45 metric tons of CO₂e compared with the baseline year of 2022, achieving an annual reduction rate of **14.43%**



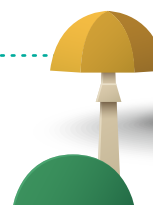
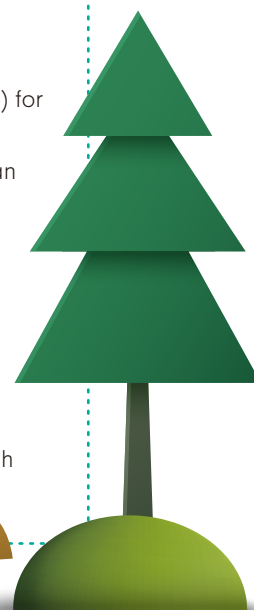
SOCIETY

- We were the first in the country to offer **two days of paid leave for "artificial insemination"**. As of the end of 2024, a total of 82 employees had submitted their applications, and 28 were successfully pregnant.
- Selected as a constituent stock of the "Taiwan High Compensation 100 Index" for **11** straight years; selected as a constituent stock of the "Taiwan Employment Creation 99 Index" for **15** straight years
- Our investment in community engagement has increased to **NT\$134.71** million
- Outstanding loans to SMEs reached NT\$960.6 billion, and our market share has topped all domestic banks for **15** consecutive years
- All companies within the Group have started to conduct sweeping employee stock ownership trust since 2024. As of the end of 2024, **94.98%** of employees had participated



GOVERNANCE

- Included as a constituent stock of the **"World Index"** by Dow Jones Sustainability Index (DJSI) for **7** straight years
- Ranked in the **"top 5%"** of listed companies" in the Corporate Governance Evaluation by Taiwan Stock Exchange Corporation on **10** occasions
- Selected as a member of the S&P Global Sustainability Yearbook for the **eighth time**, and ranked in the top 5% of the global banking industry
- Ranked in the top **25%** of all banks and securities firms in the "Second Sustainable Finance Evaluation" by the Financial Supervisory Commission
- Selected for inclusion as a constituent stock of the MSCI ACWI Index on three occasions, in addition to being named as a **top AAA-class** bank in the ESG Ratings
- Our TCFD report has been awarded **Level 5+**: Excellence-the highest audit level-by the British Standards Institution (BSI) for the fourth time



SUSTAINABLE GOVERNANCE OPERATION MECHANISMS

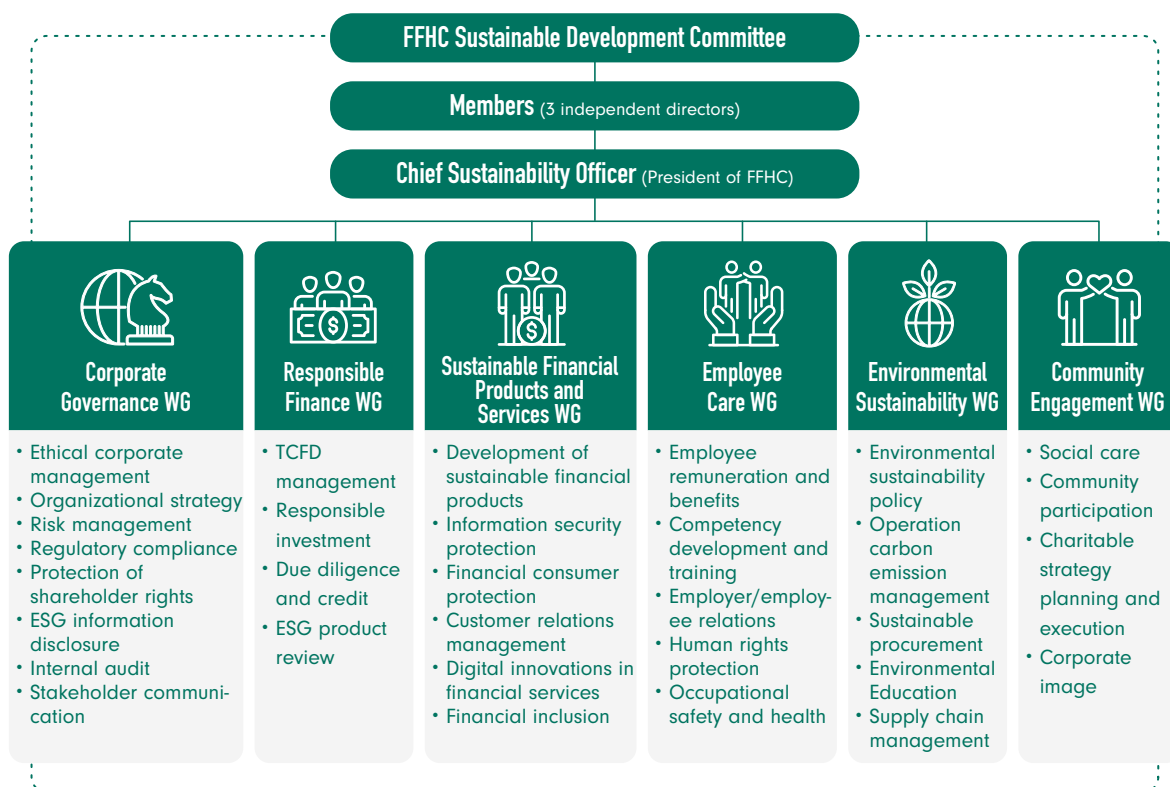


Sustainable Governance Organizational Structure

In 2011, the FFHC Board of Directors approved the establishment of the CSR Committee, and renamed as "Sustainable Development committee" in March, 2022, which is the core organization of the Group for promoting sustainable governance with the Chairman as the chair and Presidents of the companies of the Group as members of the Committee. The Committee set up trans-company working groups on "Corporate Governance", "Responsible Finance", "Sustainable Financial Products and Services", Employee Care", "Environmental Sustainability", and "Community Engagement". A dedicated ESG unit is also assigned by the President each subsidiary for ESG communications, liaison and the provision of related information. The core team consists of 92 people (1 chairman, 8 committee members, 2 conveners, 6 executive directors, and approximately 75 employees split among the various working groups). The Sustainable Development committee is administered by the Corporate Governance Section of the Administration Department, and 7 designated employees are responsible for the sustainable development plans and implementation of the Group. The top-down approach ensures the effective and concrete implementation of each annual ESG objective. To comply with international ESG development trends and regulatory changes, and to deepen the implementation and execution of the Group's policies on sustainable development, we have included ESG comprehensive performance as an item for evaluating each subsidiary company's annual operating performance, in order to ensure that annual targets for each ESG scope can be achieved. In June 2025, the Sustainability Committee was elevated to a functional committee under the Board of Directors. It comprises three independent directors as committee members, with the President of FFHC serving as the Chief Sustainability Officer. The company continues to enhance its sustainability governance practices.

FFHC has also formulated the "Sustainable Development Guidelines" and "Sustainable Development Policy", which serve as the ultimate guiding principle for the companies within the Group to respond to risks and seize the opportunity for business management with respect to various ESG aspects. To ride the trend of sustainable financial development, the Board of Directors has been designated as the highest supervisory unit for climate risk governance. An ESG Committee and a Risk Management Committee have been established under the Board. These two committees take stock of and identify the risks and opportunities posed by climate change to the Company's operations based on TCFD's suggestions on climate-related financial disclosures, and formulate risk management strategies and corresponding measures. We joined the Partnership for Carbon Accounting Financials (PCAF) in 2022, verified Scope 3 investment/financing and financial carbon emissions based on its suggested methodology, and formulated our near-term carbon reduction targets before submitting them to the SBTi for review, which were officially approved in June 2024. We have enforced accordingly, continued to incorporate the net-zero emissions mentality into our investment/financing policy-making process, and reduced the share of highly-polluting (carbon emissions) industries in our investment and financing portfolio, in order to achieve our SBT for carbon reduction. Results of the Group's risk assessment of climate change, mitigating measures and implementation status are reported to the Risk Management Committee, Audit Committee and Board of Directors. We also comply with the United Nations' Principles for Responsible Banking (PRB), Principles for Responsible Investment (PRI), and Principles for Sustainable Insurance (PSI), and have incorporated ESG issues into the development strategies and operating procedures of our core business operations such as investment, financing, underwriting and insurance. We comply with related policies on sustainable credit extension, sustainable investment and sustainable insurance, and strive to guide our customers and invested companies to fulfill the responsibilities of environment protection and social sustainability.

FFHC Sustainable Governance Organizational Structure



Sustainable Development Committee Functions and Team Operation Mechanism

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



FIRST FINANCIAL HOLDING SUSTAINABLE DEVELOPMENT MILESTONES

2011-2012

- Established the CSR Committee and formulated the CSR Code, related policies, and the committee charter
- Published first Sustainability Report (2011)
- Set "No. 1 Brand in Green Finance" as the sustainable development target
- Presented with "Newcomer Award" in the Taiwan Corporate Sustainability Report Awards
- Received Commonwealth CSR Corporate Citizenship Award

2013-2014

- 2012 Sustainability Report certified by an independent certification body for the first time.
- Received "Financial Excellence Award" from the Taiwan Corporate Sustainability Report Awards and the "Creative Communications Role-Model Award in 2013".
- Received "Gold Award" and "Climate Leadership Award" from the Taiwan Corporate Sustainability Report Awards in 2014.
- 14th Place in the Large Enterprises category of the Commonwealth Magazine CSR Corporate Citizenship Awards in 2014.
- Published first English version of Sustainability Report in 2014.
- Received "Gold Award", "Transparency and Integrity Award" and "Climate Leadership Award" from the Taiwan Corporate Sustainability Report Awards in 2015.
- 9th Place in the large enterprises category of the Commonwealth Magazine Corporate Citizenship Awards in 2015.
- Received Excellence Award in the Environmental Friendliness Category of the "Global Views Corporate Social Responsibility Awards".

2024

- Selected for inclusion as a constituent stock of the Dow Jones Sustainability "World Index" for seven straight years; selected for inclusion as a constituent stock of the "Emerging Markets Index" for nine straight years
- Selected for inclusion as a constituent stock of the MSCI "Global Standard Indexes" for the third time, in addition to being named in the top AAA class in the bank category of the ESG Rating
- Selected for inclusion as a constituent stock of the FTSE4Good Emerging Index for eight years in a row
- Ranked in the "top 5% of listed companies" in the Corporate Governance Evaluation by Taiwan Stock Exchange Corporation for the tenth time
- Taiwan Corporate Sustainability Awards (TCSA) - "Top 100 Sustainable Paradigm Company Award", "Taiwan Corporate Sustainability Reports Award - Platinum Award, Financial & Insurance Industry", "Workplace Wellbeing Leadership Award", "Climate Leadership Award", "Talent Development Leadership Award", "Social Inclusion Leadership Award", and "Innovative Growth Leadership Award"
- Executive Yuan's National Sustainable Development Awards (enterprises category)
- Selected for the eighth time for inclusion in the S&P Global Sustainability Yearbook, and ranked in the top 5% of the global bank sector
- 12th Elite Awards for Taiwan Banking Excellence (Best Digital Banking Award), (Best Overseas Business Development Award), and (Best Human Resources Development Award)
- The subsidiary bank, securities and life insurance all made the TWSE's "list of companies with better institutional investor stewardship disclosure" again
- The Bank was ranked in the "top 25% for fair customer treatment" by the Financial Supervisory Commission for three straight years, and the subsidiary life insurance company was ranked in the "top 26%-50% for fair customer treatment" by the Financial Supervisory Commission for two straight years
- First Bank and First Securities were both ranked in the top 25% of the bank and securities industry in the "Second Sustainable Finance Evaluation" by the Financial Supervisory Commission.

2023

- Amended the FFHC Sustainable Development Guidelines
- FFHC was selected for inclusion as a constituent in the 2023 Dow Jones Sustainability World Index for 6 years in a row, and selected as Emerging Markets Index for 8 years in a row
- Chosen as a constituent stock of the MSCI "Global Standard Indexes (MSCI ACWI Index)" for the second time; recognized as an AAA company, the highest level in the bank category of ESG Ratings
- Selected as a constituent stock of the "FTSE4Good Emerging Index" in London for seven straight years
- Taiwan Corporate Sustainability Awards - seven major awards, including "Taiwan Top 10 Sustainable Paradigm Company Award", "Taiwan Corporate Sustainability Reports Award - Platinum Award, Financial & Insurance Industry", "Climate Leadership Award", "Workplace Wellbeing Leadership Award", "Social Harmony Leadership Award", "Innovative Growth Leadership Award", and "Information Security Leadership Award", etc.
- The Group's bank, securities and life insurance subsidiaries all made the TWSE "list of companies with better institutional investor stewardship disclosure in 2023"; First Securities was selected for the third consecutive year
- First Commercial Bank was ranked in the top 20% in the "First Sustainable Finance Evaluation" organized by the Financial Supervisory Commission, and was ranked in the "top 25% for fair customer treatment" by the Financial Supervisory Commission for two straight years

2015-2016

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

2017-2018

- We were included in the DJSI Emerging Markets Index for three consecutive years; we were included as a constituent for the first time in the "World Index" and received a silver medal in the RobecoSAM Sustainability Yearbook. FFHC is the only bank in Taiwan on the list of top five banks in the world.
- We were the first financial institution in Taiwan to be recognized on the CDP's Climate Change A List in 2018.
- Received "Taiwan Top 50 Corporate Sustainability Report Awards - Finance and Insurance Industry Gold and Platinum Award", "Talent Development Award".
- Won 3rd place among large companies in Common Wealth Magazine-Corporate Citizenship Award.
- Won the Model Award of the "Grand Survey - Financial Industry Group" of the Global Views-CSR Corporate Social Responsibility Award.
- Included as constituent stock in the FTSE4Good Emerging Index for consecutive years.

2021-2022

- FFHC's CSR Committee was revised and renamed as "Corporate Sustainable Development Committee". The five working groups were reorganized into six working groups, and their names were revised as "Sustainable Development Principles", "Sustainable Development Policies" and "Sustainable Development Committee".
- Chosen as a constituent stock of the "World Index" by the Dow Jones Sustainability Index (DJSI) for five straight years; chosen as a constituent stock of the "Emerging Markets Index" for seven straight years.
- We received the highest "A" score for our response to the CDP Climate Change Questionnaire in 2022, becoming the only entity in Taiwan's financial sector to be awarded the highest "A" score on four occasions. We were also placed on the "Leadership Level" for five straight years. In CDP's Supplier Engagement Rating 2021, we were also recognized as a Class A leader.
- Ranked in the "top 5% of listed companies" in the Corporate Governance Evaluation by Taiwan Stock Exchange Corporation on eight occasions; and ranked in the top 10% (top four) of listed/OTC-traded companies in the "Financial & Insurance Category" on three occasions.
- Selected by the Financial Supervisory Commission as a member of the "Coalition of Movers and Shakers on Sustainable Finance".
- Won the "National Sustainable Development Awards (corporations)", presented by the National Council for Sustainable Development, Executive Yuan.
- Won the "Best ESG Award - Excellence Award" at the Taiwan Academy of Banking and Finance's 11th Elite Awards for Taiwan Banking Excellence.
- Selected for inclusion as a constituent stock in the Bloomberg Gender-Equality Index (GEI).
- Chosen as a constituent stock of the MSCI "Global Standard Indexes (MSCI ACWI Index); recognized as an AAA company, the highest level in the bank category of ESG Ratings.
- Our TCFD report has been awarded "Level-5+" - the highest audit level - by the British Standards Institution (BSI) for two straight years.
- Won multiple awards, including the "Taiwan Corporate Sustainability Reports Award Platinum Award, Financial & Insurance Industry", "Gender Equality Award", "Climate Leadership Award", "Innovative Growth Leadership Award", "Social Inclusion Leadership Award", and "Information Security Leadership Award" at the Taiwan Corporate Sustainability Awards.
- Selected as a member of the S&P Global Sustainable Yearbook for the sixth time; ranked in the top 1% of the global banking industry.
- Selected as a constituent stock of the "FTSE4Good Emerging Index" in London for six straight years.
- First Securities was ranked in the "top 20% for fair customer treatment" by the Financial Supervisory Commission.

2019-2020

- Selected as a constituent stock in DJSI World Index for the 3rd consecutive year and DJSI Emerging Markets for 5 consecutive years.
- FFHC attained "A-" Leadership Level in the CDP climate change questionnaire which was the best performance in Taiwan's financial industry.
- FFHC ranked in the top 5% of Corporate Governance Assessment Program for the 6th time, and also ranked in the top 10% (top four) of the "Finance and Insurance" category of the listed companies for the 2nd time.
- Twice selected as a constituent stock with AA ESG Ratings for banking enterprises in the MSCI Global Sustainability Index.
- The only financial institution in Taiwan to attain CDP Leadership A List recognition twice and received Leadership ranking for financial institutions for three consecutive years.
- Included as constituent stock in the "FTSE4Good Emerging Index" on the London Stock Exchange for the consecutive year.
- Received 6 major awards in the "Taiwan Corporate Sustainability Awards" including the "Taiwan Corporate Sustainability Report Awards Banking and Insurance Platinum Award", "Gender Equality Leadership Award", "Social Harmony Leadership Award", "Growth through Innovation Leadership Award", and 2 "Information Security Leadership Award".
- First Bank and First Life Insurance were rated among the "Top 20% of the Fair Customer Treatment Principles Evaluation Rankings".

PROCESS FOR STAKEHOLDER COMMUNICATION & MATERIAL TOPIC ANALYSIS

GRI : 2-29 、 3-1 、 3-2

Stakeholder identification and communication

Since publishing its 2011 Sustainability Report in 2012, First Financial Holding has demonstrated its long-standing commitment to sustainable management and information disclosure. We also view stakeholders' comments and feedback as important basis for formulating our sustainable development strategy. We actively listen and respond to stakeholders' demands and expectations, in order to ensure that the content of our reports are highly relevant and responsive. During the course of identifying material topics, First Financial Holding took a deep dive to understand stakeholders' concerns and focus on environmental, social and governance (ESG) issues. We also referenced international sustainability standards and initiatives, such as the GRI Standards, ISO 26000, SDGs (note 1), TCFD (note 2), and the Equator Principles (note 3); International sustainability ratings such as CDP (note 4), DJSI (note 5), MSCI ESG Ratings (note 6), the financial sector's specific issues PRB (note 7), PRI (note 8), SASB (note 9), GRI industrial disclosure index for the financial services industry, communication with stakeholders and their feedback, integrated international sustainability disclosure standards, and the Group's development strategy for sustainable finance serve as the basis for analyzing material topics. To further respond to GRI 2021 Universal Standards G3: Material Topics 2021, the Group integrated the impact assessment methodology, which encompasses the economy, environment and demographics (including human rights) aspects and was developed by institutions including the Value Balancing Alliance (VBA), Harvard Business School's Impact-Weighted Accounts Project and London Benchmarking Group (LBG). We also incorporated the Double Materiality approach recommended by the European Financial Reporting Advisory Group (EFRAG), and adopted the monetization and non-monetization methodologies to build an analysis flow encompassing impact and financial materiality (four major stages and seven major steps). Taking both the "organizational operation impact" and "economy, environment and people/demographic impact" into account, we evaluated the impact of sustainability issues from perspectives inside and outside the organization, respectively. By doing so, we were able to identify nine material topics with substantive and positive/negative impact on economy, environment and demographics (including human rights). These are the material topics we prioritized for response. The other nine are sustainability issues that stakeholders are concerned about, and they form the basis for report drafting.

Authentication & Collection

Authenticate stakeholders

In compliance with the five major aspects of the AA1000 Stakeholder Engagement Standards (SES) - dependency, responsibility, influence, tension and diverse perspectives, we summoned members of the various panels under the ESG Committee to discuss and authenticate seven categories of stakeholders with the greatest influence on and relevance to operations: 1. Employees/labor/retired employees; 2. shareholders/investors/analysts; 3. customers; 4. suppliers; 5. community/NPO/NGO/scholars and experts; 6. government and competent authorities; 7. media/our peers, etc. They make up the main communication audience for the sustainability report.

Authenticate Issues of Concern

Various panels of the ESG Committee referenced international sustainability standards/initiatives, issues specific to the financial sector, stakeholders' feedback and the Group's development strategy for sustainable finance to identify 18 sustainability issues related to the Group's operations, including the economic aspect (nine issues), environmental aspect (three issues), and demographic aspect (six issues).

Investigation & Identification

Investigate level of concern

We obeyed the principles of interactivity, importance and influence to decide on questionnaire quantity in order to collect representative samples. Through online and print questionnaires, we surveyed seven types of stakeholders to ascertain their level of concern with respect to various sustainability issues. A total of 591 effective questionnaires were retrieved, including those from customers (198), suppliers (66), investors (46), employees (122), media/our peers (61), government (7), communities/NPOs/scholars and experts (91).

Analyze the level of impact of sustainability issues on internal operations

We evaluated the level of impact that various sustainability issues have on the Group's operations and sustainable development, including revenue growth, brand image, customer satisfaction, and employee cohesion. 15 senior executives, including presidents of First Financial Holding and various subsidiary companies, panel conveners and executive secretaries, jointly decided the importance of various sustainability issues. Based on the stakeholders' level of concern about the 18 sustainability issues from the 591 questionnaires as well as the 15 questionnaires about the level of impact on the Group's operations and sustainable development, these issues were arranged in order.

Identify the level of external sustainability impact

To evaluate the significance of external impact on the sustainability issues, we adopted the sustainability impact valuation methodology. Based on the 15 panel members' "Table for Evaluating the Impact of Sustainability Issues", we took into account the level of impact, the scope of impact, remediability and probability of occurrence through positive/negative, potential/noticeable and value chain perspectives. We further evaluated operating activities associated with the 18 sustainability issues, and their impact intensity and probability of occurrence with respect to the economy, environment and demographic aspects. We also understood the sustainability issues' impact boundaries and level of involvement in the value chain, and identified eight significant positive/negative impact factors, including industrial and technological development as well as pollutant discharges.

Analysis and Confirmation

Analyze sustainability issues & produce materiality analysis matrix

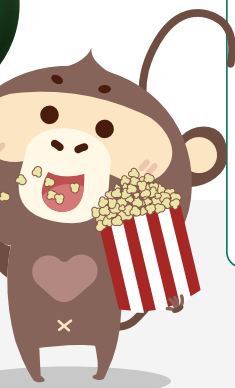
Sustainability issues associated with subsidiary companies and invested/financing positions were inspected based on the SASB sector categories. Materiality analysis matrices were drawn up based on the stakeholders' level of concern and the level of impact the sustainability issues have on the Group's operations and sustainable development. Nine sustainability issues with a high level of impact on operations and sustainable development as well as a medium level of stakeholder concern were chosen as material topics in need of prioritized response. The remaining nine items are sustainability issues that stakeholders are concerned about. They were combined with the implementation result report and submitted to the Board of Directors.

Action

Inspect Sustainability Report Covering Material ESG Topics and Issues of Concern

Various panels under the ESG Committee approved indicators that should have been disclosed, material topics and issues of concern in accordance with GRI universal standards and the Committee's resolutions, before drafting the Sustainability Report. They also expounded on response strategies, short-, mid- and long-term goals, implementation results and management policies in accordance with the reporting requirements of various topics.

- * 1 : Sustainable Development Goals, or SDGs for short
- * 2 : Task Force on Climate-Related Financial Disclosures, or TCFD for short
- * 3 : Equator Principles, or EPs for short
- * 4 : Carbon Disclosure Project, or CDP for short
- * 5 : Dow Jones Sustainability Index, or DJSI for short
- * 6 : Environmental, Social and Governance Ratings of Morgan Stanley Capital International Global Standard Indexes Constituents, or MSCI ESG Ratings for short
- * 7 : United Nations Principles for Responsible Finance, or PRB for short
- * 8 : United Nations Principles for Responsible Investment, or PRI for short
- * 9 : Sustainability Accounting Standards Board, or SASB for short



Material Topics Identification and Management

In terms of the investigation into "stakeholders' level of concern", we obeyed the principles of interactivity, importance and influence to decide on questionnaire quantity in order to collect samples with solid representation. Panel members under the ESG Committee then evaluated the "level of external impact from various issues". They then conducted scoring on various factors such as revenue, customer satisfaction level, employee cohesion, and brand image to understand key issues under different factors, before deciding on the importance of each sustainability issue as well as their order of disclosure.

Furthermore, in view of the fact that external impact on environment and society derived from corporate operations has gradually come to the attention of global investors, and in response to the revised version of GRI 2021 Universal Standards G3: Material Topics 2021, First Financial Holding has integrated the impact assessment methodology, which encompasses the economy, environment and society aspects and was developed by institutions including the Value Balancing Alliance (VBA), Harvard Business School's Impact-Weighted Accounts Project and London Benchmarking Group (LBG). We also incorporated the European Sustainability Reporting Standards (ESRS) published by the Corporate Sustainability Reporting Directive (CSRD) and the ESRS' Double Materiality concept, and adopted the monetization and non-monetization methodologies to build an analysis flow encompassing impact and financial materiality. Taking both the "organizational operation impact" and "economy, environment and demographic (including human rights)" into account, we evaluated the impact of sustainability issues from perspectives inside and outside the organization, respectively. Sustainability issues associated with subsidiary companies and invested/financing positions were inspected based on the SASB sector categories. Materiality analysis matrices were produced by referencing stakeholders' level of concern and the level of impact the sustainability issues have on the Group's operations and sustainable development. Nine material topics with a high level of impact on operations and sustainable development were identified and chosen as material topics in need of prioritized response. The remaining nine topics are sustainability issues that stakeholders are concerned about.

© Impact Evaluation on the Economy, Environment and Demographic Aspects

Category	Sustainability issues	Operational impact (Financial materiality)				Sustainability impact (Impact materiality)							
		Revenue increase	Customer satisfaction	Employee cohesion	Brand image	Industry technology development (Positive)	Create upstream output value (Positive)	Paying tax (Positive)	Assist in industry transformations (Positive)	Promote purchasing power (Positive)	Improve employment opportunities (Positive)	Pollutant emissions (Negative)	Impact on species or ecosystems (Negative)
Economic aspect	Business Performance	●		●		●	●	●	●		●	●	
	Responsible Finance and Decarbonization Strategies for Investment & Financing	●			●	●	●	●	●	●			●
	Corporate Governance	●	●		●			●		●	●		
	Risk Management and Operational Continuity	●	●									●	●
	ESG Products and Services	●	●		●	●	●		●				
	Information Security and Privacy Protections		●										
	Ethical Operations and Fair Customer Treatment		●		●	●							
Social aspect	Diverse Talent Recruitment and Skills Cultivation			●						●	●		●
Environmental aspect	Climate Strategy and Management	●							●			●	●

● : Impact Evaluation on the Economy, Environment and Demographic Aspects

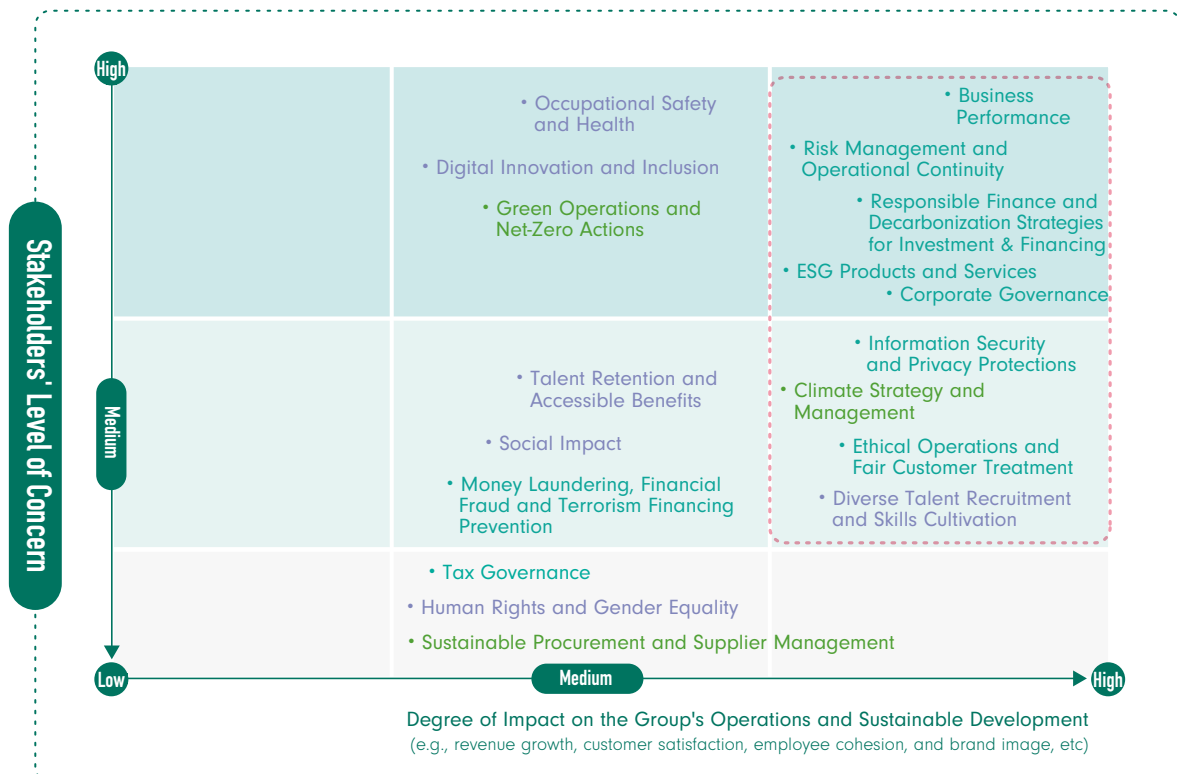
◎ Sustainability issue impact assessment results

Material ESG Issues	Degree of Impact on Organizational Operations	Stakeholders' Level of Concern	Sustainable Development Impact	IMV Results* ¹	Mid-/Long-term Goals* ²
Business Performance	★★★	★	★★★	★★★★	★★★★
Responsible Finance and Decarbonization Strategies for Investment & Financing	★	★	★★★	★★★★★	★★
Corporate Governance	★★★	★	★★		★★★★
Risk Management and Operational Continuity	★★★	★	★		★★★★
ESG Products and Services	★★★	★★	★★		★★★★
Information Security and Privacy Protections	★	★★★★			★★★★
Ethical Operations and Fair Customer Treatment	★★	★★★★	★		★★★★
Diverse Talent Recruitment and Skills Cultivation	★	★★	★★	★★	★★★★
Climate Strategy and Management	★	★	★★	★★	★★★★

*1 : "★" represents monetary value between NT\$0 and 10 million; "★★" represents monetary value between NT\$10 million and 1,000 million; "★★★" represents monetary value between NT\$1,000 million and 100,000 million; "★★★★" represents monetary value greater than NT\$100,000 million

*2 : "★" sets qualitative targets; "★★" sets one quantitative target; "★★★" sets two quantitative targets;

◎ First Financial Holding ESG matrix

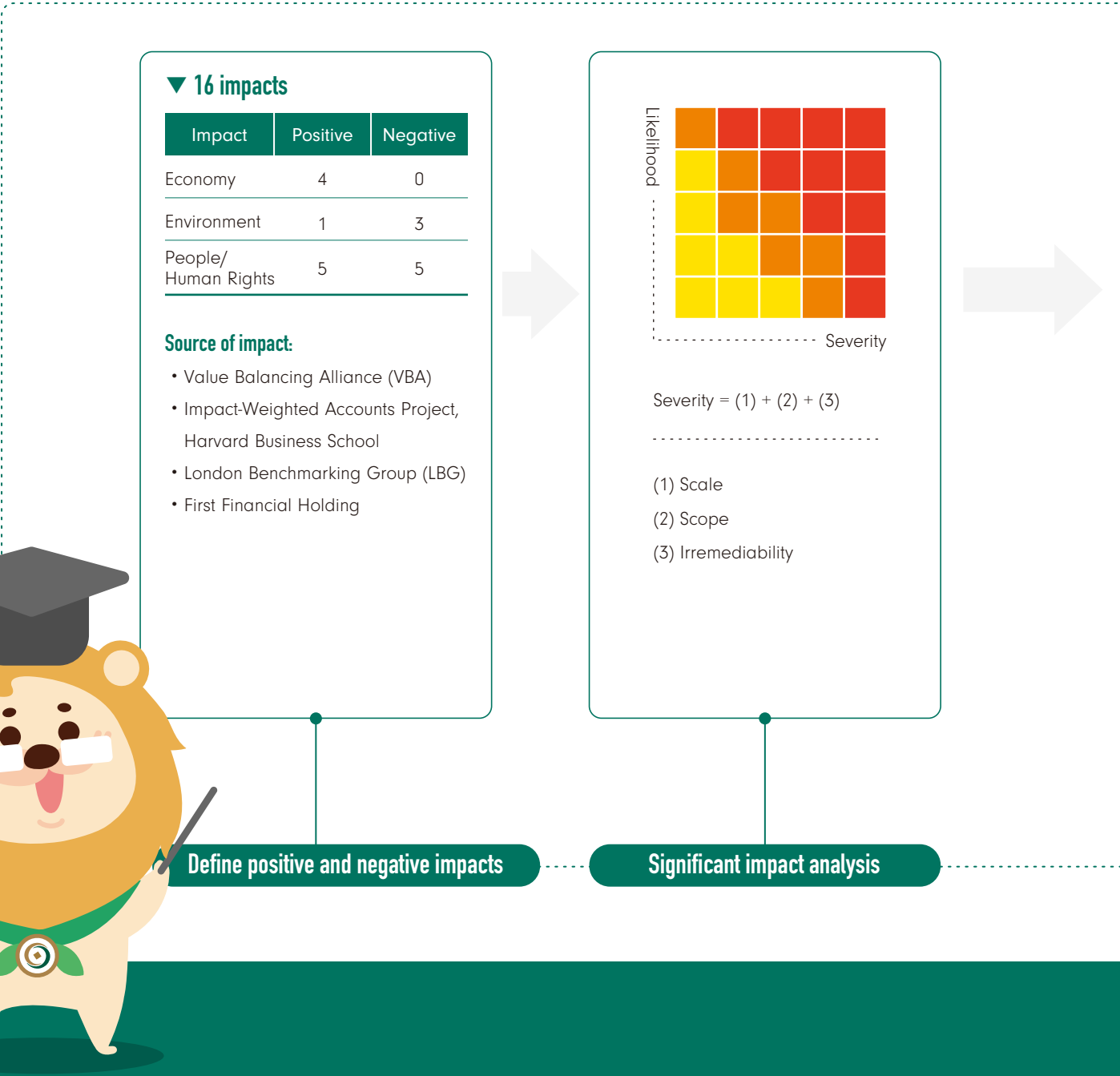


Sustainable impact assessment of value chain activities

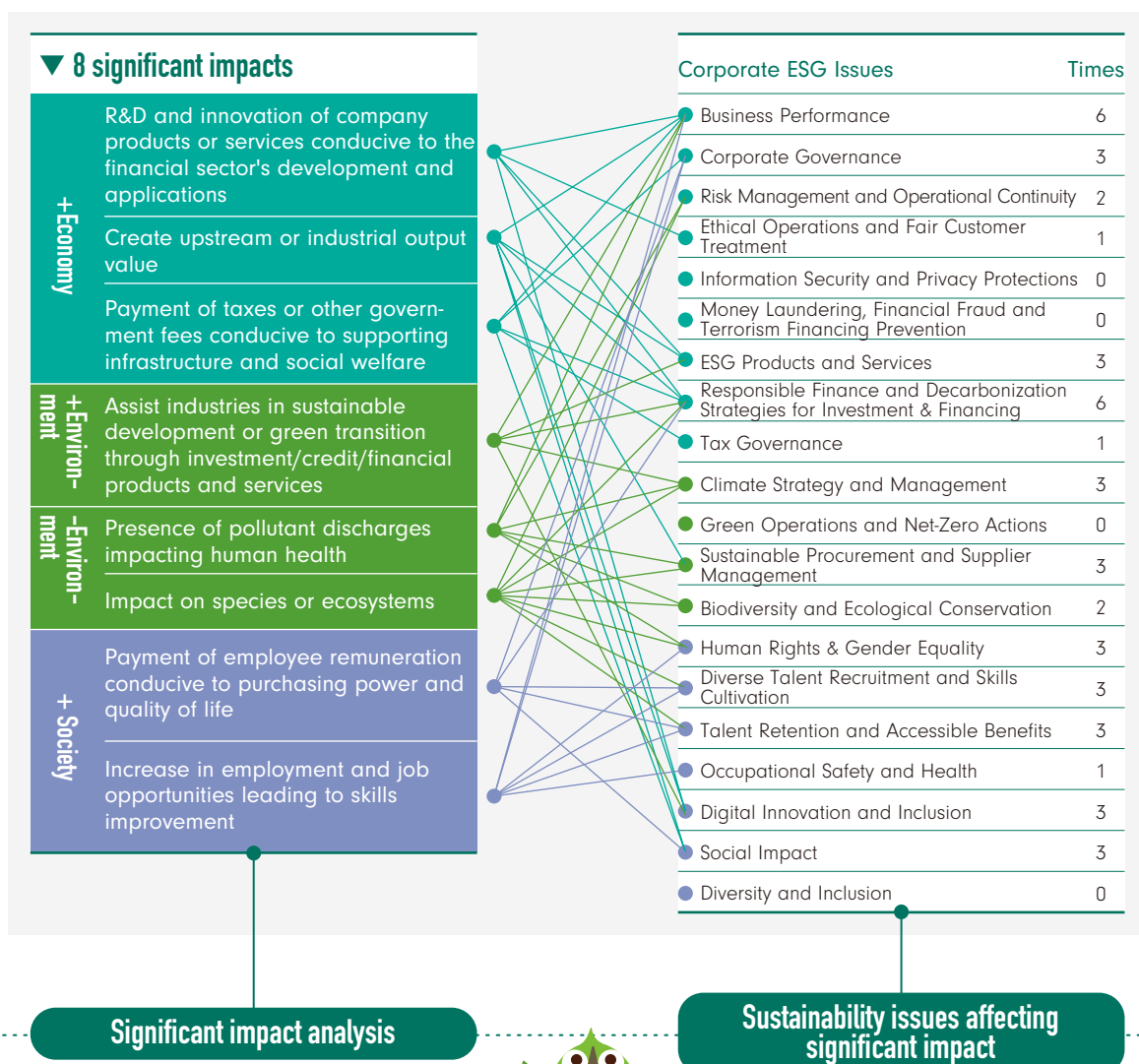
As a cash flow provider for the industry chain, First Financial Holding is extremely concerned with the impact onto society and the environment. Our management thinking linked to financial performance can identify the positive/negative, potential/significant, and mid- and long-term impact of the Group's operations towards human life. To effectively identify its external impact on economy, environment and people/human rights, First Financial Holding has combined non-monetization and monetization analyses to gain insight into the status of its external impact.

© Impact assessment model – non-monetization approach

16 external impact factors relating to economy, environment and people/human rights were adopted through a survey. Taking into account their severity (including the level of impact, scope of impact and remediability) and probability of occurrence, we identified eight significant impact factors, after reaching a consensus through suggestions from external and internal experts and internal executive meetings.



These include: "positive economic aspect: R&D and innovation of company products or services conducive to the financial sector's development and applications"; "positive economic aspect: create upstream or industrial output value"; "positive economic aspect: payment of taxes or other government fees conducive to supporting infrastructure and social welfare"; "positive environmental aspect: assist industries in sustainable development or green transition through investment/credit/financial products and services"; "negative environmental aspect: presence of pollutant discharges impacting human health"; "negative environmental aspect: impact on species or ecosystems"; "positive people/human rights aspect: payment of employee remuneration conducive to purchasing power and quality of life"; and "positive people/human rights aspect: increase in employment and job opportunities leading to skills improvement". This indicates that the Group attaches great importance to the management of sustainability issues, including business performance, Responsible Finance and decarbonization strategies for investment & financing, diverse talent recruitment and skills cultivation, ESG products and services, climate and strategy management, and corporate governance.



◎ Impact assessment model – monetization approach

In 2024, First Financial Holding's value chain activities created a total of NT\$4.6 trillion in positive impact, while bringing about NT\$59.5 billion in negative impact. In particular, more than 96% of the impact came from downstream investment and financing operations, suggesting the importance of the financial sector in driving the transition to industrial sustainability. Through investment and financing operations, First Financial Holding drove industry chains to create NT\$4 trillion in output value, creating 750,000 job opportunities and NT\$352.1 billion in salary income. However, natural resources consumed and environmental pollution produced in the industrial supply and demand process also derived NT\$59.3 billion in social cost. In terms of positive impacts, our investments boosted industrial output, created job opportunities

Cause of the Impact	Management of ESG Issues	Output Metric	Impact Item
Supply chain	Sustainable procurement and supply chain management	Procurement demand drives industrial supply and demand relationships	Social Externality - Increasing the supply chain's output value
		Employment opportunities in the supply chain created by procurement needs	Social Externality - Employment income of employees in the supply chain
		GHG emissions derived from the supply chain	Environmental Externality - GHG emissions of the supply chain
		Air pollution derived from the supply chain	Environmental Externality - Air pollutant emissions of the supply chain
Company Operations	Business Performance	Net profit after tax	Gross value added (GVA) - Net profit after tax
		Interest	Gross value added (GVA) - Interest
		Leasing	Gross value added (GVA) - Leasing
		Depreciation and amortization	Gross value added (GVA) - Depreciation and amortization
	Tax Governance	Paying tax	Gross value added (GVA) - Paying tax
	Talent retention and accessible benefits	Employee compensation	Gross value added (GVA) - Employee compensation
	Climate and strategy management	GHG emissions from energy usage	Environmental Externality - GHG emissions
		Use renewable energies to prevent GHG emissions	
		Water consumption leads to water scarcity	Environmental Externality - Water usage
		Gasoline and diesel consumption causes air pollution	Environmental Externality - Air pollutant emissions
		Environmental impact of waste disposal processes	Environmental Externality - Waste
	Occupational safety and health	Occupational disasters involving employees	Social Externality - Employee occupational disasters
		Number of people at risk of cardiovascular diseases	Social Externality - Employee health risks
		Number of people with improved health management	Social Externality - Employee health management
	Diverse talent recruitment and skills cultivation	Training to acquire skills and income growth	Social Externality - Future revenue of employees
	Social impact	Resources and expenses invested in social inclusion	Social Externality - Social investment value
Products and Service	Responsible Finance and decarbonization strategies for investment & financing	Investment and financing boost supply and demand relationship in the industry chain	Social Externality - Increase the industry chain's output value
		Investment and financing create employment opportunities in the industry chain	Social Externality - Employment income of employees in the industry chain
		Industry chain GHG emissions derived from investment and financing	Environmental Externality - Industry chain GHG emissions
		Industry chain's air pollutant emissions derived from investment and financing	Environmental Externality - Industry chain air pollutant emissions
		Renewable energy investments prevent GHG emissions	Environmental Externality - Green finance benefits

*1 : Added value income includes net profit after tax (shareholders/investors), interest (customers), leasing (suppliers), compensation (employees), depreciation and amortization (suppliers), and taxes (society), which directly generate financial benefits for stakeholders. The methodology references VBA (2022).

*2 : Externality refers to the positive or negative impacts on human well-being resulting from the interactions between FFHC's operational activities and various types of capital. These impacts do not directly generate benefits or costs for the company. Environmental externalities consider the carbon social cost, human health loss costs, and ecosystem damage resulting from greenhouse gases, air pollution, waste, and water resource consumption. Social externalities consider the employment impact on employees and society brought by issues such as salary quality, career development, equal opportunities, health, and well-being.

*3 : In view of the differences in economic performances among various nations, valuation coefficients were adjusted to align with the gross national income (GNI) measured from the purchasing power parity (PPP) of various areas. Factors such as inflation and currency exchange rates were also taken into account, as the temporal boundary was aligned with the monetary value benchmark in 2017. OECD (2012) and PwC UK (2015) were referenced for methodology.

and salaries, after-tax net profit, interest, and employee compensation, which are considered high-impact items. Among negative impacts, high-impact items were mainly pollutant emissions caused by investments and credit. From these significant high-impact items, we can define that Responsible Finance and decarbonization strategies for investment & financing, business performance and talent retention & accessible benefits are ESG issues with relatively higher impact. In order to mitigate negative impact, First Financial Holding is dedicated to utilizing financial influence and core functions to expand the effect of sustainable investments and financing to more effectively allocate resources, support industry transitions towards sustainable development, and share sustainable values with stakeholders.

	Type of Impact	Monetary (KNTD)			Impact Rating	Impact Stakeholders
		2022	2023	2024		
	● Positive (+)	5,819,928	4,586,704	5,287,362	●●●●●○○○	Society
	● Positive (+)	466,903	453,152	409,964	●●●●○○○○	External Employees
	● Negative (-)	32,378	25,237	36,675	●●●○○○○○	Environment
	● Negative (-)	28,666	18,385	37,075	●●●○○○○○	Environment
	● Positive(+)	20,595,663	22,461,001	25,359,450	●●●●●○○○	Shareholders/investors
	● Positive (+)	28,085,214	71,501,734	86,193,831	●●●●●○○○	Customers
	● Positive (+)	165,455	906,128	938,653	●●●●○○○○	Suppliers
	● Positive (+)	2,243,880	2,316,507	2,408,334	●●●●○○○○	Suppliers
	● Positive (+)	6,127,440	8,787,445	9,327,918	●●●●○○○○	Society
	● Positive (+)	17,575,865	18,465,190	19,786,629	●●●●●○○○	Employees
	● Negative (-)	33,289	30,462	29,749	●●●○○○○○	Environment
	● Positive (+)	1,057	2,623	5,162	●○○○○○○○	Environment
	● Negative (-)	3	4	4	●○○○○○○○	Environment
	● Negative (-)	11,156	12,483	11,484	●●●○○○○○	Environment
	● Negative (-)	634	728	1,294	●●○○○○○○	Environment
	● Negative (-)	2,616	1,470	1,497	●●○○○○○○	Employees and society
	● Negative (-)	5,939	1,760	1,029	●●○○○○○○	Employees and society
	● Positive (+)	7,305	6,824	6,366	●○○○○○○○	Employees and society
	● Positive (+)	89,746	69,898	79,148	●●●●○○○○	Employees and society
	● Positive (+)	96,388	112,032	134,712	●●●●○○○○	Society
	● Positive (+)	3,782,907,974	3,802,927,796	4,082,428,109	●●●●●●●●	Society
	● Positive (+)	287,707,522	282,678,640	352,124,125	●●●●●○○○	External employees
	● Negative (-)	26,113,286	26,723,443	30,319,757	●●●●●○○○	Environment
	● Negative (-)	25,947,707	26,382,169	29,023,359	●●●●●○○○	Environment
	● Positive (+)	441,519	309,022	3,007,027	●●●●○○○○	Environment

Level of Impact	Currency Value (NT\$ million)
●○○○○○○○	0~1
●●○○○○○○	1~10
●●●○○○○○	10~100
●●●●○○○○	100~1,000

Level of Impact	Currency Value (NT\$ million)
●●●●●○○○	1,000~10,000
●●●●●○○○	10,000~100,000
●●●●●○○○	100,000~1,000,000
●●●●●●●●	>1,000,000





Stakeholder Communication Channels and Results

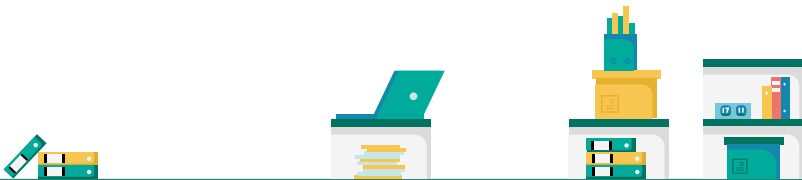


Stakeholder	Materiality	Communication channel and frequency
Employees 	<p>Employees are the company's most important asset, and are crucial to the company's competitiveness. The support of employees is critical to corporate sustainable development and the most important component in our promotion of sustainable developments.</p>	<ul style="list-style-type: none"> • Monthly/Quarterly: Employer-Employee Meeting, Employee Welfare Committee, Labor Safety and Health Committee, and Labor Pension Oversight Committee • Once a year: Employee commitment survey • At least once a year: Employee Savings and Stock Ownership Committee • Once every three years: Revise the collective bargaining agreement • Permanent: Employee and sexual harassment complaint hotlines, fax, email, internal company website employee opinion discussion forum, "Whistleblowing Section," "General Manager's Mailbox," and "Ideas Mailbox." • When necessary: First Commercial Bank e-Academy digital learning system; and business units' morning and evening meetings
Shareholders/ investors 	<p>To protect shareholder equity and to treat all shareholders equally, a corporate governance system has been set up so that shareholders enjoy the right to full information, participation, and decision-making on important company matters</p>	<ul style="list-style-type: none"> • Quarterly: Hosting of earnings calls targeting domestic investors • Monthly and quarterly: Announcements of business performance • Once a year: Convene shareholders' meetings and publish annual reports in Chinese and English, sustainability reports, and annual ESG credit rating meetings with rating agencies. Participate in international ESG evaluations such as DJSI, CDP, and water questionnaires. • Permanent: The Company's website has an Investor Services section with contact details for the spokesperson and the Investor Relations Department, including phone numbers and email addresses. The Sustainability Development section features a stakeholder survey form. Recordings of earnings calls are also published on the website for investors to view (retained for one year). • When necessary: Publication of corporate governance, earnings call presentations, financial information, annual reports, sustainability reports, and related investors affairs in both English and Chinese on the corporate website. Invited to participate in earnings calls organized by securities brokers to communicate with investors. Participate in domestic and foreign initiatives and organizations related to corporate governance.
Customers 	<p>By upholding the philosophy of "Customer Service Comes First," FFHC continues to provide customers with innovative products and quality services. We also ensure the transparency and security of products and service information to commit ourselves to improving customer satisfaction.</p>	<ul style="list-style-type: none"> • Permanent: All companies under the Group have set up their customer complaint channels (business units/customer service hotlines/emails, etc). Contact persons of various companies are listed on the official Group website, including their phone numbers, addresses and emails • Regularly: Announce the "Customer Data Confidentiality Measures" and "Customer Service Commitment" for account statements, latest financial information, and event announcements, and select service role models. • When necessary: Conduct customer satisfaction surveys via telephone questionnaires, email questionnaires, customer service hotlines, or outsourced services. Organize trust seminars for the elderly and disabled, financial investment seminars, industrial zone seminars, and ESG engagement meetings.



Material topics	Communication highlights and accomplishments
<ul style="list-style-type: none"> • Diverse talent recruitment and skills cultivation • Ethical Operations and Fair Customer Treatment • Business performance 	<ul style="list-style-type: none"> • In 2024, a total of 3,455 people passed English proficiency tests such as LTTC, IELTS, TOEFL, TOEIC, BULATS and GEPT. Moreover, 386 people passed Japanese, Spanish, Korean and German proficiency tests at institutions like JLPT and LTTC. • Selected for inclusion as a constituent stock of the "Taiwan Employment Creation 99 Index" for 15 straight years • Selected for inclusion as a constituent stock of the "Taiwan High Compensation 100 Index" for 11 straight years • Presented with the "Sustainable Pilot Enterprise in Healthy Workforce" award by the Occupational Safety and Health Administration, Ministry of Labor on two occasions. • Selected by the human resource magazine HR Asia as one of the "Best Companies to Work for In Asia"
<ul style="list-style-type: none"> • Business performance • Corporate governance • Risk management and operational continuity • Ethical Operations and Fair Customer Treatment • Information security and privacy protections • Responsible Finance and decarbonization strategies for investment & financing • ESG products and services • Climate strategy and management 	<ul style="list-style-type: none"> • Internal evaluation is conducted annually. Independent and professional external institutions are commissioned triennially to evaluate the performance of the Board of Directors (individual directors) and functional committees. The evaluation results are reported to the Board of Directors and disclosed on the company website before the end of the first quarter of the following year. • The subsidiary bank and securities company both made the "list of companies with better institutional investor stewardship disclosure" • Selected for inclusion as a constituent stock of the DJSI "World Index" for 7 straight years; selected for inclusion as a constituent stock of the "Emerging Markets Index" for 9 straight years • Selected as a member of the S&P Global Sustainable Yearbook for 8 times, and ranked in the top 5% of the global banking industry • First Financial Holding's TCFD report has been awarded "LEVEL -5+" - the highest level of certification - by the British Standards Institution (BSI) on four occasions. • Selected for inclusion as a constituent stock of the "FTSE4Good Emerging Index" for eight years in a row • Selected for inclusion as a constituent stock of the MSCI "ACWI Index" on three occasions, in addition to being named in the top AAA class in the bank category by ESG Ratings • Our operations have been rated as stable by credit rating companies such as Taiwan Ratings, S&P and Moody's. The Group boasts robust and advantageous market competitiveness, as well as a sound corporate governance paradigm. In the financial market, we have demonstrated stable corporate value, a dispersed client base, adequate financial structure and risk management, as well as outstanding asset quality. • We serve as a premium member of the Asian Corporate Governance Association (ACGA), as we study and analyze the latest corporate governance information and reports, and participate in ACGA events such as annual forums and seminars, as part of our efforts to align with international development trends in corporate governance. • Institutional investors' opinions and issues of concern are reported to the Board regularly to assist all directors, executives and independent directors in understanding the opinions of shareholders.
<ul style="list-style-type: none"> • Ethical Operations and Fair Customer Treatment • Information security and privacy protections • Responsible Finance and decarbonization strategies for investment & financing • ESG products and services • Risk management and operational continuity • Climate strategy and management • Business performance 	<ul style="list-style-type: none"> • First Commercial Bank and First Securities have both been ranked in the top 25% of the bank and securities industry in the "Second Sustainable Finance Evaluation" by the Financial Supervisory Commission • First Commercial Bank has been ranked in the "top 25% for fair customer treatment evaluation" for three straight years • First Life Insurance has been ranked in the "top 26%-50% for fair customer treatment evaluation" for two straight years • First Commercial Bank finished in the first place in the FSC's "Phase III Trust Industry Promotion of Trust 2.0 Program Evaluation" and "Trust Business Innovation Award", finished in the second place in group A of the "Eldercare Trust Award", in addition to awards such as "Trust Alliance Award" and "Special Award for Participating in the National Credit Guarantee Mechanism". From the MOEA, we have also been presented with the "Gold Quality Award for Credit Guarantee - Financial Institution Category", "Gold Quality Award for Credit Guarantee - Credit Manager with Outstanding Performance", "Green Credit Promotion Award", "Post-Pandemic Revitalization Award - Financial Institution Category", "Post-Pandemic Revitalization & Transition Award for Local Areas", "Enterprise Bailout Award", "Outstanding Performance in Collection for Credit Guarantee Fund Cases", and "Excellence Award for Total Financing Amount of Credit Guarantee Fund" among "financial institutions & credit managers with outstanding performance for SME credit guarantee fund". • First Securities won the TWSE's "Intermediary Institute" - "Working Together Award-Second Runner-up in Securities Underwriters", "March into the Future Award - Number 1 in IPO Fundraising" and "Innovation Promotion Award - Securities Underwriters", and was chosen as an outstanding institution in the securities group for bonus point tallying and intelligence sharing in 2023 by the Financial Information Sharing and Analysis Center (FISAC). • FSITC has been presented with the "Best S&F Paper Award-Excellence Award for Innovative Practice" by the FSC • First Life Insurance has won the "Insurance Sector Driving Various Operations to Align with Government Policies" - "Six Cores & Public Works Investment Competition - Project Investment Category" award from the FSC. It has also been named as a company with outstanding performance in "improving insurance protection packages for Taiwanese" for 29 times in a row. • We have ranked first among all banks in terms of our market share of SME loans for 15 straight years • We continue to promote the "Sustainability Linked Loan Program", providing preferential interest rates to companies with improved environmental performance indexes. In 2024, 263 customers were granted loans totaling NT\$696.4 billion.



Stakeholder	Materiality	Communication channel and frequency
Suppliers/ contractors 	<p>Suppliers are FFHC's green partners. The supplier management and ESG product review mechanisms are used to select qualified vendors who conform with the spirit of corporate sustainable development as long-term partners in implementing ESG together.</p>	<ul style="list-style-type: none"> • Permanent: Whistleblowing section • Regularly: If suppliers involve in environmental pollution, violation of labor laws and regulations, or threat to public interests, they will be required to give an explanation or be excluded as potential partners • Before launch: <ol style="list-style-type: none"> 1. Require companies that sell fund and insurance products through the First Bank to have compiled sustainability reports or issued a sustainable development commitment letter. 2. Review the ESG evaluation criteria of wealth management products through the ESG product review mechanism. The level of risk shall be classified based on the nature of these products before putting them on the market • When necessary: Organize supplier meetings, publish procurement information on the company website, and make bidding transparent
Governments /competent authorities 	<p>Government policies influence the direction of business operations. FFHC actively cooperates with government policies, complies with regulatory laws, and develops a sound business environment</p>	<ul style="list-style-type: none"> • Permanent: We continue to set up effective corporate governance structure and sound internal control, and has been chosen as a member of the FSC's "Coalition of Movers and Shakers on Sustainable Finance". Furthermore, we also serve as the convening party of the "Working Platform for Promoting Net Zero by the Financial Sector - Work Group for Domestic & Overseas Promotion". • When necessary: Participate in competent authority forums, seminars, public hearings, competitions, selection and evaluation mechanisms. Comply with relevant laws and policies of regulatory authorities, cooperate with their supervision and audits, and disclose operational information on the Market Observation Post System and the Company's website.
Media/ financial institutions 	<p>First Financial Holding would disclose ESG-related information to the media when necessary, as the media is one of the more important channels for us to communicate with other stakeholders.</p>	<ul style="list-style-type: none"> • Permanent: Establish a spokesperson and PR department for liaising purposes. • When necessary: Participate in various ratings/symposiums/seminars; host press briefings; and distribute press releases
Community/ non-profit organizations/ non-government organizations/ academics and experts 	<p>Communities form the foundations for our development. We actively participate in local community activities as part of our business operations and pay attention to how our operations affect the local community in order to build community rapport.</p>	<p>Organize green organic/tree planting/beach cleanup and mountain cleanup green volunteers events; host seminars such as financial mini academy/gender equality/green finance & environmental education courses/health and money management; participate in ESG-related societies or organizations; conduct energy conservation seminars and sustainable finance lectures; and issue public welfare/green credit cards</p>

	Material topics	Communication highlights and accomplishments
	<ul style="list-style-type: none"> • ESG products and services • Ethical Operations and Fair Customer Treatment 	<ul style="list-style-type: none"> • 100% of the onshore and offshore fund companies with products listed in the Group have signed the "Stewardship Principles" compliance statement and the "Principles for Responsible Investment (PRI)" respectively 
 	<ul style="list-style-type: none"> • Ethical Operations and Fair Customer Treatment • Corporate governance • Risk management and operational continuity • Information security and privacy protections • ESG products and services • Responsible Finance and decarbonization strategies for investment & financing • Climate strategy and management 	<ul style="list-style-type: none"> • Rated as a "top 5% listed company" in the Corporate Governance Evaluation of the Taiwan Stock Exchange Corporation for the tenth time; selected for inclusion as a constituent stock of the "TWSE Corporate Governance 100 Index" for 10 straight years; and selected for inclusion as a constituent stock of the "FTSE4Good TIP Taiwan ESG Index" for eight straight years • Conducted seminars and exchanges with related international sustainable finance institutions or peers in the financial sector; put forth related suggestions; and offered suggestions to improve companies' and people's understanding about sustainable finance. • First Commercial Bank has been presented with the "National Sustainable Development Awards (corporations)" by the National Council for Sustainable Development, Executive Yuan • At the Sixth "National Enterprise Environmental Protection Award", First Commercial Bank was presented with the highest accolade - the Gold Award - by the Ministry of Environment, and the Bank's 201 business locations have also won the "green office certification" from the Ministry of Environment. • Thanks to its ESG Podcast "Chat About New Stuff with First Bank", "Always with You" brand image commercial, accessible family, sports trailblazer, First Financial Smart Map Platform, automated platform for corporate cash flow, project to introduce the NPS digital platform, iLEO e-banking, and diverse social platforms, First Commercial Bank won the "21st National Brand Yushan Award" - "Most Popular Brand Category" and "Best Product Category". In particular, the Bank's diverse social platforms and smart map platform also won the distinction of "Top National Award". Moreover, First Securities also won the "Outstanding Enterprise Award", and won the "Best Product Award" and "Most Popular Brand Award" for its "ESG Intelligent Sustainability Indicator Data Platform" and "Investment & Stock Portfolio Diagnosticians". First Life Insurance also won a total of 16 awards with its "My Own U.S. Dollar Variable Universal Life Insurance" policy, including the "Best Product Award". • First Commercial Bank donated NT\$1.47 million in rebate, or 1% of the total amount of transactions made with the Glory + World Card. Through the Ministry of Education's "School Education Savings Account", the fund benefited 1,324 financially disadvantaged students. The Bank donated NT\$7.68 million, or 3% of the total amount of transactions made with the Taoyuan Citizen Card, to the Taoyuan City Government to help promote the smart city initiative. The Bank donated NT\$2.99 million, or 3‰ of the total amount of transactions made with the Yilan Affinity Card, to the Yilan County Government to assist the county's public welfare, tree planting and tree protection campaigns. • Report the business overview to the competent authorities every quarter to help the government keep track of the overall financial environment
	<ul style="list-style-type: none"> • Business performance • Ethical Operations and Fair Customer Treatment • Information security and privacy protections • Corporate governance • ESG products and services 	<ul style="list-style-type: none"> • First Commercial Bank won Business Today's "Assessments on Wealth Management Banks & Securities Companies" - first place finish in the "Best Fair Customer Treatment Award", second place in the "Best Wealth Management Consultant Team Award", second place in the "Best Product Award", second place in the "Best Elderly-Friendly Award", and third place in the "Best Risk Control Award" • Interact with the media actively to present our ESG performance. • The expert team provides daily updates on market conditions and financial products to help the public keep track of the financial market.
	<ul style="list-style-type: none"> • ESG products and services • Climate strategy and management 	<ul style="list-style-type: none"> • First Life Insurance donates NT\$100 to the Integrated Community Care Center of Xinyi District (Stone Soup) for every mortgage case, life insurance policy or long-term care insurance policy it sells. In 2024, a total of NT\$598,000 was donated. • First Commercial Bank donated NT\$9.97 million, or 6‰ of the total amount of transactions made with the Leezen Co-branded Credit Card, to "Tze-Xin Organic Agriculture Foundation" and "Bliss and Wisdom Foundation of Culture and Education", in an effort to commit itself to ecological conservation and life education while supporting organic farming and the practice of planting trees to safeguard our coastlines. • We assisted 18 junior high schools and elementary schools in far-flung rural areas of Hsinchu County, Nantou County and Pingtung County to install 6,873 sets of LED lamps, which are estimated to reduce nearly 690,000 kWh in electricity consumption and save around NT\$2.76 million in electricity bills, resulting in a reduction of 342 MT CO₂e. • We have held the "Plant Trees & Share Love" campaign for nine straight years, with a total of 13,936 trees having been planted for an annual carbon reduction of 33 MT CO₂e • We have held the "I Love the Beautiful Sea" beach cleanup campaign for eight straight years, and a total of 14,894 kilograms of trash, such as driftwood and fishery & general waste, has been collected. • For 3 straight years, we have taken part in the "Foster Land to Keep the Air Clean for Taiwan", a public welfare action plan aimed at stopping rice straw burning. We have adopted 100 hectares of land in Hualien, and expect to reduce around 900 MT CO₂ every year to help solve the air pollution problem.

Sustainable Development Goals & Enterprise Risk Management (ERM)

Material Topics and GRI Specific Topics	Policies/Commitments	Description of Impact	Action	Responsible Unit
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Business performance

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

GRI 2-28 : Membership of guilds/associations



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

Actual negative impact

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

Realistic positive impact

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

Potential positive impact

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

Mitigating measures

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

Corporate Governance Task Force

Responsible banking and decarbonization strategies for investment & financing

GRI industrial disclosure index for the financial services industry : Product portfolio

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

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



- Formulate sustainable credit, sustainable investment and sustainable insurance policies to incorporate ESG review factors into core business operations, including investment, financing, underwriting and insurance; encourage customers to faithfully live up to the ESG sustainability spirit, in hopes of achieving the goal of co-existence and co-prosperity between enterprises and ecology.
- Continue to refine the verification mechanism of ESG factors with respect to product review
- Faithfully fulfill an asset manager's heedful and fiduciary duties

Potential negative impact

- As domestic and foreign competent authorities and financial rating agencies continue to pay increasing attention to ESG issues, financial institutions risk losing the recognition of competent authorities, markets and investors if they fail to establish a comprehensive and consistent ESG review mechanism. As a result, their overall operational risks may increase.
- Currently, there have been no consistent review criteria with respect to ESG factors on the market. Therefore, financial institutions find it difficult to quantify enterprises' ESG implementations, which may not be conducive to objectively judging enterprises' potential ESG risks.

Potential positive impact

- Through a rigorous and optimized ESG review mechanism, we can actually stay on top of the ESG implementation status of our borrowers, invested companies and available products, which could significantly reduce the negative impact of our investment/financing operations and available products on environment, economy and society. Additionally, it also helps to maintain the Group's asset quality while elevating our corporate image.

Preventive measures

- Enhance the assessment of ESG risks in investment and financing, including the risks associated with climate change transition. Incorporate carbon-related indicators into the industry-specific limit adjustment factors, and gradually reduce the investment and financing limits for highly polluting (carbon-emitting) industries.

Management measures

- Engaged investment/financing targets actively and provide funds to help companies with the transition to sustainability; formulated short-term carbon reduction goals in accordance with SBTi approaches, which were reviewed and approved in 2024 as the basis for execution.
- Reference international ESG standards and comply with the FSC's "reference guidelines for the recognition of sustainable economic activities" to refine the verification mechanism of ESG factors for the Group's investment, financing and the product review process; and engage enterprises to standardize the process.
- Align with the Taskforce on Nature-related Financial Disclosures (TNFD) to conduct materiality analysis on the reliance of our own business locations, suppliers and investment/financing targets on nature and biodiversity as well as the associated impact, in an attempt to reduce nature-related risks and divert funds to cases that benefit nature.

Responsible Finance Task Force

	Degree of Risk Impact Frequency of Risk Occurrence	Key Performance Indicator (KPI)	2024 Goals	Progress	2025 Goals	Medium/ Long-Term Goals (2026-2030)	Value Chain Stage and Relations						
							Procurement/Suppliers	Frontend Financial Services for Customers *1	Financial Transactions *2	Backend Financial Services for Customers *3 Old Assets*4			
GRI 201-1 : Direct economic value generated and distributed by the organization													
	2 points	5 points	KPI 1: Net profit after tax (NT\$100 million)				236.92	253.59	260.40	The annual growth rate of after-tax net profits is not lower than the actual average growth rate of the domestic financial and insurance industry in the past three years.			
			KPI 2: The ratio of non-banking subsidiaries' profits (%)	10	8.8	10	The ratio of non-banking profits continues to increase						
FS3 : The process of overseeing whether a client has executed and complied with the environmental and social policies required by agreements or transactions SASB : FN-CB-410a.2													
	3 points	4 points	KPI 1: Implement investment/financing engagements based on the financial carbon emissions verification results of our investment/financing positions	Conduct engagements with (34) companies that account for more than half of the financial carbon emissions of the Group's investment/financing positions, in an attempt to prompt them to formulate 2050 net-zero goals	100%	Target more than half of the companies among the Group's investment/financing targets that ranked in the top 60% for the financial carbon emissions of our positions in the previous year for investment/financing engagements, and prompt them to formulate net-zero goals	Target more than half of the companies among the Group's domestic investment/financing targets that rank in the top 60% for the financial carbon emissions of our positions for engagements, and prompt them to formulate net-zero goals						
		KPI 2: Vet cases with relatively higher risks for environment and society in accordance with the Equator Principles; seek independent third-party risk assessment reports; and incorporate them into overall credit risk considerations associated with a case	100%	100%	Create an independent internal verification system based on the Equator Principles; and examine if the vetting and implementation process of the Equator Principles is in compliance	Complete the first independent verification of the Equator Principles by 2026; conduct an independent verification; and disclose the verification results once every three years thereafter; Moreover, continue to follow up on the official guidance of the Equator Principles to ensure that our credit process is consistent with guidelines of the Equator Principles							
		KPI 3: Percentage of onshore and offshore investment trust companies that have products listed for sale with First Bank and have signed the "Stewardship Principles for Institutional Investors" and "Principles of Responsible Investment" compliance statements, respectively	100	100%	100	100							

Material Topics and GRI Specific Topics	Policies/ Commitments	Description of Impact	Action	Responsible Unit
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Corporate governance

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

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



The Board of Directors and the management level seek to achieve our operating objectives in a way that is consistent with the best interest of the Company and its shareholders, as we seek to enhance our corporate governance, operations and transparency, and increase the long-term corporate value and competitiveness, in order to promote social welfare for the general public.

Potential negative impact

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

Potential positive impact

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

Preventive measures

- Carry out the diversification of Board members & their independence.
- Continue to evaluate the performance of the Board of Directors (including Functional Committees) and disclose related information; enhance the job functions of the Board of Directors and Functional Committees; and increase the objectiveness of Board performance evaluation and information transparency.
- Prepare sustainability reports in both Chinese and English in accordance with the universal standards, sector standards, topic-specific standards and sustainability accounting standards (SASB) published by the Global Reporting Initiative (GRI), and obtain assurance or guarantee from a third party, in order to improve the quality of ESG information.
- Disclose sustainability information related to S1 and S2 in the 2026 annual report in accordance with the introduction timeline of the IFRS Sustainability Disclosure Standards.
- Conduct subsidiaries' comprehensive ESG performance assessments to deepen implementation and execution of the Group's ESG policies while ensuring that annual ESG targets are met.

Corporate Governance Task Force

Risk management and operational continuity

GRI 2-27 : Compliance
 GRI 205-1 : Business locations assessed for corruption-related risks



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

Potential negative impact

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

Realistic positive impact

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

Potential positive impact

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

Management measures

- Assess the execution of the compliance system at the Group's various companies; and connect assessment results with performance assessment to improve the effectiveness of executing the compliance system.
- Establish horizontal communication mechanisms for the second and third lines of defense to strengthen legal compliance, internal control, and internal audit synergy.

Preventive measures

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

Corporate Governance Task Force and Responsible Finance Task Force

Frequency of Risk Occurrence	Degree of Risk Impact	Key Performance Indicator (KPI)	2024 Goals	Progress	2025 Goals	Medium/ Long-Term Goals (2026-2030)	Value Chain Stage and Relations				
							Procurement/Suppliers	Front-end Financial Services for Customers *1	Financial Transactions *2	Backend Financial Services for Customers *3	Old Assets *4

GRI 2-21 : Ratio of total annual remuneration

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

GRI 404-3 : Percentage of employees receiving regular performance and career development reviews

GRI 405-1 : Diversity of governing bodies and employees

1 points	4 points	KPI 1: Evaluation of board performance	Average score > 4 points	100%	Average score > 4 points	Commission a professional and independent external organization to conduct performance evaluation on the Board of Directors and Functional Committee at least once every three years				
		KPI 2: Actual attendance rate of all/individual directors (%)	All 85 Individual 80	100%	All 85 Individual 80	All 85 Individual 80				
		KPI 3: Diversification of Board members & their independence	The number of board seats for any gender directors reaches at least 1/3 (5 seats)	100%	The number of board seats for any gender directors reaches at least 1/3 (5 seats)	When appointing new members to the Board of Directors of a subsidiary company, we plan to make sure that the numbers of female directors and supervisors make up for more than one fifth of the seats				
		KPI 4: Quality of information in the sustainability report	<div>Preparation Standard</div> <div>Assurance Standard</div> <div>New version of GRI standards (2021)</div> <div>SASB guidelines for two industries</div>	<div>100%</div> <div>AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level</div> <div>ISAE 3000 assurance standards</div>	<div>Preparation Standard</div> <div>Assurance Standard</div> <div>New version of GRI standards (2021)</div> <div>SASB guidelines for two industries</div>	<div>100%</div> <div>AA1000TYPE2 Assurance Standard Application Type 2 High Assurance Level</div> <div>ISAE 3000 assurance standards</div>	Sustainability information to be disclosed in the 2026 annual report in accordance with the implementation timeline of the IFRS Sustainability Disclosure Standards			

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

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

2 points	5 points	KPI 1: Financial holding's double leverage ratio (DLR) Group's capital adequacy ratio (Group CAR) (%)	< 115	111.97	< 114.02	< 120				
			> 120	126.05	> 120	≥ 110				
		KPI 2: First Bank's capital adequacy ratio (CAR) and ratio of Tier 1 capital (%)	CAR > 14.10 Tier1 > 12.10	CAR : 14.45 Tier1 : 12.29	CAR > 14.50 Tier1 > 12.50	With effect from the end of 2026, CAR, Tier 1, common equity Tier 1 ratio and leverage ratio continue to reach 14.50%, 12.50%, 11% and 3%, respectively				
		KPI 3: First Bank's common equity Tier 1 ratio and leverage ratio (%)	Common equity Tier 1 ratio > 10.60 Leverage ratio > 5	Common equity Tier 1 ratio: 10.75 Leverage ratio: 6.11	Common equity Tier 1 ratio > 11 Leverage ratio > 3					
		KPI 4: Enhance the synergy between compliance and internal control/audit.	Hold the "Seminar on Review of the Discrepancies in the Group's Internal Control System and Legal Compliance Enhancement Measures" every six months.	100%	Continuous processing	Continue to enhance the synergy between compliance and internal control/audit				

Material Topics and GRI Specific Topics	Policies/ Commitments	Description of Impact	Action	Responsible Unit
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ESG products and services

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

GRI 203-1 : Investment in infrastructure & development of and impact on support services

GRI industrial disclosure index for the financial services industry : Product portfolio

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

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

FS3 : The process of overseeing whether a client has executed and complied with the environmental and social policies required by agreements or transactions

FS7 : The monetary value of products and services designed to create social benefits by various business operations is categorized in accordance with their purposes



Combine core operations with sustainable development goals by referencing international initiatives and by operating around the main spirit of "Work Hand in Hand to March Toward Sustainability and Innovation"; realistically play the role of a financial broker and guide the flow of funds toward projects related to sustainable development; strive to provide ESG products and services that meet competent authorities' standards in various counties; and guide companies to embark on the journey of sustainable operation.

Potential negative impact

- Demand for sustainable financial products and services have doubled in recent years. However, as related review and regulatory mechanisms are not perfected, the Company may struggle to meet customers' needs as a result of obscure positioning, if it fails to specifically quantify the benefits of its products and services for environment and society. Furthermore, it may risk losing business opportunities while being criticized as trying to "green-bleach" its reputation with no actual actions to back it up.

Potential positive impact

- Work with the government to push forward the "Loans for Six Core Strategic Industries" project to promote economic development while seeking sustainable business opportunities and profitable opportunities from related industries.

Realistic positive impact

- In response to demands associated with population aging and government review mechanisms, the provision of diverse and inclusive financing products and services could enhance protection of senior and underprivileged customers, in addition to improving corporate image and expanding diverse business opportunities for sales.
- As the government is pushing for urban renewal and reconstruction of unsafe and old buildings, such products and services could not only expand the Group's financing operations, but also integrate construction management and trust services to create safe and environment-friendly residences for consumers. As a result, a win-win situation could be achieved among environment, residents and the Group.

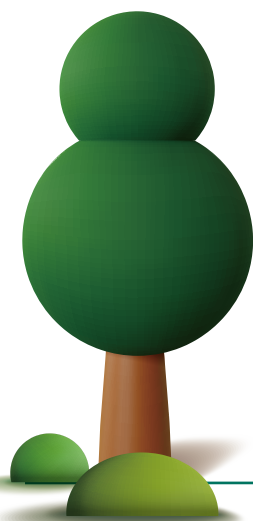
Preventive measures

- Strengthen the main development theme of ESG operations; improve the overall ESG investment/financing and the share of its products; expand the concept of sustainable development to overseas operations; and strive to help industries with sustainable transformation using our financial and brokerage influence.

Management measures

- Focus on the "six core strategic industries"; promote project financing with credit extension interconnected with renewable energy, green enterprises and sustainable performance; issue green and sustainable development bonds; and continue to direct funds toward environment- and society-friendly projects.
- Continue to promote diverse and inclusive financing products catering to demographic groups such as seniors and persons with disabilities; value financially underprivileged people's rights to access equal financial services; and create a friendly financial environment.

Sustainable Financial Products and Services Task Force



Frequency of Risk Occurrence	Degree of Risk Impact	Key Performance Indicator (KPI)	2024 Goals	Progress	2025 Goals	Medium/Long-Term Goals (2026-2030)	Value Chain Stage and Relations			
							Procurement/Suppliers	Frontend Financial Services for Customers	Financial Transactions	Backend Financial Services for Customers

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

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

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

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

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

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

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



3 points

3 points

KPI 1: Number of new financing projects for urban renewal and the reconstruction of dangerous and old buildings (cases)	12	533%	12	50 in total
KPI 2: Green financing (including green industry, green enterprise and green building) loan balance (NT\$100 million)	1,200	101%	775 (The target amount has been adjusted to align with the Join Credit Information Center's revised green credit approval principles and standards)	With effect from 2026, an increase of 30 from the previous year is required until it reaches 925 in 2030
KPI 3: New volume of "Green Consumption Loans" (NT\$100 million)	55	429%	70	200 in total
KPI 4: Number of micro-insurance policies provided for the economically disadvantaged to gain basic coverage (cases)	200	153%	250	2,450 cumulatively by 2030
KPI 5: Number of new loan accounts of Comfort Loan (households)	160	134%	160	800 in total



Material Topics and GRI Specific Topics	Policies/ Commitments	Description of Impact	Action	Responsible Unit
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Information security and privacy protections

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

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



- Increase the effectiveness of information security monitoring and take advantage of the synergy of joint defense of information security through the analysis and sharing of information security events, monitoring and joint defense of financial information security, promotion of financial information security configuration, and collaboration with new AI technology
- Implement the Group's "Information Management & Information Security Policy" and "Personal Information Protection Policy"; and obtain related ISO management system certifications.

Potential negative impact

- As the demand for digital finance spikes, financial crimes and incidents of hacker attacks occur more frequently. If our employees' information security awareness and software's and hardware equipment's information security safeguard are insufficient, the overall operational risk may rise significantly.
- The Financial Supervisory Commission has adopted financial institutions' information security practices as a factor for accruing deposit insurance and insurance guarantee fund rates, as well as for approving or rejecting their application for related operations. Lacking the ability to safeguard information security would greatly affect our future operational capabilities and profitability.
- As the awareness of personal data protection is on the rise and regulatory rules have become more stringent, failure to implement related measures may lead to penalties and damage the Company's reputation, which would further undermine customers' and investors' trust in the Company.

Potential positive impact

- As fintech thrives, enhancing personal information protection and management would protect company assets and reputation, safeguard customer rights, and increase customer satisfaction.
- Strengthening the resilience of information security and the stability of the core system while optimizing the backup mechanism would help boost competitiveness, increase customer trust and stickiness, and ensure continued and stable business development.

Preventive measures

- Conduct e-mail social engineering drills and tests as well as education training on personal data protection regularly to raise information security awareness, prevent personal data leaks, and enhance employee's professionalism.
- Continuing core system transformation and moving system architecture toward small cores with large peripherals would help the interface with external systems and development of open banking.
- Use the dual center network architecture to install server rooms and network environment for the new backup center; introduce new-generation data centers and software-defined networks; set up data centers featuring active-active operation; and ensure uninterrupted information service and operation.
- Construct key information security defense capabilities through containerized security defense, automated deployment of firewall regulations, optimized integration of code checks, and the expansion of the support platform for privileged accounts.

Management measures

- Continue to advance various information security practices in accordance with the Financial Supervisory Commission's "Financial Cyber Security Action Plan 2.0", including deepening the core system's data security and operational drills; in addition, related systems and operations must conform to ISO 27001 certification.
- Strengthen cloud information security protection, introduce network and endpoint security mechanisms, and integrate cloud-native security platforms to protect cloud systems and data.

Sustainable Financial Products and Services Task Force



Value Chain Stage and Relations	Old Assets*4	Back-end Financial Services for Customers*3	Financial Transactions*2	Frontend Financial Services for Customers*1	Procurement/Suppliers
Medium/ Long-Term Goals (2026-2030)					
2025 Goals					
Progress					
2024 Goals					
Key Performance Indicator (KPI)					
Degree of Risk Impact					
Frequency of Risk Occurrence					

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

4 points

5 points

KPI 1:
Version upgrade certification operation for the ISO 27001 Information Security Management System

Complete version upgrade certification for the information security management system based on the ISO 27001:2022 Information Security Management standards

100%

Continue re-certification operation for the information security management system based on the ISO 27001:2022 standards

Complete the expansion of the scope of certification for ISO 27001:2022 in 2026

KPI 2:
Email social engineering exercise (%)

Company	Successful phishing targets
Bank	<0.1
Securities	<1.4
Securities Investment Trust	<1.4
Life Insurance	<1.2
AMC	<2.5
Management Consulting	<1.8

100%

Company	Successful phishing targets
Bank	<0.1
Securities	<1.2
Securities Investment Trust	<1.2
Life Insurance	<1
AMC	<2.4
Management Consulting	<1.8

Company	Successful phishing targets through 2030
Bank	<0.1
Securities	<1
Securities Investment Trust	<1
Life Insurance	<1
AMC	<1.6
Management Consulting	<1.8

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

Company	Goals
Bank	≤1
Securities	≤1
Securities Investment Trust	≤2
Life Insurance	≤2

100%

Company	Goals
Bank	≤1
Securities	≤1
Securities Investment Trust	≤2
Life Insurance	≤2

Company	Goals
Bank	≤1
Securities	≤1
Securities Investment Trust	≤2
Life Insurance	≤2

KPI 4:
Training completion rate of the "Personal Data Protection Act" training program (%)

100

100%

100

100



Material Topics and GRI Specific Topics	Policies/ Commitments	Description of Impact	Action	Responsible Unit
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Ethical operations and fair treatment of customers

GRI 2-25 : Procedures for remedying negative impact

GRI 2-26 : Mechanism of soliciting suggestions & raising concerns

GRI 205-2 : Communications and training pertaining to anti-corruption policies and procedures

GRI 205-3 : Confirmed incidents of corruption and actions taken

GRI 417-1 : Requirements for product and service information and labeling

GRI 417-2 : Incidents of non-compliance concerning product and service information and labeling

GRI 417-3 : Incidents of non-compliance concerning marketing communications



- Corporate management focuses on integrity which is implemented in operations and management and compliance to prevent employee fraud, penalties, and damage to business reputation and customer trust in the brand.
- Implement the culture of treating customers fairly; refine friendly financial services; treat seniors and underprivileged customers fairly; prevent financial exploitations; and improve service quality.

Potential negative impact

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

Realistic positive impact

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

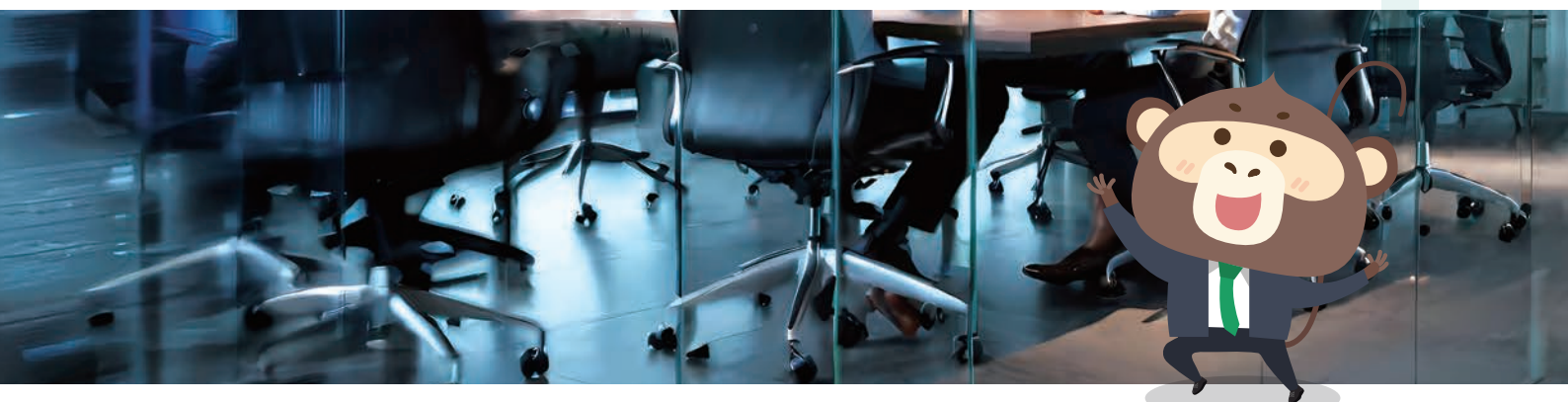
Management measures

- Revise regulations such as the "Strategy for Fair Customer Treatment", aspects that should be taken into account for implementing accessibility service measures, education training related to financial accessibility that should be conducted on directors, responsible persons, senior management personnel, branch executives and front desk staff, and incentive measures for branches with outstanding performance.
- Formulate notice items for banks when a party in commercial marketing exercises his right to refusal; and establish a supervisory mechanism for handling cases pertaining to major customer complaints and material financial consumer dispute.
- Follow up on the implementation status of service measures for fair customer treatment of senior customers on a quarterly basis; and submit the status to the committee in charge of promoting fair customer treatment.

Preventive measures

- The Board of Directors has instructed subsidiary companies to strengthen their KYC operation and countermeasures against financial exploitations, follow through on the control operation process, and prevent the occurrence of fraud.

Corporate Governance Task Force and Sustainable Financial Products and Services Task Force



Value Chain Stage and Relations	Old Assets*4	Backend Financial Services for Customers*3	Financial Transactions*2	Frontend Financial Services for Customers*1	Procurement/Suppliers
Medium/ Long-Term Goals (2026-2030)					
2025 Goals					
Progress					
2024 Goals					
Key Performance Indicator (KPI)					
Degree of Risk Impact					
Frequency of Risk Occurrence					

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

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

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

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

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

FN-CF-270a.4 、 FN-CF-270a.5

2 points

4 points

KPI 1:

Signature rate of the Employee Code of Conduct in domestic and overseas business locations (%)

100

100%

100

100

KPI 2:

Completion rate of ethical management training (%)

100

100%

100

100

KPI 3:

Customer satisfaction questionnaire (%)

Company	Goals
Bank	87.2
Securities	85.6
Securities Investment Trust	96.5
Life Insurance	79

Company	Satisfaction Rate
Bank	91.21
Securities	85.67
Securities Investment Trust	97.81
Life Insurance	83.68

Company	Goals
Bank	87.4
Securities	85.61
Securities Investment Trust	96.5
Life Insurance	80

Company	2030 Goals
Bank	88.4
Securities	86.21
Securities Investment Trust	97
Life Insurance	83



Material Topics and GRI Specific Topics	Policies/ Commitments	Description of Impact	Action	Responsible Unit
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Climate strategy and management

GRI 201-2 : Financial implications and other risks and opportunities as a result of climate change

GRI 203-1 : Investment in infrastructure & development of and impact on support services

GRI 203-2 : Notable indirect economic impact



Formulate governance structures, strategies, risk management procedures, management indexes and goals in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) architecture published by the Financial Stability Board, as well as financial disclosure guidelines on climate-related risks from regulators, in an effort to improve operational resilience in the face of climate risks.

Potential negative impact

- As domestic and overseas industrial supply chains have progressively established their action plans for carbon emissions reduction or collected carbon taxes (for example, the EU will enforce the "Carbon Border Adjustment Mechanism" in 2026), related industries may be confronted with operational impact or transition risk, which could indirectly impact the Group's credibility and increase operational risks.
- Direct or indirect impact caused by extreme climate, such as floods, wind disasters, extreme rainfall, droughts and water shortage could affect corporate operations and lead to financial losses, which would further affect the Group's asset quality.

Potential positive impact

- Quantifying financial impact caused by climate risks through complying with the TCFD framework is conducive to strengthening resilience and risk responsiveness for the Group's core operations.
- Comply with guidelines of the Equator Principles to implement due diligence credit extension and establish a customer engagement mechanism; share the circular economy concept or provide discounted loan interest rates to guide customers toward transition; and provide products and services with low environmental impact.

Preventive measures

- Produced reports in accordance with the TCFD framework and obtained Level 5+ certification from the British Standards Institution (BSI) for four consecutive years.
- Joined the PCAF and SBTi initiatives; adopted PCAF's suggested methodology to verify financial carbon emissions from scope-3 investment and financing; formulated short-, mid- and long-term carbon reduction targets for major investment/financing operations based on the verification results, which were officially reviewed and approved by the SBTi in June 2024; moreover, they have been enforced accordingly.

Mitigating measures

- The "Sustainable Lending Policy" was amended to expand the scope for excluding new undertaking of coal and unconventional oil & gas operations, lower the threshold of revenue shares, and prepare additional countermeasures when existing lending cases mature, in an attempt to gradually phase out financing for related sectors and enhance our climate risk governance.
- Progressively reduce the cap on the share of investment in or financing for high-pollution (energy consumption) industries.

Responsible Finance Task Force



Frequency of Risk Occurrence	Degree of Risk Impact	Key Performance Indicator (KPI)	2024 Goals	Progress	2025 Goals	Medium/Long-Term Goals (2026-2030)	Value Chain Stage and Relations			
							Procurement/Suppliers	Frontend Financial Services for Customers	Financial Transactions	Back-end Financial Services for Customers
										Old Assets

GRI disclosure index for the financial services industry : Product portfolio

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

4 points	4 points	KPI 1: CDP climate change questionnaire	Coordinate information from various companies within the Group to fill out and submit the CDP climate change questionnaire	100%	Continuous processing	Continuous processing																													
		KPI 2: Introduce science-based targets (SBT) for carbon reduction	Consolidate and revise SBT decarbonization targets; submit them to SBTi for review; and go about subsequent procedures in accordance with its guidelines	Our near-term targets were approved by the SBTi at the end of June 2024, and have been publicly disclosed.	ormulate the Group's decarbonization pathway based on suggestions from the subsidiary bank's SBT project consultant; consolidate them with the subsidiary's SBT decarbonization results; and disclose them in the Group's TCFD report	To be conducted based on the Group's decarbonization pathway																													
		KPI 3: First Bank's credit caps for highly polluting (carbon-intensive) industries (%)	13	100%	13	Operations to be adjusted after consolidating with sector-specific quotas in the same year; examine the quotas' rationality regularly; and set an adjustment schedule based on business units' engagements for decarbonization targets																													
		KPI 4: Investment caps for highly polluting (carbon-intensive) industries (%)	<table><tr><th>Company</th><th>Investment caps</th></tr><tr><td>Bank</td><td>11</td></tr><tr><td>Securities</td><td>24</td></tr><tr><td>Life Insurance</td><td>11.5</td></tr><tr><td>Venture capital</td><td>9.5</td></tr></table>	Company	Investment caps	Bank	11	Securities	24	Life Insurance	11.5	Venture capital	9.5	100%	<table><tr><th>Company</th><th>Investment caps</th></tr><tr><td>Bank</td><td>10</td></tr><tr><td>Securities</td><td>21</td></tr><tr><td>Life Insurance</td><td>11</td></tr><tr><td>Venture capital</td><td>9.5</td></tr></table>	Company	Investment caps	Bank	10	Securities	21	Life Insurance	11	Venture capital	9.5	<table><tr><th>Company</th><th>Investment caps</th></tr><tr><td>Bank</td><td>2026.10</td></tr><tr><td>Securities</td><td>2027.15</td></tr><tr><td>Life Insurance</td><td>2030.10</td></tr><tr><td>Venture capital</td><td>2030.7</td></tr></table>	Company	Investment caps	Bank	2026.10	Securities	2027.15	Life Insurance	2030.10	Venture capital
Company	Investment caps																																		
Bank	11																																		
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Company	Investment caps																																		
Bank	2026.10																																		
Securities	2027.15																																		
Life Insurance	2030.10																																		
Venture capital	2030.7																																		



Material Topics and GRI Specific Topics	Policies/Commitments	Description of Impact	Action	Responsible Unit
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Diverse talent recruitment and skills cultivation

GRI 2-7 : Employees

GRI 2-8 : Non-employee workers

GRI 202-2 : Proportion of senior management hired from the local community

GRI 401-1 : Newly hired employees & departed employees



Recruit diverse talents in line with the Company's operational strategy and sustainable development goals; provide holistic education training on ESG and sustainable finance; improve employees' job skills and regularly subject them to performance and career development reviews; and enhance the diversity and inclusiveness of the labor force.

Potential negative impact

- Confronted with the fact that financial digital technologies continue to innovate while rules and regulations are rapidly changing, the financial sector keenly needs interdisciplinary talent from the domains of AI, digital technologies and sustainable development to join us. In the event that cultivation of professional talent and transformation fall short, the Company's sustainable management and profitability could be affected.
- Professional talents at overseas branches have been poached by the competition, leading to high turnover rates. Loss of mid-level supervisors is detrimental to employee cultivation, business expansion and the relay of experiences.

Realistic positive impact

- In response to the boom in digital services, we need to enhance our employees' digital thinking and learning capability, which is conducive to the innovation and development of digital business models, as well as the realization of sustainable development blueprints.
- Rapid expansion of overseas locations provides employees with a stage for international career development, while drawing diverse and outstanding talents to come on board.
- Enhance the digital learning platform; aside from improving employees' professional capabilities, this could also help employees develop a second specialty and obtain professional certificates.

Preventive measures

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

Management measures

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

Responsible Finance Task Force

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

*1 : Product marketing and sales

*2 : Loans and investments

*3 : Digital financial services and backstage operations

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

*5 : Frequency of risk occurrence

5 points	May occur within 1 year
4 points	May occur within 3 years
3 points	May occur within 5 years
2 points	May occur within 10 years
1 point	May occur within 30 years

*6 : Degree of risk impact

5 points	Extremely high level of impact on company operations
4 points	High level of impact on company operations
3 points	Moderate to high level of impact on company operations
2 points	Mild level of impact on company operations
1 point	Extremely mild level of impact on company operations

	Frequency of Risk Occurrence	Degree of Risk Impact	Key Performance Indicator (KPI)	2024 Goals	Progress	2025 Goals	Medium/Long-Term Goals (2026-2030)	Value Chain Stage and Relations			
								Procurement/Suppliers *1	Frontend Financial Services for Customers *2	Backend Financial Services for Customers *3	Old Assets *4

GRI 404-1 : Average hours of training per employee per year

GRI 404-2 : Programs for upgrading employee skills and transition assistance programs

GRI 404-3 : Percentage of employees receiving regular performance and career development reviews

GRI 405-1 : Diversity of governing bodies and employees

4 points

KPI 1: Cultivate overseas reserve personnel	20 people	160%	20 people	Depending on overseas sales development requirements
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4 points

KPI 2: The percentage of taking English proficiency tests (%)	38	114%	40	50 by 2030
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KPI 3: Training hours per employee	<table><tr><th>Company</th><th>Hours</th></tr><tr><td>Bank</td><td>45</td></tr><tr><td>Securities</td><td>52</td></tr><tr><td>Securities Investment Trust</td><td>52</td></tr><tr><td>Life Insurance</td><td>51</td></tr><tr><td>AMC</td><td>16.5</td></tr></table>	Company	Hours	Bank	45	Securities	52	Securities Investment Trust	52	Life Insurance	51	AMC	16.5	<table><tr><th>Company</th><th>Completion rate</th></tr><tr><td>Bank</td><td>144%</td></tr><tr><td>Securities</td><td>195%</td></tr><tr><td>Securities Investment Trust</td><td>102%</td></tr><tr><td>Life Insurance</td><td>102%</td></tr><tr><td>AMC</td><td>121%</td></tr></table>	Company	Completion rate	Bank	144%	Securities	195%	Securities Investment Trust	102%	Life Insurance	102%	AMC	121%	<table><tr><th>Company</th><th>Hours</th></tr><tr><td>Bank</td><td>45</td></tr><tr><td>Securities</td><td>53</td></tr><tr><td>Securities Investment Trust</td><td>52</td></tr><tr><td>Life Insurance</td><td>51</td></tr><tr><td>AMC</td><td>17</td></tr></table>	Company	Hours	Bank	45	Securities	53	Securities Investment Trust	52	Life Insurance	51	AMC	17	<table><tr><th>Company</th><th>Hours</th></tr><tr><td>Bank</td><td>45 per year</td></tr><tr><td>Securities</td><td>55.5 by 2030</td></tr><tr><td>Securities Investment Trust</td><td>52 per year</td></tr><tr><td>Life Insurance</td><td>53 by 2030</td></tr><tr><td>AMC</td><td>18.2 by 2030</td></tr></table>	Company	Hours	Bank	45 per year	Securities	55.5 by 2030	Securities Investment Trust	52 per year	Life Insurance	53 by 2030	AMC	18.2 by 2030
Company	Hours																																																			
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Life Insurance	53 by 2030																																																			
AMC	18.2 by 2030																																																			

KPI 4: Level of satisfaction with training courses (Point)	<table><tr><th>Company</th><th>Level of satisfaction</th></tr><tr><td>Bank</td><td>84</td></tr><tr><td>Securities</td><td>68</td></tr><tr><td>Life Insurance</td><td>80</td></tr></table>	Company	Level of satisfaction	Bank	84	Securities	68	Life Insurance	80	<table><tr><th>Company</th><th>Completion rate</th></tr><tr><td>Bank</td><td>111%</td></tr><tr><td>Securities</td><td>125%</td></tr><tr><td>Life Insurance</td><td>109%</td></tr></table>	Company	Completion rate	Bank	111%	Securities	125%	Life Insurance	109%	<table><tr><th>Company</th><th>Level of satisfaction</th></tr><tr><td>Bank</td><td>85</td></tr><tr><td>Securities</td><td>80</td></tr><tr><td>Life Insurance</td><td>80</td></tr></table>	Company	Level of satisfaction	Bank	85	Securities	80	Life Insurance	80	<table><tr><th>Company</th><th>Level of satisfaction</th></tr><tr><td>Bank</td><td>2026.86</td></tr><tr><td>Securities</td><td>2026.81</td></tr><tr><td>Life Insurance</td><td>2030.80</td></tr></table>	Company	Level of satisfaction	Bank	2026.86	Securities	2026.81	Life Insurance	2030.80
Company	Level of satisfaction																																			
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Company	Level of satisfaction																																			
Bank	85																																			
Securities	80																																			
Life Insurance	80																																			
Company	Level of satisfaction																																			
Bank	2026.86																																			
Securities	2026.81																																			
Life Insurance	2030.80																																			





ECONOMIC FACTORS 01



Business performance

GRI : 2-6 、 2-28 、 201-1

1-1 Basic Information and Operating Overview

◎ Background of First Financial Holding Co., Ltd.





Establishment Date	January 2, 2003
Head office address	Taiwan (No. 30, Section 1, Chongqing South Road, Zhongzheng District, Taipei City)
Paid-in capital	NT\$140.287 billion
Assets	NT\$4,704.422 billion
Subsidiaries	Financial sector businesses including banking, securities, securities investment, life insurance, financial asset management, venture capital, management consulting, investment consulting, and leasing
Number of employees	10,317
Business category	Financial services
Stock code	TWSE: 2892

◎ Shareholder Structure

Government institutions	Government funds and public institutions	Financial institutions	Other institutional investors	Individuals	Foreign institutions and individuals
11.49%	2.71%	12.29%	13.22%	37.54%	22.75%

* : Information as of April 22, 2025. The number of common stock in circulation is 14,028,749,903 shares (special shares have not been issued).

In 2024, the subsidiary bank and life insurance company both continued to be named among the FSC's "top 25% and top 26-50% in the Fair Customer Treatment Principles Review". The Bank continued to enhance wealth management 2.0, and ranked first among its peers in assets under management (AUM). The amount of potential scams successfully intercepted was up 34% from 2023. The subsidiary securities company underwrote the IPO campaign of STARLUX Airlines, and the amount of stock auction and the number of subscribers both set new TWSE records. In terms of digital transformation, the subsidiary bank's "AI-enabled Account Early Warning Model" and the securities company's ETF Online Subscription System have gone online, respectively. The subsidiary life insurance company continued to expand its mobile insurance system. In terms of innovative services, First Financial Holding created the "ESG Sustainable Application Map Inquiry Platform", while the subsidiary securities company rolled out the "ESG Smart Sustainability Index Data Platform", continuing to bring the financial industry's sustainability influence into play.

 Features	 Digital Transformation	 Innovative Services	 Sustainable Practices
<ul style="list-style-type: none"> The Bank ranked first among industrial peers in AUM operations. The Bank and the life insurance company were named among the FSC's "top 25% and top 26-50% in the Fair Customer Treatment Principles Review". The amount of potential scams successfully intercepted by the Bank was up 34% from 2023. First Securities underwrote the IPO campaign for STARLUX Airlines, and the number of subscribers set an all-time TWSE record. 	<ul style="list-style-type: none"> The Bank joined the "Platform for Settlement Indication & Transfer", planned by the Trust Association of R.O.C. and installed by the Taiwan Depository & Clearing Corporation, as part of its efforts to improve operational efficiency. The Bank's "AI-enabled Account Early Warning Model" went online to improve the effectiveness of its anti-fraud efforts. First Securities' ETF Online Subscription System and Phase 2 Smart Order Placement function went online. First Life Insurance expanded both channels and products for its mobile insurance system. 	<ul style="list-style-type: none"> First Financial Holding created the "ESG Sustainable Application Map Inquiry Platform" to echo the net-zero transition. First Securities partnered with SYSTEX Corporation to roll out the "ESG Smart Sustainability Index Data Platform". First Life Insurance continued its drive for product transformation, and rolled out the "Whole Life Insurance with Double Financial Insurance & Variable Interest Rates". 	<ul style="list-style-type: none"> Named among the "top 5% of listed/OTC-traded" companies by Corporate Governance Evaluation on nine occasions Won the "Sustainable Pilot Enterprise for Healthy Workforce" award from the Ministry of Labor for two straight years First Bank, First Securities, FSITC and First Life Insurance won a total of five awards, including "Institutional Impact" and "Case Impact" at the "Taiwan Sustainable Investment Awards".

In terms of financial performance, the Group and the subsidiary bank both set new profit records again, with the net income after taxes reaching NT\$25.359 billion and NT\$23.806 billion, respectively. Other subsidiaries also turned in impressive performances, booking a combined after-tax net income of NT\$2.316 billion, up 29.30% from 2023. The profit ratio also improved to 8.80%.

Aside from financial performance, the Group adheres to the management philosophy of "marching toward a sustainable future by laying a solid foundation for ethical governance", and is devoted to paying close attention to aspects such as accountable governance, environment management, happy workplace and social inclusion, as we continue to add to the value of being the "No. 1 Brand in Sustainable Finance". In terms of sustainable practices, our subsidiaries, namely First Bank, First Securities, FSITC and First Life Insurance, were presented with a total of five awards, including "Institutional Impact" and "Case Impact", by the Taiwan Institute for Sustainable Energy at the Taiwan Sustainable Investment Awards, making us the top-performing state-owned financial institution. We also won the "Sustainable Leading Enterprise for Healthy Workforce" award from the Ministry of Labor for two straight years. Furthermore, we were also selected for inclusion as a constituent in the Dow Jones Sustainability World Index for 7 straight years, as our overall sustainable performance becomes widely recognized both at home and abroad.

1-2 Total number of business sites worldwide

With the head office of operations in Taiwan, First Financial Group has 220 operating locations and 543 automated teller machines (ATM) across the island in both urban and rural regions (including remote areas such as Nantou, Pingtung, Hualien, Taitung, and Penghu). Overseas operating locations span North America, Asia, Europe, and Oceania; one subsidiary, First Bank, has established 19 operating locations in New Southbound Countries (including Singapore, Vietnam, Laos, Philippines, Cambodia, Thailand, Myanmar, and Australia).

Group's overseas spots

Region	Current sites
America	Bank: Los Angeles branch, New York branch, Houston branch Vancouver branch, and Toronto Branch; First Commercial Bank (U.S.A.) branch and its 8 sub-branches including the Alhambra Branch, City of Industry Branch, Silicon Valley Branch, Irvine Branch, Arcadia Branch, Fremont Branch, Chino Hills Branch and San Mateo Branch, as well as Ontario Representative Office. 14
China/ Hong Kong/ Macao	Bank: Hong Kong Branch, Macao Branch, Shanghai Branch, Shanghai Pilot FTZ Sub-branch, Chengdu Branch, Xiamen Branch 6 Securities: First Worldsec (Hong Kong) 1 Leasing: FCB Lease (Chengdu), FCB International Leasing (Suzhou), FCB Lease (Xiamen) 3
Asia	Bank: Singapore Branch, Ho Chi Minh City Branch, Hanoi City Branch, Vientiane Branch (Laos), Manila Branch (Philippines), Phnom Penh Branch and its Chorm Chaov Sub-branch, Olympic Sub-branch, Chamkar Mon Sub-Branch, Tuol Kouk Sub-Branch, Mean Chey Sub-Branch, Chraoy Chongvar Sub-Branch, Siem Reap Sub-Branch, Phsar Derm Thkov Sub-Branch, Sen Sok Sub-Branch Bangkok Representative Office, Yangon Representative Office, and Jakarta Representative Office 18
Northeast Asia	Bank: Tokyo Branch 1
Europe	Bank: London Branch, Frankfurt, Germany branch office 2
Oceania	Bank: Guam Branch, Brisbane Branch 2

Total **47** Overseas Locations

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



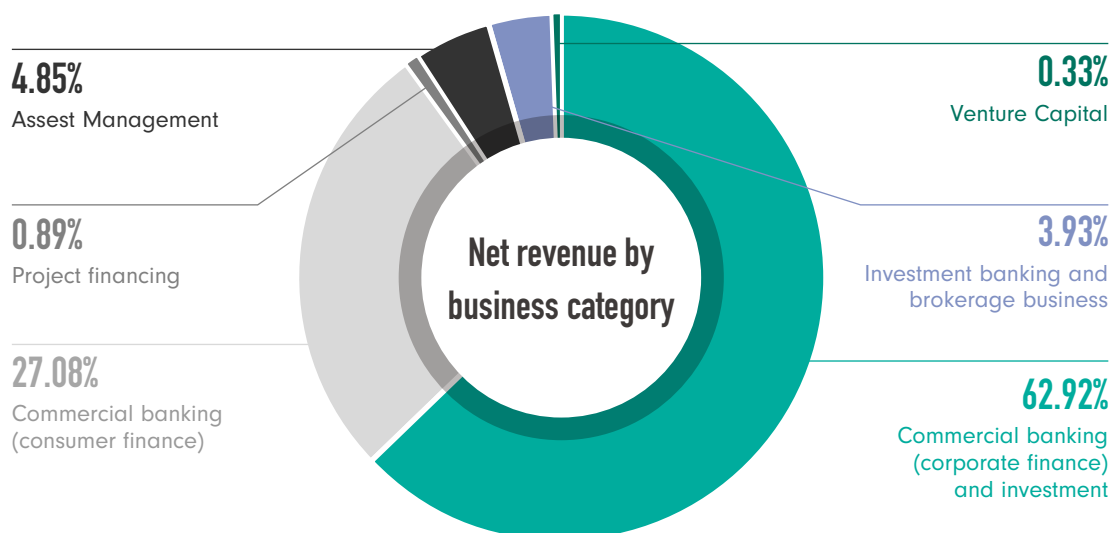
1-3 Financial performance

Unit: Thousand dollars

Item	Year	2021	2022	2023	2024
Operating ability	Assets	3,739,593,907	4,157,195,982	4,429,410,318	4,704,422,325
	Total liabilities	3,515,047,049	3,933,073,412	4,180,965,920	4,436,536,418
	Shareholders' equity	224,546,858	224,122,570	248,444,398	267,885,907
	Net revenue	62,604,429	67,756,394	67,255,132	72,119,475
	Pre-tax profit	23,433,444	24,486,604	28,262,256	31,237,709
	Profit or loss after tax	19,739,045	20,595,663	22,461,001	25,359,450
Profitability	Return On Assets (%)	0.55	0.52	0.52	0.56
	Return on Ordinary Shareholders' Equity (%)	8.86	9.18	9.51	9.82
	Earnings per share (NTD)	1.52	1.56	1.65	1.81
	Profit ratio (%)	31.53	30.40	33.40	35.16
Economic value distributed	Employee welfare expenses (including salary expenses)	17,331,619	17,818,913	18,730,480	20,080,525
	Income tax expense	3,154,083	4,757,872	4,304,144	7,130,467
	Investment in social welfare	84,230	96,383	112,030	134,710
	Cash dividends per share (NTD)	1.0	0.8	0.85	0.95
	Dividends per share (NTD)	0.2	0.3	0.3	0.25

*1 : Earnings per share without retroactive adjustment.

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



1-4 Credit rating

According to the credit ratings issued by credit rating agencies such as Taiwan Ratings, S&P and Moody's for 2024, our Group enjoys a strong competitive advantage in the financial industry and is a model of sound corporate governance. In the financial market, we have demonstrated very solid corporate values, a distributed customer base along with sound financial structure, risk control and excellent asset quality. The results from the long and short-term credit ratings as well as future outlook are shown right:

Credit Rating Agencies	FFHC			
	Short-term	Long-term	Outlook	Rating date
Taiwan Ratings	twA-1+	twAA-	Stable	2024.10.01
S & P	A-2	BBB	Stable	2024.09.30
Moody's	–	A2	Stable	2025.03.27

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

1-5 Participation in local and overseas organizations

The Company and subsidiaries have joined a variety of different associations of the financial industry and actively taken part in affairs to promote the sound development of the financial industry as a whole. To achieve sustainable corporate development, the Company also joined corporate sustainability/social responsibility organizations to obtain new knowledge on international corporate governance development, promote and implement the concept of sustainable development, and advocate and promote environmental protection and energy resource management. FFHC and its subsidiaries spent a total of NT\$286.13 million on industry connections and development as well as ESG-related organizations/ associations in 2024, and donated NT\$254.83 million to the Small and Medium Enterprise Credit Guarantee Fund of Taiwan.

◎ Industry connections and development

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

The Company's Chairman serves as the executive director of The Bankers Association of the Republic of China, the director of the Bankers Association of Taipei, the Chairman of the Trust Association of R.O.C., Director, National Credit Card Center of R.O.C.; chairman, Bankers Association of Taiwan; council member, Taiwan Financial Services Roundtable The Chairman of subsidiary First Securities also serves as the Director of Taiwan Securities Association. ; Chairman of FSITC served as deputy chairman of the Securities Investment Trust & Consulting Association of the R.O.C. President of First Life Insurance served as a supervisor of the Life Insurance Association of the Republic of China.

◎ ESG-related institutions / associations

Asian Corporate Governance Association: (ACGA)	The Third Wednesday Club
Accounting Research and Development Foundation	Chinese International Economic Cooperation Association
Taiwan Institute for Sustainable Energy - Center for Corporate Sustainability	Taiwan Listed Companies Association
Chinese National Association of Industry and Commerce, Taiwan	First Bank Culture & Education Foundation

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

Climate-related lobbying activities and management system for trade association participation

FFHC has established a management system with regard to climate-related lobbying activities and participation in trade associations, which is applicable to the Company's and various subsidiaries' participation in domestic and foreign climate-related trade associations. Through clearly-defined management, annual reviews and a monitoring system, we strive to make sure if their climate-related activities and potential positions are consistent with the "Paris Agreement".

Please refer to the Company's website for the management system with regard to First Financial Holding Co., Ltd.'s participation in climate-related trade associations



2024 Review Report on Climate-related Industry Associations

Direct lobbying

The Group did not take part in any direct lobbying in 2024.

Industry associations

The Group joined five climate-related industry associations in 2024. These five associations have been subject to management in this management system for assessment, and the assessment results are as follows:

© Associations whose climate position aligns with that of the Group: Five

Names of climate-related industry associations	Assessment results
Center for Corporate Sustainability	The center acknowledges climate risks, supports the "Paris Agreement", and agrees to the net-zero emissions goal.
Chinese National Association of Industry and Commerce, Taiwan	The center acknowledges climate risks, supports the "Paris Agreement", and agrees to the net-zero emissions goal
The Third Wednesday Club	The association acknowledges climate risks and agrees to the net-zero emissions goal
Chinese International Economic Cooperation Association	The association acknowledges climate risks and agrees to the net-zero emissions goal
Taiwan Listed Companies Association	The association acknowledges climate risks and agrees to the net-zero emissions goal

© Associations whose climate position does not align with that of the Group: Zero

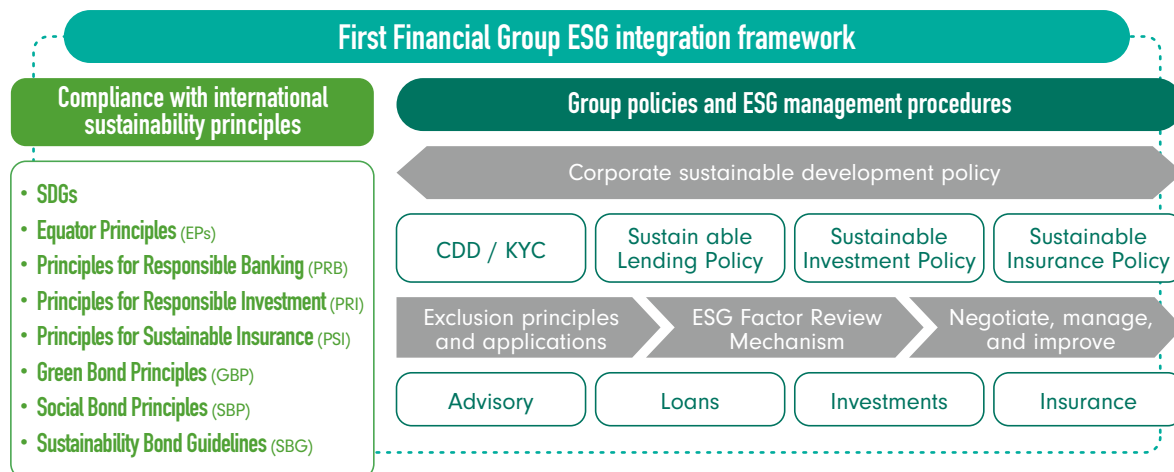
Names of climate-related industry associations	Procedure of negotiations & communications and anticipated countermeasures
N/A	N/A

Responsible Banking and Decarbonization Strategies for Investment & Financing

GRI : FS1 、 FS2 、 FS3

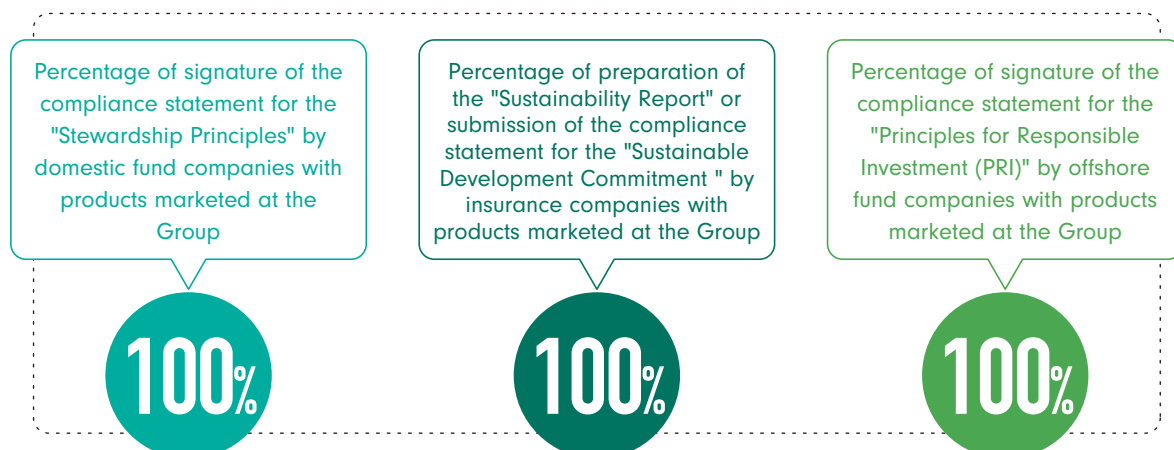
SASB : FN-CB-410a.2

◎ Responsible Finance



To realize the net-zero commitment of limiting the global temperature rise to within 1.5°C, financial institutions have implemented net-zero transition initiatives, strategies and governance systems, while demanding that their clients from both the investment and financing sides observe the same net-zero transition goals. The Group formulates sustainable credit, sustainable investments, and sustainable insurance policies in accordance with the "First Financial Holdings Sustainable Development Policy". The Group's ESG due diligence procedure encompasses all investment, financing, consulting and insurance operations, and it continues to advance its ESG Factor Review Mechanism. Apart from reviewing whether invested and financed enterprises have fallen short of the screening criteria for product sustainability, human rights, environmental protection, and major social controversies, it also has included industries dealing in coal and atypical oil and gas in the review. Additionally, the Coalition of Movers and Shakers on Sustainable Finance was formed with 5 major industry peers to reinforce the negotiation mechanism for enterprise investments and financing. If an enterprise seeking investments or financing is in major violation and fails to submit an improvement plan after negotiations, investment and financing positions will gradually decrease. We actively guide our customers to focus on issues of sustainability in hopes of achieving the 2050 net-zero emissions goal together.

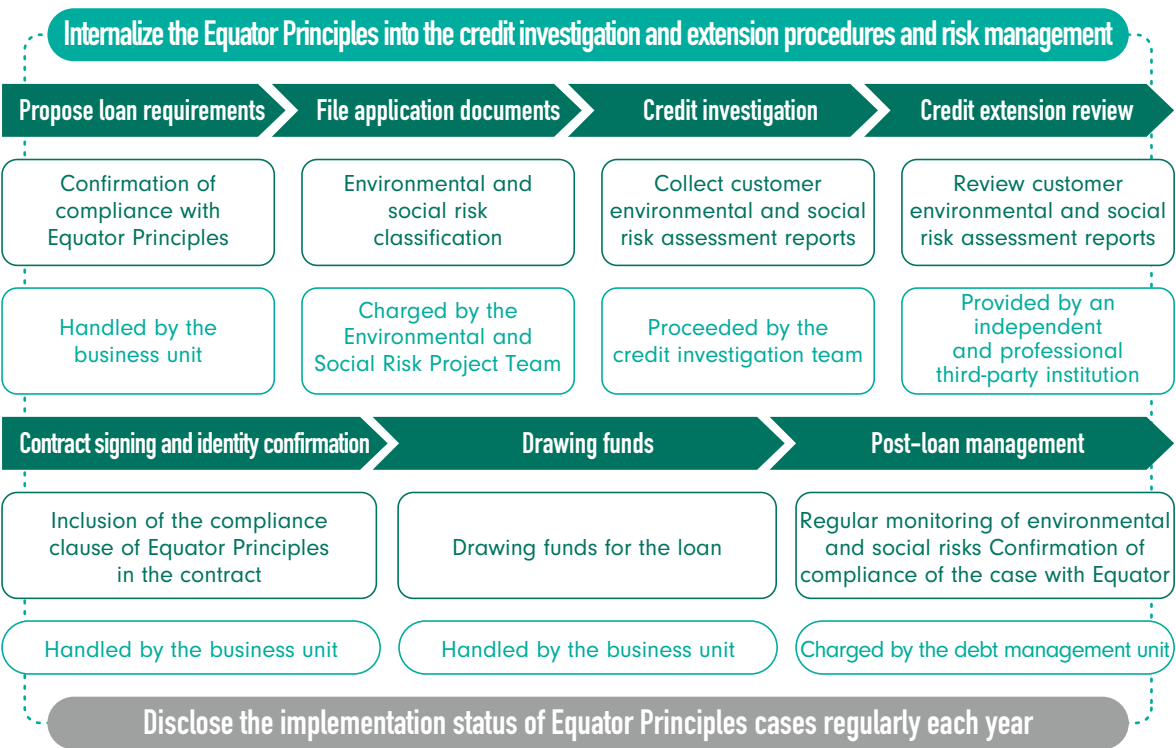
Uphold the sustainability commitment, the Group requires all domestic and offshore fund companies to sign the compliance statement for the "Stewardship Principles for Institutional Investors" and the "Principles for Responsible Investment (PRI)" before the launch of a new product. Insurance companies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



2-1 Corporate Banking / Investment Business

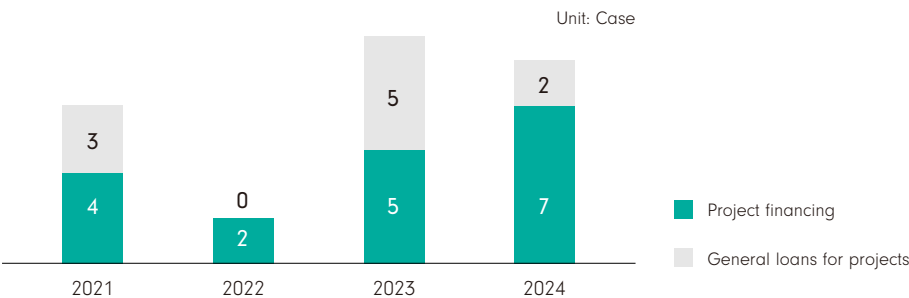
◎ Equator Principles

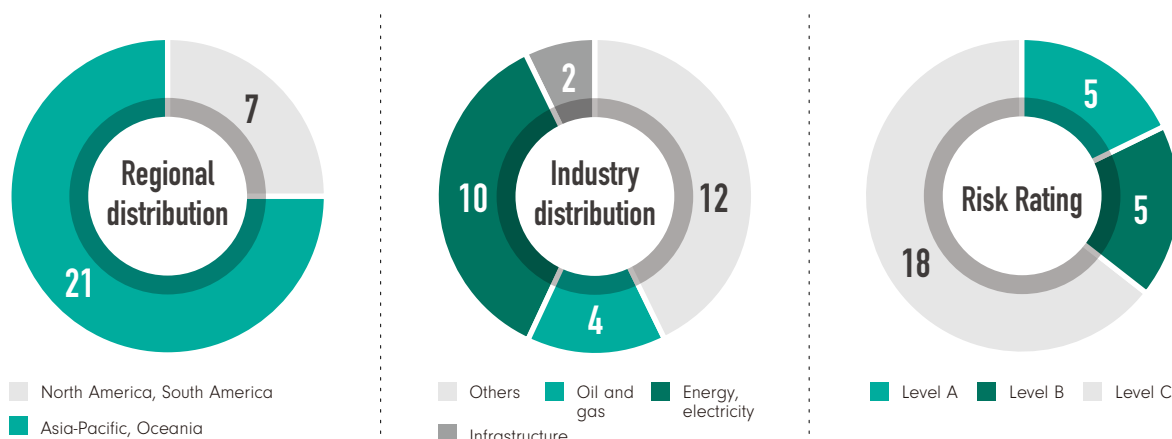
The subsidiary First Commercial Bank has also signed up to official join the Equator Principles Association on December 21, 2020, becoming its 114th member bank globally. It also promulgated and enforced the "Operation Directions on Credit Cases Applicable to the Equator Principles" on January 6, 2021. In compliance with the Equator Principles, the Bank must determine the applicability of the Equator Principles based on the amount and purpose of each case before accepting financing applications from all corporates. For applicable cases, a dedicated "Environmental and Social Risk Project Team" would be formed by the business, review, post-loan management and other units, which are put in charge of risk classification. In addition, based on the "Environmental and Social Risk Assessment Report" and "Environmental and Social Monitoring Report" issued by an independent and qualified third-party institution, First Commercial Bank will conduct environmental and social risk reviews and post-loan monitoring to confirm that undertaken cases align with the guidelines of the Equator Principles. In doing so, we could adequately reduce potential credit risks and leverage the financial industry's influence to support sustainable development for environment and society.



First Commercial Bank approved a total of 28 credit cases applicable to the Equator Principles between 2021 and 2024. Locations of these cases were mostly the Asia-Pacific region (Taiwan), with energy, electricity and oil and gas being the predominant industries. In 2024, one case failed to be approved, which was an energy storage system installation project. In view of market needs and future operations, we decided to defer our discussion on the case.

◎ Number of Equator Principles cases from 2021 to 2024





Case Study

Power supply industry/syndicated loan for rooftop (indoor farming type) solar-aquaculture project 3rd party institute: WSP International

In 2024, First Commercial Bank co-sponsored a syndicated loan for a rooftop (indoor farming type) solar-aquaculture project. The project site is in Yizhu Township, Chiayi County. The installation capacity is around 120 MW. The land near the project site is mostly fish farms and idle fish farms now, and is not part of any ecologically sensitive areas. Nor is it part of any cultural property/heritage conservation areas or indigenous reservations. An environmental impact assessment waiver has been obtained from the Ministry of Environment. An "environmental and social due diligence report", issued by an independent third-party institution, has also been obtained. According to evaluation, the project has limited impact on environment, and was rated as a grade C case by the lead bank of the syndicated loan.

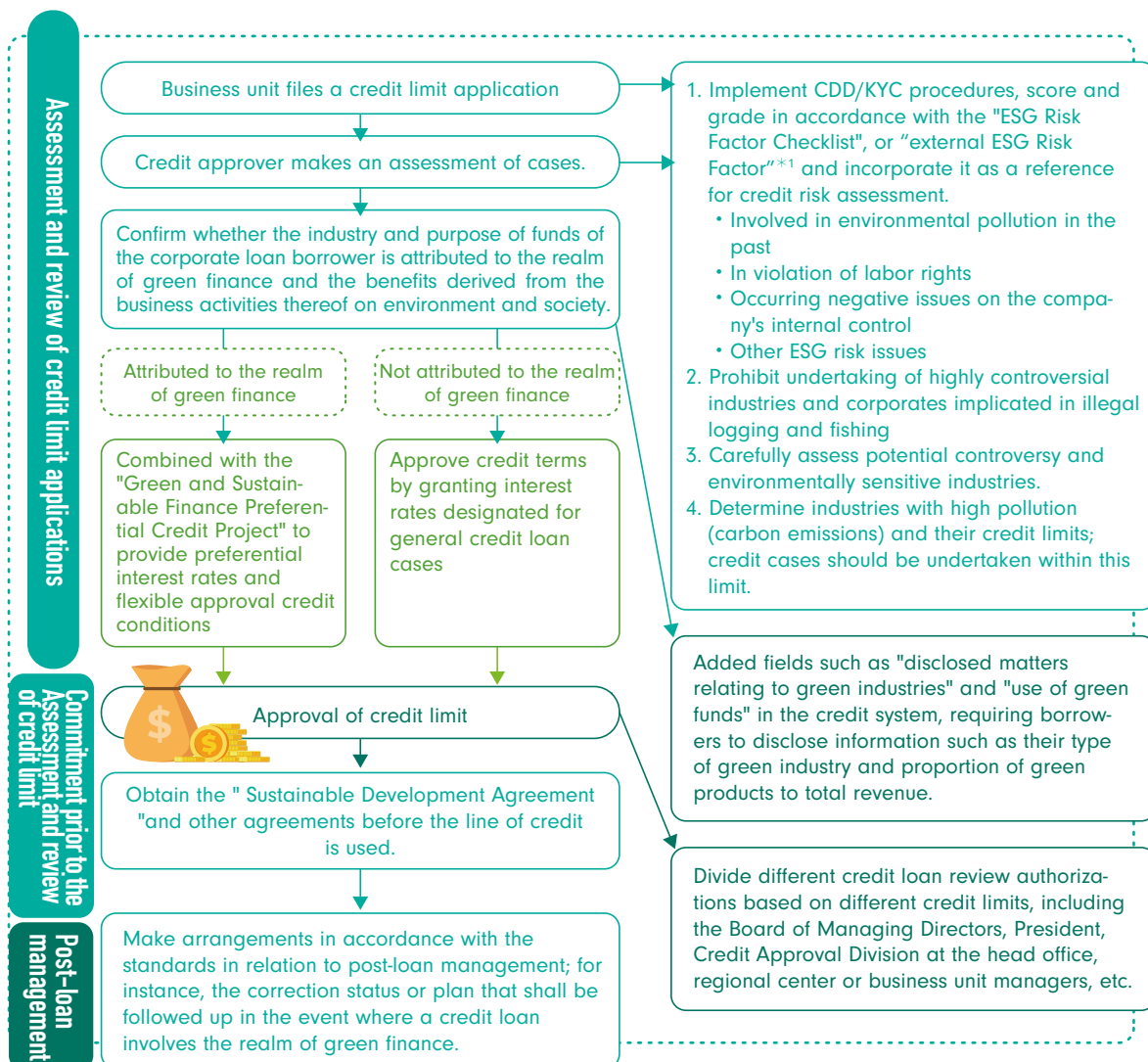
With respect to potential environmental pollution and impact, the borrower has put in place an operations management plan, a contingency plan, and an "environmental safety & sanitation management plan". Initial identification was also made with respect to EPC vendors, safety hazards of the construction environment and environmental risks. Countermeasures include regular sprinkling to prevent dust emissions, adoption of low-noise construction machinery, avoiding nighttime construction, and installing temporary interceptions, drainage systems and silt basins, etc. Additionally, to protect the rights of all stakeholders, the project provided a dedicated contact person and set up a grievance mechanism, in addition to holding pre-construction orientations to elaborate on details such as location of the construction site, development configurations, environmental impact, access plans and construction timeline, in order to ensure a smooth communications channel.

As part of the agreement of this syndicated loan, the borrower should ensure that related environmental protection, pollution prevention and waste disposal must conform to regulations at all times. The project shall not involve incidents in violation of corporate social responsibilities with conspicuously adverse impact, including, but not limited to, incidents involving labor rights protection, environmental preservation and consumer protection. Moreover, the project must also align and comply with various guidelines and requirements of the Equator Principles, including, but not limited to, providing an annual Equator Principles Report issued by an independent third-party institution, which would be used by the bank consortium to review and ascertain if the borrower has developed improvements or action plans necessary to complete this project during the credit period.



☉ **Lending / Due diligence**

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



*1 : Applicable to cases at the level of the Executive Board and above.

Undertaking prohibited	Prudent assessment required		Caps to be imposed on undertaking*2	
Highly controversial industries	Potentially controversial industries	Environmentally sensitive industries	High-polluting (carbon emissions) industries	
<ul style="list-style-type: none"> Tobacco manufacturing industry Pornography Illegal firearms Implicated in illegal logging and fishing 	<ul style="list-style-type: none"> Alcohol Gambling 	<ul style="list-style-type: none"> Mining industries Agriculture, forestry, fishery and animal husbandry industries Gasoline Natural gas Industries embroiled in biodiversity, climate change, energy use, forests and water issues 	<ul style="list-style-type: none"> Power supply Steel and aluminum/copper metallurgy Petrochemical (including artificial fibers) Cement Papermaking Agriculture and animal husbandry 	<ul style="list-style-type: none"> Waterborne & air transport Printing, dyeing and related processing Leather Metal processing Printed circuit boards Battery manufacturing

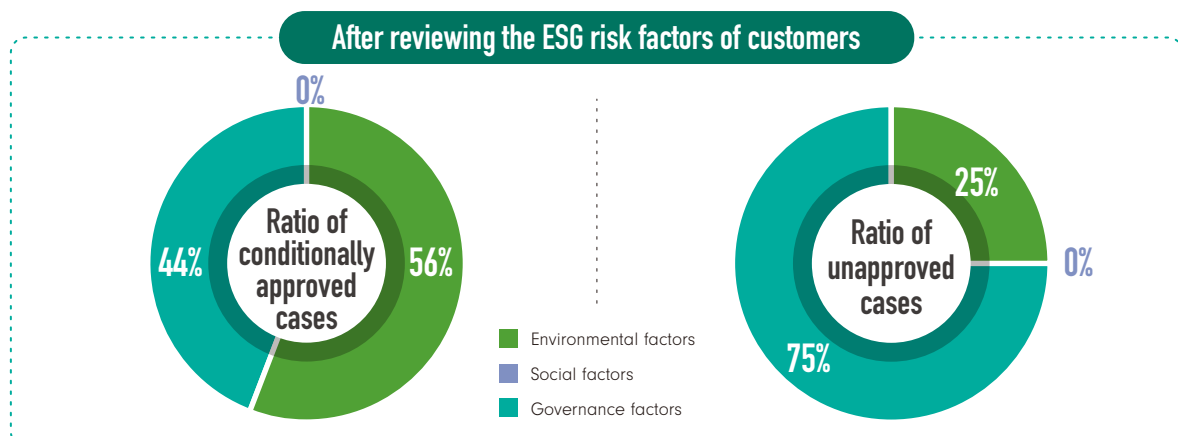
*2 : Credit extended to these industries shall not exceed 13% of the Bank's total credit extension in 2024.

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

As of 2024, ESG has been included in the loan decision review process for 100% of enterprise credit loans with a total of 13 cases that received "conditional approval" (e.g.: loan amount decrease or increased interest rates) or "rejected" due to ESG risk factors as described in the following:

Unit: case/million NTD

	ESG risk factors	Conditional pass (including reduced approval and restrictive terms)		Refusal of credit loans (including tabled or withdrawn applications)	
		Case	Amount	Case	Amount
E Environmental factors	<ul style="list-style-type: none"> • Pollutant source list as an object of regulation and related punishment records • High carbon emission industries • Controversial industries such as coal and energy • Whether the objects and carbon emissions of "emission sources of registered greenhouse gas emissions should be checked" regulated by the Environmental Protection Administration of the Executive Yuan has increased for 2 consecutive years 	5	2,352	1	632
S Social factors	<ul style="list-style-type: none"> • Status of compliance with the labor rights and the Labor Standards Act • Status of salary payment and retirement reserve fund appropriation • Occupational health and safety • Gender equality • Food Safety • Controversial industries 	0	0	0	0
G Governance factors	<ul style="list-style-type: none"> • Issuance of sustainability report • International ESG related evaluations and participation in initiatives • Shareholding ratio of directors and supervisors • Change of the management • Accountant's financial statement review opinion • Negative news events 	4	1,134	3	3,099
Total		9	3,486	4	3,731



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

Unit: Million NTD

Name of borrower	Details of ESG risks	Amount
OOO Company Limited	The borrower's parent company has undergone significant management changes due to previous management power struggles, and corporate governance has room for improvement. In addition, the borrower's losses have continued to pile up over recent years, driving up its financial and operational risks. We decided to defer this case after comprehensive considerations.	2,700
OOO Limited (Overseas)	The borrower and its guarantor operate in the petroleum mining industry, which is confronted with major ESG issues such as carbon emissions, wastewater and waste management. Plus, part of its oil and gas assets is located in a war-ravaged area infested with government corruption. The project was classified as a severe risk in an external ESG rating. Considering our risk exposure to this borrower had been relatively high, we decided to reduce the credit quota.	634
OOO Holding LLC (Overseas)	The borrower's profits mainly come from petroleum and natural gas, and operates in an environmentally sensitive industry. Moreover, there were uncertainties with regard to its operations and business model, and its credit rating was downgraded by a credit rating agency as a result. We decided to defer this case after taking comprehensive account of related credit risks.	632
Total		3,966

To guide our borrowers to implement sustainable development, we actively urge our domestic customers to value sustainable development, and ask our borrowers to present their letters of commitment for sustainable development. We also urge our overseas customers to abide by local environmental laws and human rights regulations. In 2024, First Commercial Bank, FCB Leasing and First Financial AMC successfully collected letters of commitment for sustainable development from 99.9% of their borrowers.

© Sustainable Development commitment signed by domestic and foreign borrowers over recent years

Unit: no. of borrowers

Item	Year	2021	2022	2023	2024
Domestic Sustainable Development commitment		51,713	53,682	49,639*	48,085*
Sustainable Development Evaluation Form for Overseas Branches		5,389	6,317	7,250	8,108

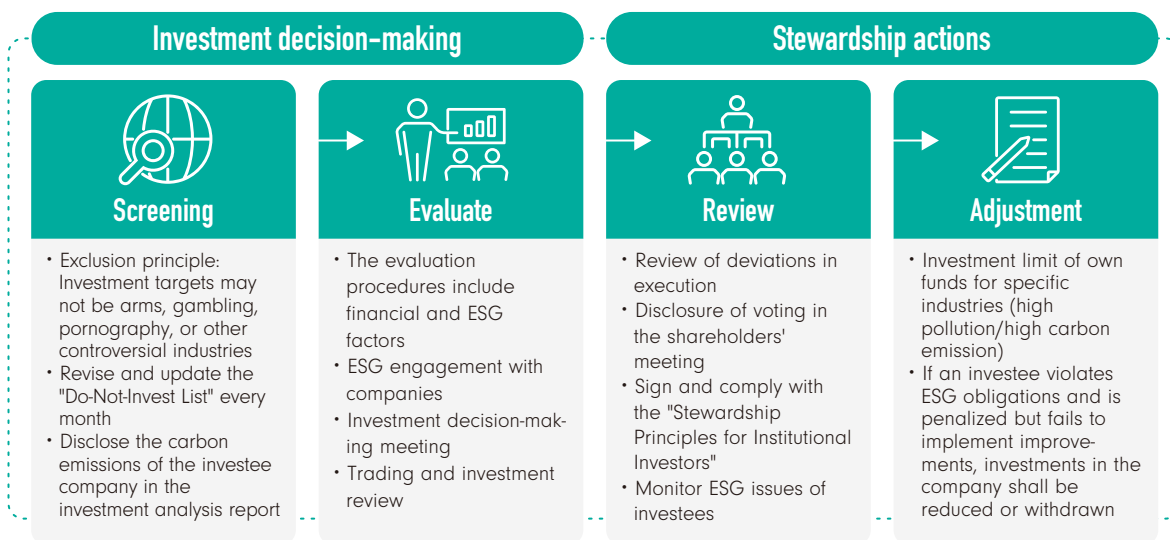
* : Includes the Declaration of Sustainable Development obtained by First Bank, FCB Leasing, and First AMC.

In 2024, to realize the investment/financing negotiation commitments of the Coalition of Movers and Shakers on Sustainable Finance, the Group even compiled a list of the top 60% financial carbon emitters from all of its domestic investment/financing positions by the end of 2023. For the financing part, First Commercial Bank prioritized negotiations with potential borrowers willing to sign letters of commitment for sustainable development (negotiation version). As of the end of 2024, 80.88% of potential borrowers had completed their negotiations.

For the purpose of strengthening the post-loan management and fulfilling the responsibility of being a financial institution for environmental protection and social sustainability, First Commercial Bank finds out whether the operations of early warning cases of borrowers who have been punished by government environmental protection agencies for violating environmental protection laws violate ESG principles and proposes improvement measures to these borrowers. In 2024 there are a total of 1 cases that meet the early warning signal of "those who violated environmental protection laws and regulations were punished by government environmental protection agencies", and the customer has been continuously tracked to determine if they have complied with the environmental protection authority's request to obtain a permit for waste disposal. In addition, if the borrower's loan is suitable for the purpose of green financing, the verification of the actual use of the fund after the review operation will be strengthened. If it is discovered that circumstances of environmental pollution are in violation of ESG principles, it shall be stated in the review opinion as a reference for future credit limit review. After review conducted by reviewers in 2024, no such matters have occurred.

🌐 Responsible investment

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

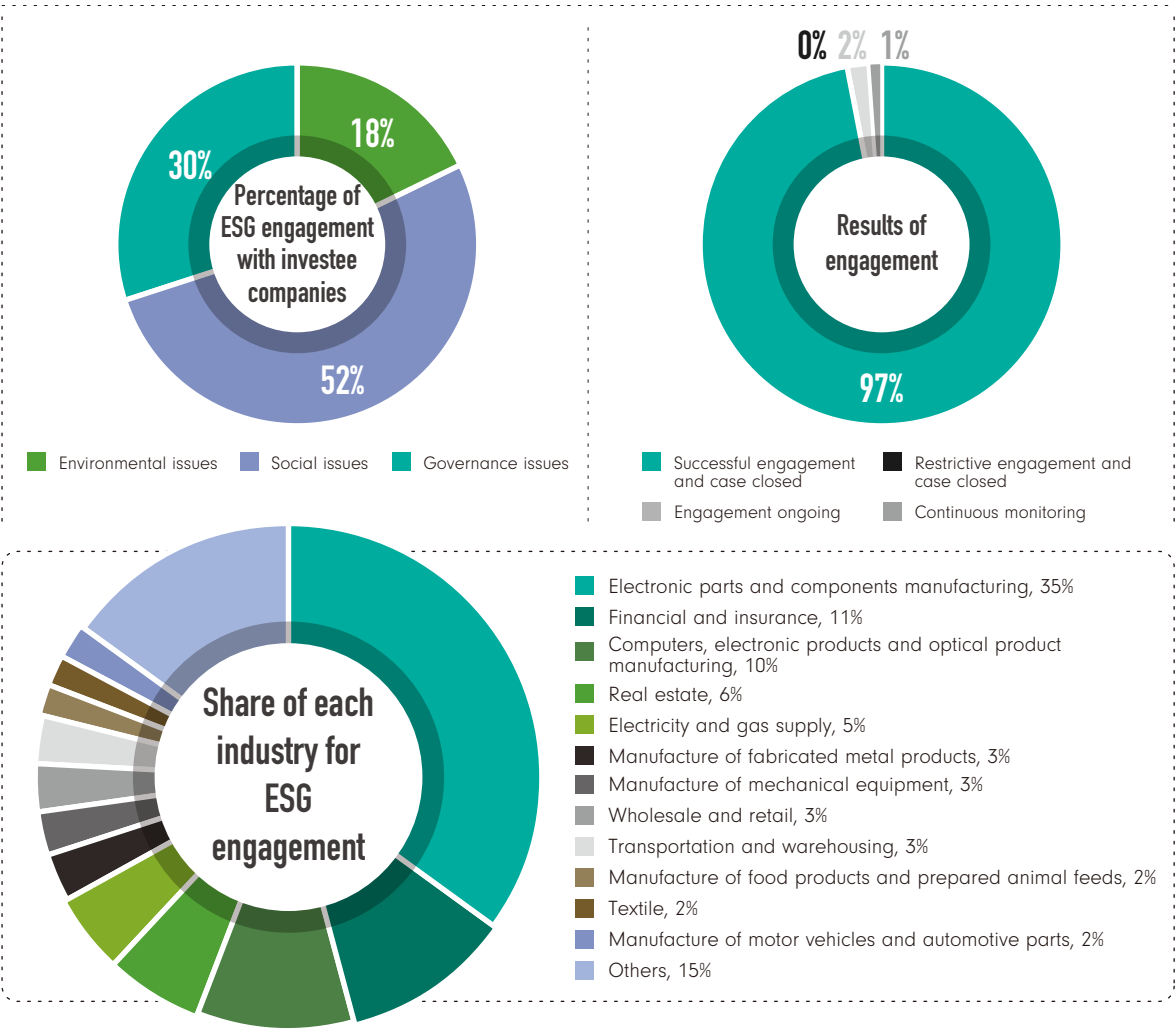
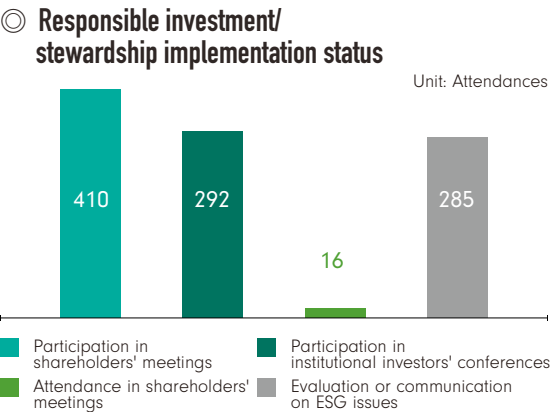


First Capital Management has revised and updated the "Do-Not-Invest List for Sustainable Development Violations" every month. It continuously reviews investees based on product sustainability, governance, social, and environmental criteria. Any company that is found to have engaged in conduct which is not in the spirit of sustainable development is added to the do-not-invest list. We fine-tuned our screening guidelines for social factors to better safeguard human rights based on the content and spirit of the "Universal Declaration of Human Rights," with particular emphasis on Articles 6, 7, and 8 of the "International Covenant on Economic, Social and Cultural Rights." The number of companies included in the do-not-invest list from 2022 to 2024 were 13, 15, and 13 companies, respectively. The list was provided to First Financial Holding, First Bank, First Securities, First Securities Investment Trust, First Life Insurance, and First Venture Capital for reference purposes. In 2024, the invested stock pool of the 6 domestic funds (small, innovative trends, electronics, core strategic, storefront, and balanced China) of FSITC did not include stocks from the "non-investment list of companies that violate sustainable development". Additionally, 88.3% of companies in the stock pool of domestic funds compiled their own sustainability reports.

Screening Standards	Main Basis	No. of individual stocks excluded from the investment pool in the past three years		
		2022	2023	2024
Product sustainability	Excluding enterprises involving animal welfare(Biodiversity), climate change, ozone layer destruction, betting games, genetic engineering, nuclear energy, the sex industry, tobacco, and weapons systems.	7	7	7
Governance	Incidents involving corporate embezzlement, food safety violations, accounting fraud and market manipulation, and other controversial social issues in the most recent six months, leading to being investigated by the law enforcement agency.	0	1	0
Social	<ul style="list-style-type: none"> It is determined whether a major labor dispute, employee strike, or other similar incident has occurred and whether union negotiations have not yet been concluded. The company has laid off employees without warning. Screening guidelines for safeguarding human rights were adjusted based on the content and spirit of the "Universal Declaration of Human Rights," with particular emphasis on Articles 6, 7, and 8 of the "International Covenant on Economic, Social and Cultural Rights." 	6	7	6
Environmental	<ul style="list-style-type: none"> List of Sanctioned Entities announced by the Environmental Protection Administration, Executive Yuan (Environmental Protection Administration, Executive Yuan / Public Administrative Announcements / List of Entities Sanctioned by the EPA); sanctioned entities which have not made improvements. Those which have legal actions taken against them by the prosecutor are entered on the watchlist. 	0	0	0
Total		13	15	13

To better fulfill the responsibilities of an asset owner or manager, and to increase long-term value for the Group and fund providers, the subsidiary bank, securities company, investment trust company and life insurance company have all signed the "Stewardship Principles for Institutional Investors" compliance statement, and the status of their stewardship fulfillment is disclosed on each company's website. In 2024, both First Commercial Bank and First Securities made the TWSE's "list of companies with better institutional investor stewardship disclosure". With respect to investment targets identified as being in the top 60% for financial carbon emissions among the Group's domestic investment/financing positions at the end of 2023, First Commercial Bank inquired these investment targets about their action plans for climate change risks, net zero emissions and concrete carbon reduction goals through prompting them to sign a letter of commitment for sustainable development, distributing questionnaires, giving speeches at shareholders' meetings, as well as letter correspondence with them. We have already obtained their commitment. Furthermore, FFHC has also actively participated in the CDP's engagement programs. With the help of the international advocacy organization, we can jointly distribute questionnaires about risks associated with changes to the climate and natural environment, in order to increase engagement effectiveness. As of the end of 2024, the rate of successful engagement had reached 82.4%, as we lived up to our commitment to the "Coalition of Movers and Shakers on Sustainable Finance" in terms of investment/financing engagement.

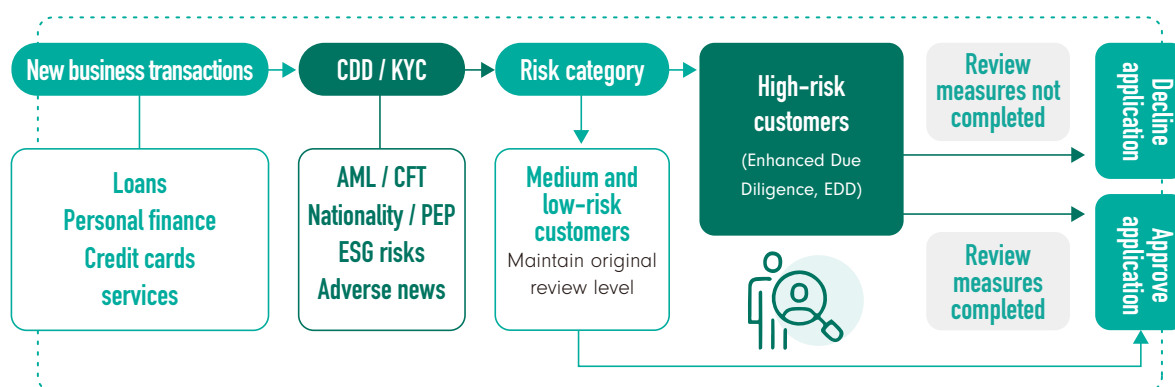
Attendance rate in shareholders' meetings of listed investee companies in 2024 [Number of (attendance in person + electronic voting) / number of attendances expected]	
First Bank	100%
First Securities	100%
First Securities Investment Trust	100%
First Life Insurance	100%



2-2 Retail Banking / Individual Finance

◎ CDD / KYC Review Procedures

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



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

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

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

◎ 2024 ESG Review Results of Retail Banking and Credit Business

Type	Category	ESG risk factors	Review results
Small and medium enterprises	Environmental factors	According to the review factors of general corporate finance	• 1 unapproved case (Governance factors)
	Social factors		
	Governance factors		
Individuals and persons in charge of SMEs	Environmental factors	The area where the real estate collateral is located (geologically sensitive area and soil liquefaction potential area)	• 12% located in geologically sensitive areas • 18% located in high potential areas for soil liquefaction
	Social factors	Money laundering Combating financing of terrorism Involvement in illegal affairs or negative media reports	• 11 Individual mortgages were denied due to excessive AML risks

© Retail Banking Credit Review and ESG Engagement

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

© Percentage of customers invited to interact or participate in ESG engagement in 2024

Item	Number of households
Green consumer loans	2,369
Urban renewal and reconstruction of urban unsafe and old buildings	31
Public Welfare/Green Credit Card	30,720
ESG fund* ¹	165
Individual financial customers* ²	163,452

Proportion
20%

*1 : 29 ESG funds consistent with domestic regulatory regulations were cherry-picked in 2024.

*2 : Number of housing loan, credit loan, and credit card loan customers in 2024.

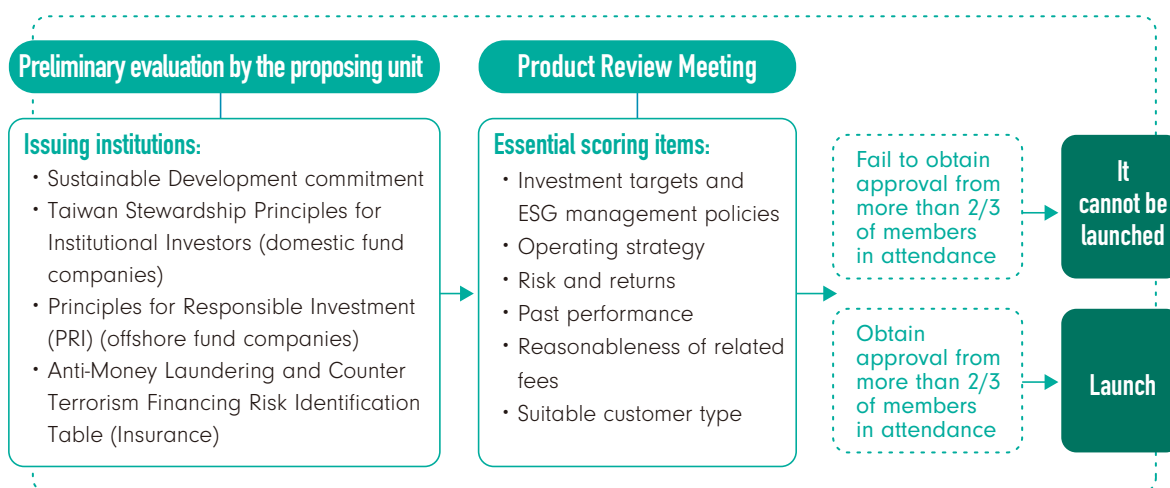
Since 2023, First Commercial Bank has added the credit card "Carbon Calculator" function to its iLEO app, with which cardholders can understand the amount of carbon emissions generated from their credit card transactions each month. This is the first such function offered by a state-owned bank. As of the end of 2024, a total of 33,983 customers had activated it.

To encourage holders of green credit cards to convert to electronic billing and use their First Commercial Bank accounts for automatic bill payment, we continue to roll out campaigns to reward the low-carbon lifestyle. During the campaign period, consumers who purchase with their credit cards at designated green sales channels are eligible for cash back rewards, as we strive to realize green low-carbon consumption.



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

In order to prevent our provided financial products and services from causing negative environmental and social impact, subsidiaries in banking, securities, credit, and life insurance have incorporated ESG factors in the selection criteria for the release of financial products. Rigorous product review that caters to risk controls and sustainable social and environmental development provides customers and investors the ability to pursue sustainable and long-term rewards. To fully understand product suitability, the financial products released by First Commercial Bank must utilize an evaluation chart to review whether ESG criteria are involved in significant negative ESG issues (such as air pollution, water pollution, violation of human rights and labor rights, poor internal control and unethical employee behavior, etc.) in combination with the competent authority's standards for ESG funds. The listing of ESG funds must pass review by the Financial Supervisory Commission and be listed in the dedicated ESG fund area on FundClear to prevent the act of greenwashing for listed products; After passing review by the proposing unit, relevant information is submitted to the "Financial Product Review Committee" for further review. Review items include at least the investment targets, ESG management guidelines, operating strategy, risks return and past performance, reasonableness of related fees, and suitable customer categories. The product risk ratings are established based on product characteristics and the product must obtain the approval of more than 2/3 of members in attendance before it can be launched and sold. In 2024 a total of 217 products were reviewed before launching, a total of 6 products were recalled and 100% of the launched products passed ESG review. The Bank must also implement anti-money laundering and counter terrorism financing regulations in the sales process and evaluate the compatibility of product risks and customer risks to ensure that the risks of the products sold are commensurate to the customers' risk tolerance to protect the interests of the customers and investors.



2-3 Decarbonization Strategy for Investment / Financing

To echo the government's goal of 2050 net-zero emissions, First Financial Holding has established a decarbonization mechanism for its investment/financing operations since 2023, and all of its banks, securities, life insurance, securities investment trust and venture capital subsidiaries have included related regulations in their sustainable credit/investment policies, as carbon reduction strategies are implemented from top to bottom. We encourage companies to embark on the transition to energy conservation, and direct their funds to projects with lower environmental impact.

© Financing Decarbonization

Since February 2023, First Commercial Bank has created a decarbonization mechanism for its financing operation. Targeting corporate financing relating to coal mining, project financing relating to building coal-fired power plants (excluding those qualified for the transition to carbon reduction), as well as corporate financing cases where the share of revenues from atypical oil & gas exceeds a certain threshold, the Bank pledged not to undertake any such new cases or approve additional funds for existing loans. The Bank went on to further expand the pool of restricted parties in September 2024, and existing positions should also be reduced after they expire, as we gradually reduce financing to related industries. These positions are expected to return to zero by 2030.

Type	Operating Item	Applicable Scope of Exclusionary Policy	Exclusion Condition*	Applicable Year	Year in Which Financing Positions Will Be Eliminated
Coal	Including coal-related operations like coal mining, coal-fired power generation, and coal infrastructure (processing, pipework and railroad transportation)	Not to undertake new project financing and business loans Existing quota to gradually decline upon expiration	Coal-related operations account for more than 30% of revenue	Since 2024	2030
Energy	Including related atypical oil & gas operations such as tar sands, polar circle oil & gas, ultra-deep water oil & gas, shale oil & gas, as well as related upstream mining, production, and infrastructure (pipework and receiving stations).		Related atypical oil & gas operations account for more than 15% of revenue		

*Exceptions may be made to those who meet the following conditions: (1)The purpose of the loan is for carbon reduction transformation.(2) The borrower or the group to which it belongs has publicly announced net-zero or carbon reduction commitments, or has proposed specific carbon reduction targets or transformation plans.(3)The borrower is a government agency or state-owned enterprise affiliated to the government which has committed to net-zero emissions or has proposed carbon reduction targets.

© Investment Decarbonization

We have formulated a financial exclusionary policy for sensitive industries such as coal and energy, and the applicable scope mainly includes active investment and investment business managed by third parties. We also actively negotiate with clients to encourage the transition to energy conservation. If the client fails to cooperate, we will gradually reduce investment positions in order to promote sustainable development of the Company. To take advantage of its influence as an institutional investor, and to accelerate the decarbonization progress for its investment operations, First Commercial Bank further enhanced its decarbonization commitment in 2024, as it reduced the share of its related operations, publicly pledged not to make new investment in high carbon-emitting enterprises with no plan for low-carbon transition. Unless funds can be definitively confirmed to be used on low-carbon transition, or unless the borrower is a state-owned enterprise with net-zero commitments and carbon reduction goals already made and set by local government, the Bank will make no more new investment in "enterprises whose coal operations account for more than 25% of revenue" and "enterprises whose atypical oil & gas operations account for more than 10% of revenue". In 2024, the Bank eliminated its positions on all such enterprises altogether. In addition, the Bank plans to reduce its investment amount in high-polluting and high carbon-producing industries year by year, in order to enhance the climate change risk management mechanism for its investment operations. The Bank also stipulates that, if invested companies fall into the category of high-polluting and high carbon-emitting industries, they must regularly examine the effectiveness of their mitigating measures for transition risks based on the frequency of inspection, in addition to conducting regular assessment in accordance with the investment risk rating derived from their ESG implementations. The Bank would use those data to follow and negotiate their implementation of decarbonization strategies.

Item	Operating Item	Applicable Scope of Exclusionary Policy	Exclusion Condition	Applicable Year	Year in Which Investment Positions Will Be Eliminated
Coal	Including coal mining, coal-fired power generation, coal infrastructure, and other coal-related operations	No more investments in the respective company	Coal operations account for more than 25% of revenue	Since 2024	2024
Energy	Including atypical oil & gas operations such as tar sands, polar circle oil & gas, ultra-deep water oil & gas, atypical liquefied natural gas, and shale oil & gas, etc.		Atypical oil and gas operations account for more than 10% of revenue		

2-4 Investment / financing strategies catering to biodiversity

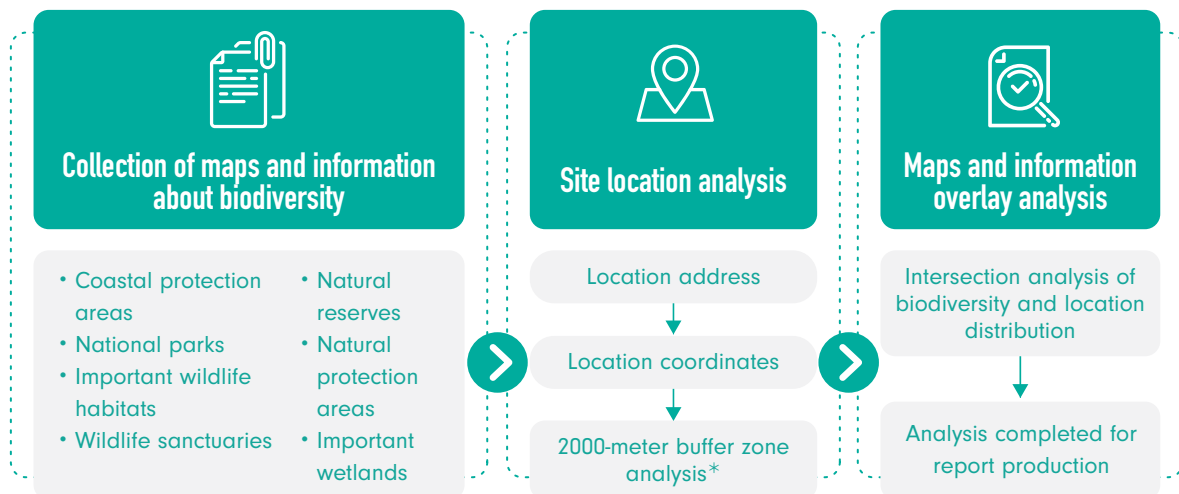
To leverage the financial industry's influence in investment and financing, and to promote biodiversity and environmental sustainability through core competencies, First Financial Holding has added screening items related to "Biodiversity," "Energy Use," and "Forestry and Water Issues" to the "ESG Risk Factor Checklist" in its credit application forms. This serves as a preliminary identification of nature-related risks. In 2024, the Board of Directors approved the Sustainable Credit Policy, which incorporates forestry and water issues into the credit review and assessment process. In accordance with the TNFD's approach of Locate, Evaluate, Assess, Prepare (LEAP; version V1.0), the Company conducted significance analyses on the nature and biodiversity reliance and impact of our own operating locations, suppliers and investment/financing targets and disclosed our findings, in hopes of achieving the objective of communicating with stakeholders. The execution structure of the LEAP approach is as follows:



Locate the sites of value chain activities

- Use the map overlay analysis approach: To identify the impact of the activities of the Company, our investment/financing targets and suppliers in the value chain on nature and biodiversity, we use location map overlay to analyze overlaps with biodiversity areas within a 2,000-meter buffer zone radius of various locations.

◎ Three stages of location map overlay analysis



* : Maps and information about nature and biodiversity were collected and sourced from the National Park Service, Ministry of the Interior and Ministry of Agriculture.

- Exposure-biodiversity hotspot analysis: First Financial Holding conducted nature and biodiversity impact assessments with respect to the locations of 53,663 sites on its value chain in Taiwan (including 206 of our operating locations, 137 suppliers' locations, and 53,320 locations of investment/financing targets). The analysis results indicated that there were 28,283 locations on the First Financial Holding value chain that had nature and biodiversity impact potential, including our own operating locations, suppliers' locations, and investment/financing targets' locations.

Biodiversity assessment & analysis report

Name of analysis object: Operating location - Head office building

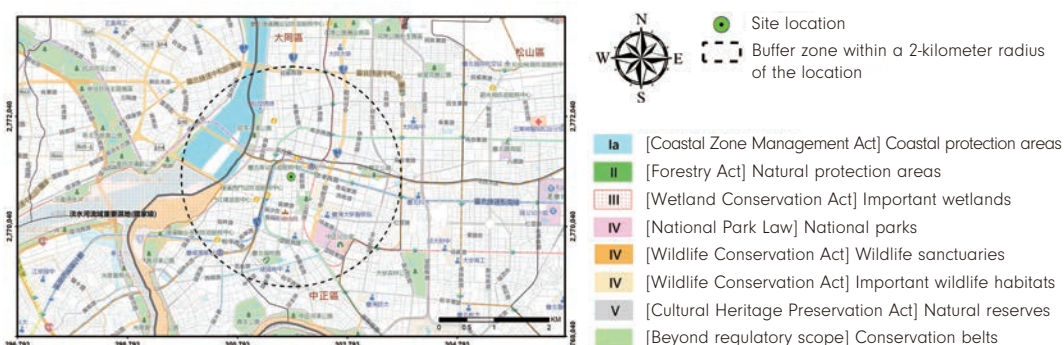
Location of analysis object: No. 30, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

(Latitude:25.045751 , Longitude:121.513087)

© Is it located in an area with impact on biodiversity

IUCN categorization	Name	Biodiversity maps and information within the regulatory scope	Yes or no
Ia	Strict nature reserve	Natural reserves	No
Ib	Wilderness area	-	No
II	National park	National park	No
III	Natural monument or feature	Natural protection areas	No
IV	Habitat or species management area.	Important wetlands, Wildlife sanctuaries, Important habitats of wildlife and wild plants	Yes
V	Protected landscape or seascape	Coastal protection areas	No
VI	Protected area with sustainable use of natural resources	-	No
-	Others	(Beyond regulatory scope) Conservation belts	No

© Location

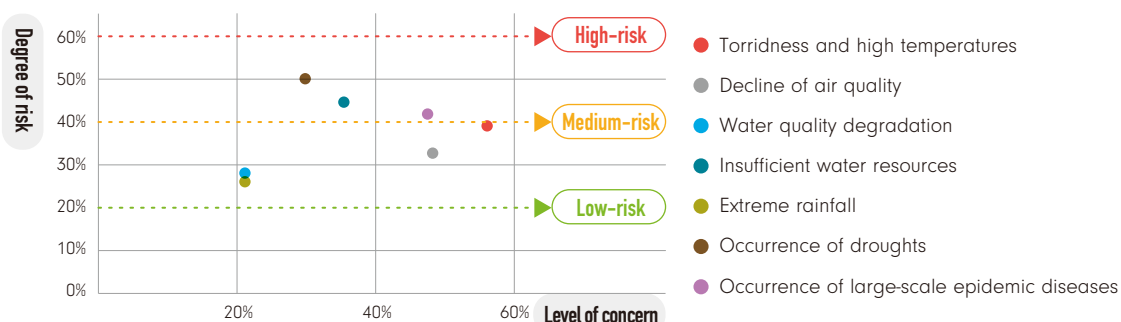


Significance analysis on value chain reliance & impact

With respect to the significance analysis of our value chain's reliance & impact on nature and biodiversity, First Financial Holding conducted a survey on the level of concern and risks via internal assessment, or by distributing the "Identifying the significance of investment/financing targets' biodiversity and natural environments" questionnaires. By aggregating the numbers of stakeholders' responses to a particular environmental issue, we were able to decide the level of concern for that issue. When more companies reply that they are confronted with a particular issue, the level of concern would be higher in terms of percentage points, which means that the level of exposure to this issue is likely to be higher among the stakeholders. With respect to environmental issues that the stakeholders were concerned about and the level of these issues' impact on their companies, we prepared different topics out of consideration for differences in reliance and impact. There were four major categories, including the level of concern, the degree of risks, risk calculation based on the types of reliance, and the level of mitigation achieved by management measures.

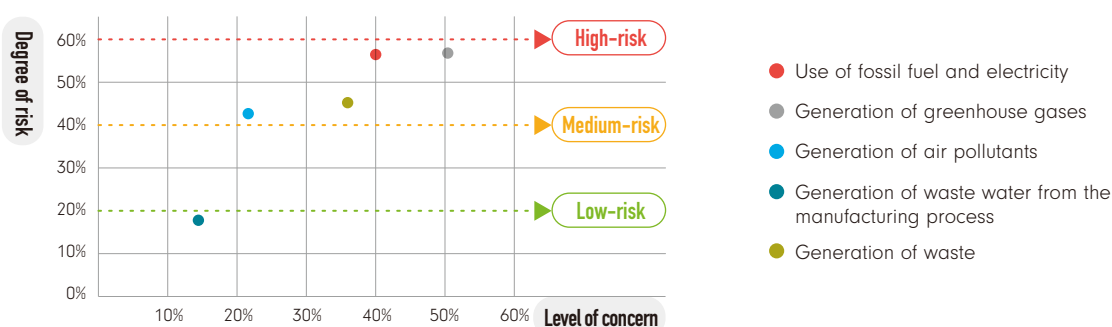
Identification & assessment of suppliers' nature-related reliance and impact

Based on the analysis of the Company's survey results about our suppliers nature-related risks, we have concluded that they rely on the ecosystem to provide water resources and disease control; they also have relatively higher impact on natural environments with the greenhouse gases generated from the fossil fuel and electricity that they use. Therefore, the Company will focus on our suppliers' management of water resources, air pollution and disease control and prevention. We plan to incorporate their performance in the aforementioned prevention and management into our pre-procurement "vendor data checklist" and the "supplier grading assessment" in 2024. With the "pre-audit" mechanism, we seek to strengthen suppliers' natural risk management as well as the "post-management" mechanism, in addition to encouraging them to take more active actions in terms of natural risk management.



Identification of suppliers' nature-related reliance:

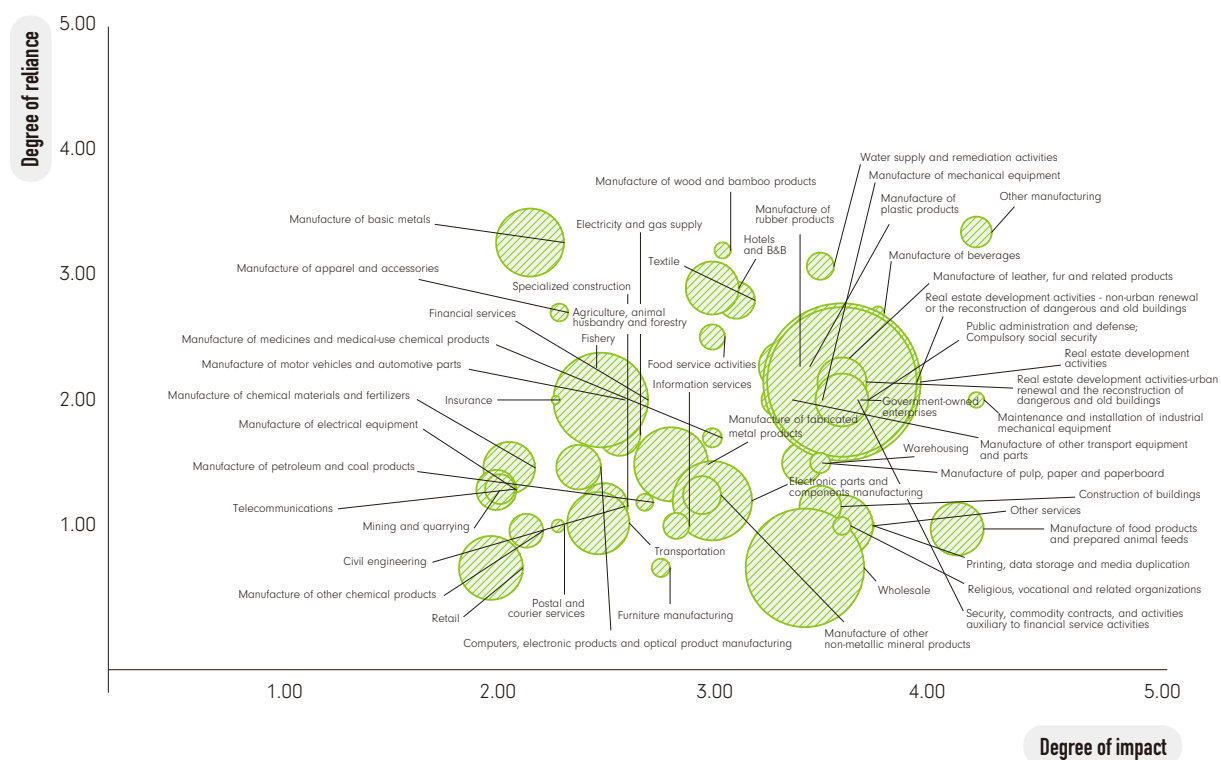
- To understand our suppliers' degree of reliance on nature and biodiversity, First Financial Holding conducted industry-specific reliance and impact analyses through the distribution of questionnaires.
- Risks are classified into various degrees. When the degree of risk is higher than 60%, it is considered high-risk. When it is 20% to 60%, it is considered medium-risk. When it is below 20%, it is deemed low-risk.
- For this survey, we only chose high-risk issues and those with a level of concern 20% or higher, and considered them to be high degree of reliance. In particular, the risk of droughts was the highest, with a level of concern of around 25%; Torridness and high temperatures drew the highest level of concern at 57%, and the degree of risk was medium.



Identification of suppliers' nature-related impact:

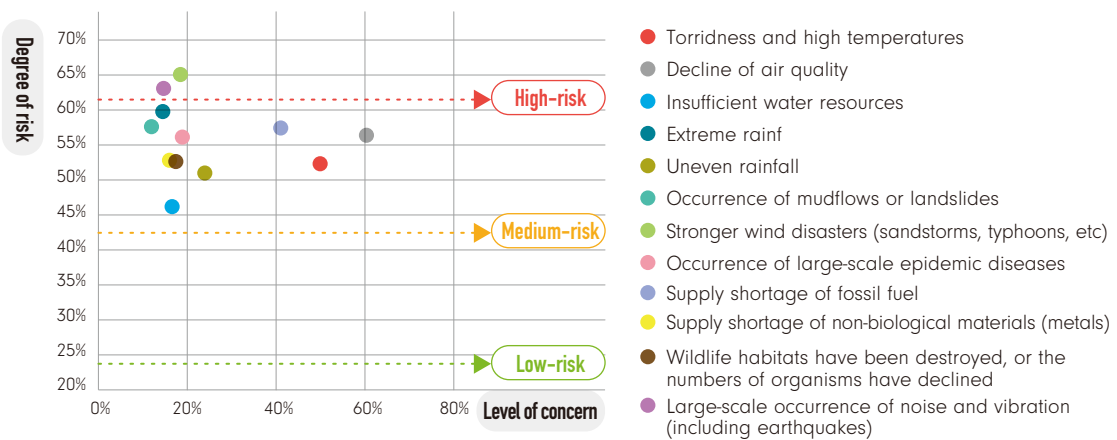
- We only chose medium-risk reliance issues with a level of concern 10% or higher.
- Supplier activities generating obvious pollution include: There are four types, including the use of fossil fuel and electricity, the emission of greenhouse gases, air pollution, and waste discharge.
- The higher the degree of risk for an item, the more evident it became that the supplier's management measures and goal setting remained inadequate even after its own assessment of that item. With regard to the identification results of the impact of supply chain management, First Financial Holding has established corresponding investigation indicators and measurement units for subsequent risk management.

© Identification & assessment of domestic investment/financing targets' nature-related reliance and impact



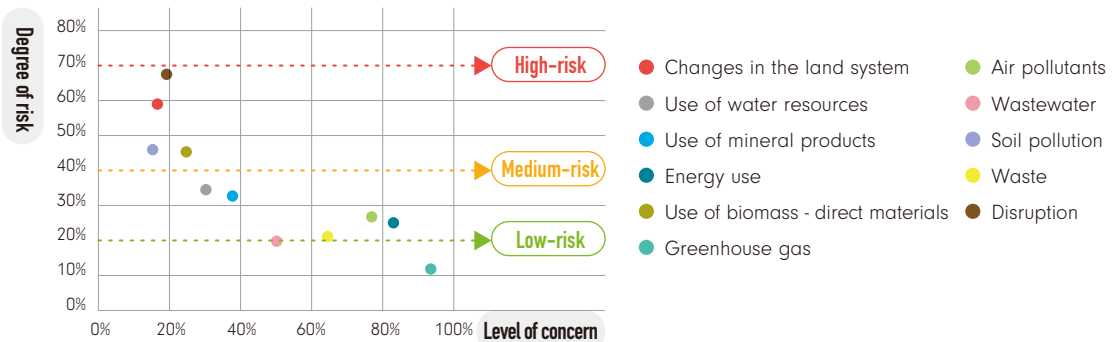
Investment and financing targets are key to assessing the financial industry's related impact on nature and biodiversity. First Financial Holding has conducted assessments of 54 industries via survey by distributing questionnaires to its internal business units.





Identification of investment/financing targets' nature-related reliance:

During the course of identifying our investment/financing targets' nature-related reliance and biodiversity, we only chose items with a level of concern 10% or higher, or industries with a high degree of risk for assessment. Nature-related reliance items that drew a level of concern higher than 40% included: Air quality, torridness and high temperature, as well as fossil fuel. Items with a relatively high degree of risk – and thereby falling into the high-risk category – included wind disasters, noise and vibration, and extreme rainfall. However, the level of concern was lower.



Identification of investment/financing targets' nature-related impact:

The top 3 nature-related impact items with a high level of concern included: Greenhouse gases, energy use and air pollutants. High-risk items with a degree of risk 60% or higher included surrounding disruptions to operations and changes in the land system. The main reason that some items were determined to be high-risk items is due to the questionnaire respondents' self-assessment results of these disasters. The higher the level of concern, the more management measures are put in place. Therefore, issues with a degree of risk lower than their concern level is relatively low-risk.

© Risk and opportunity management that investment/financing targets rely upon

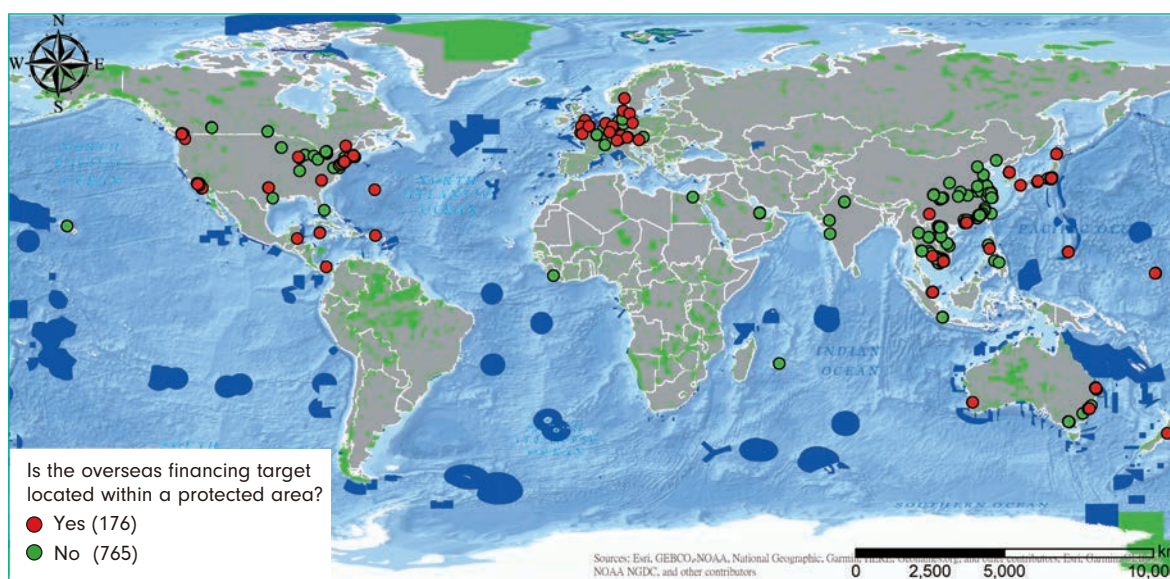
Risk items	Exposed industries	Risk explanation	Types of impact	Strategy
Torridness and high temperatures	Agriculture, forestry, fishery and animal husbandry	High temperatures may lead to low yields for some crops, or health risks to farmers.	Revenues Operating costs	Investment/financing targets are requested to manage their production environment control systems and precautionary mechanisms.
	Electricity and gas supply	High temperatures would result in reduction in electricity efficiency and the supply capacity, which would impact expected revenues.	Revenues	We would manage our investment/financing targets' precautionary mechanisms against high temperatures to ensure that they are equipped with fine precautionary mechanisms against high temperatures.
Decline of air quality	Mining industries	The decline of air quality creates high-risk impact on the health of on-site employees.	Business reputation Operating costs	Investment/financing targets are requested to install measures to monitor air quality.
Supply shortage of fossil fuel	Thermal power plants	Power plants' revenues/costs are affected due to spikes in fossil fuel prices caused by geopolitical reasons or climate disasters.	Revenues Procurement cost	We would conduct analyses on our investment targets' procurement diversity and low-carbon transition, while paying attention to international trends.
Extreme rainfall	Hotels, B&B, food service and tourism industries	Extreme rainfall leads to disasters, which could damage some hotels and destroy roads/scenic spots. As a result, the number of travelers would decline sharply.	Revenues Capital expenditures	We would conduct disaster potential analyses on the surrounding environments of hotel locations, and stringently review our investment/financing targets' precautionary mechanisms.
Wind disasters	Fishery	Wind disasters cause damage to fishing boats or fish farms, which leads to capital losses or even additional compensations.	Revenues Capital expenditures	We would examine our financing targets' response mechanisms to wind disasters, and demand that borrowers have a certain wind disaster prevention mechanism or insurance policies in place.
Noise and vibration	Construction projects	Earthquakes could lead to occupational safety issues and accidents during the course of a construction project, which could result in project suspensions and insufficient cash flow on the part of the investment target. Neighboring houses could even be damaged as a result.	Revenues Capital expenditures Business reputation	We demand that construction companies put sound vibration-resistant engineering measures in place to prevent any mudslides, landslides, collapses, or accidents.
GHG emissions	Electronic parts industry	Customers of companies in the electronics industry may demand that they reduce the carbon footprint of products with high carbon emissions, which may drive up their operating costs. As a result, our investment/financing targets' profits may fall short of expectations.	Operating costs Revenues	We would examine our investment/financing targets' information relating to climate change, transition programs and climate-related financial plans, in addition to conducting financial stress tests on companies that have received a large amount of investment from us.
Fossil fuel and energy use	Electronics industry	Mega electricity-consuming companies are requested to install renewable energy or use a certain ratio of renewable energy, which would drive up their operating and procurement costs. If they fail to fulfill their regulatory requirements, they would face regulatory risks.	Operating costs Capital expenditures	We would ensure that our investment/financing targets meet regulatory requirements

Risk items	Exposed industries	Risk explanation	Types of impact	Strategy
Air pollutants	Thermal power plants	Due to requirements associated with air pollution and carbon emissions, thermal power plants are required to limit their use of coal, or face a large amount of emissions cost. Therefore, they need to replace their generator sets, which would impact their capital investment, revenues or costs.	Capital Revenues Total cost	We would ensure that our investment/financing targets have backup generator sets, and that their air pollution control equipment has met requirements of the best feasible technology.
Changes in the types of land use	Cement	Cement mining may lead to protests from residents as well as risks of destruction to the local ecological system and landscape, which could further affect the timetable for capacity deployment.	Revenues Capital expenditures	We would ensure that our investment/financing targets have a comprehensive communication mechanism with stakeholders, and that they have enforced environmental remedy measures with respect to damaged land.
Disruptions to operations	Investment/financing targets that are in the vicinity of protected areas	Investment/financing targets that are in the vicinity of protected areas may disrupt specific species, or cause species' migration/deaths/extinction.	Business reputation	We would demand that our investment/financing targets conduct comprehensive ecological monitoring, and build the best possible facilities such as ecological corridors or habitats, in order to prevent factory operations from disrupting the lives and growth of animals and plants.

Assessment of biodiversity impact regarding the locations of overseas investment/financing targets

The Company has conducted assessments of biodiversity impact regarding the locations of its 941 overseas investment/financing targets. Referencing the DJSI index, the analysis designates a buffer zone within a radius of 2 kilometers from the operating location as the potential impact area. Maps and information about protected areas from around the world as recorded by the International Union for Conservation of Nature (IUCN) are also used for overlay analysis. The IUCN divides the world's protected areas into 8 categories (strict nature reserve, wilderness area, national park, natural monument or feature, habitat or species management area, protected landscape or seascape, protected area with sustainable use of natural resources, and the unclassified category). The analysis result indicates that (as shown in the illustration below) a total of 176 locations have touched on the IUCN's scopes of protected areas, including 61 locations in Asia (34.66%); 27 locations in Europe (15.34%); 44 locations in America (25.0%); 19 locations in Australia (10.80%) and 25 Oceanic locations (14.20%).

③ Locations of overseas financing targets & distribution of the IUCN's scopes of protected areas



* : Maps and information are sourced from the World Database on Protected Areas established by the IUCN.

Corporate governance

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

3-1 Board Structure and Operation

The board members of First Financial Holding are re-elected every 3 years through a "candidate nomination system". The qualifications of all candidates for directors and independent directors is reviewed by the board before they are elected from a list of candidates at the shareholders' meeting, thereby ensuring that the nomination and selection procedures of directors is open and transparent. Additionally, the Company has established targets for the board meeting attendance of all directors to exceed an average of over 85%; the actual attendance of independent directors must exceed 80%. In 2024, 15 board of directors meetings were convened with an average attendance rate of 93.67% for all directors (100% when including attendance by proxy) and more than 80% for all independent directors, thereby fulfilling their supervisory duties.

For 2024 attendance of board of directors meetings,
please refer to pages 55-57 of the Company's annual report


















Diverse board members

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

The Company's 8th-term board of directors is composed of 10 directors and 5 independent directors. Currently, including the Chairman and President, there are a total of 7 female directors who make up 47% of all directors.



◎ Implementation of the diversity policy for the Company's 8th-term Board of Directors

Core Items of Diversity Title and Name		Basic Composition				External Independence* ¹	Industry Experience* ²	Professional Background and Ability									
		Nationality	Gender	Age* ³				Law	Accounting	Finance	Tax	Technology	Risk management	Economic	Society		
				<50	50-60											>60	
Chairman	Ye-Chin Chiou	Republic of China				●	●	Finance							●		
Director and President	Frank Y.C. Fang					●		Finance		●	●	●		●			
Director	Lin-Na Huang					●	●	-	●								●
Director	Ming-Chi Lee				●		●	Finance				●					●
Director	Shing-Rong Lo				●		●	Finance		●							
Director	Chih-Chuan Chen				●		●	Finance			●						
Director	Hsin-Lu Chang				●		●	-					●				
Director	Shih-Yuan Tai					●	●	Finance					●				
Director	Chen-Ching Tien					●	●	Energy	●								
Director	An-Fu Chen				●		●	Finance, Medical, Information Technology									●
Independent director	Rachel J. Huang				●		●	Finance			●			●			
Independent director	Chun-Hung Lin				●		●	Finance					●		●		
Independent director	Wen-Ling Hung					●	●	Finance	●								
Independent director	Hung-Yu Lin			●			●	Finance							●		
Independent director	Chi-Chang Yu					●	●	Finance, Medical	●	●		●					

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

- The director must not have been employed by the company in an executive capacity within the last year.
- The director or his/her family member did not accept any compensation from the Company or any of its subsidiaries exceeding US\$60,000 in the last year, unless otherwise permitted by the US SEC 4200 clause.
- The Director's family members have not been employed by the Company or any of its subsidiaries as a senior executive.
- The Director is not a consultant of the Company or the management team and has no conflict of interest with consultants of the Company.
- The Director has no conflict of interest in the Company's main customers or suppliers.
- The Director has not entered into any service contract with other companies or their executives.
- The Director has no conflict of interest in non-profit organizations whose main sources of revenue are donations from the Company.
- The director must not have been a partner or employee of the company's outside auditor during the past year.
- The Director has no conflict of interest with the independent operations of the Board of Directors.

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

*3 : The number of directors less than the age of 50 is 6%, those 50-60 years of age is 47%, and those over the age of 60 is 47%; the average tenure is 4.93 years.

*4 : Please refer to page 24-33 of the Company's Annual Report for detailed information on the Company's Directors and their independence determined in accordance with the standards of domestic regulations



Independence of directors and conflicts of interest prevention

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

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

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



For director's recusal in motions relating to their interests in 2024, please refer to pages 57-58 of the Company's annual report



3-2 Board Functionality

Evaluation of board performance

In order to implement corporate governance and to improve the operational effectiveness of the Board of Directors, the Company's "Board of Directors Performance Evaluation Guidelines" stipulate that the Board of Directors should conduct internal performance evaluation annually. Additional, evaluation shall be conducted by an external, professional, independent institution or a panel of external experts and scholars at least once every three years.

01. Internal performance evaluation results:

In 2024, the average score of the annual performance evaluation measurement indicators for the Board of Directors and individual directors was 4.93 points (top score being 5 and applicable hereinafter), and the evaluation result was "excellent"; The average score of the performance evaluation measurement indicators for functional committees was 4.95 points (the average scores for the Audit Committee, Remuneration Committee, and Ethical Management Committee were 4.97 points, 4.94 points, and 4.94 points, respectively), and the evaluation result was "excellent". On January 22, 2025, the evaluation results were submitted to the 8th meeting of the 8th Board of Directors for future reference.

02. Utilization of board performance evaluation results:

In accordance with the "Regulations for Evaluating the Performance of the Board of Directors", the Company's board performance evaluation results should serve as basis of reference for selecting or nominating directors; individual directors' performance evaluation results shall also be used as basis of reference for formulating individual remuneration.

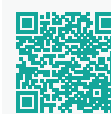


The Company's board performance evaluation results from 2016 to 2024 have been disclosed on the company website.

Training for directors

To improve directors' professional competence and to optimize their decision-making capabilities, the Company arranged a total of 132 hours of advanced core courses and professional courses for directors in 2024, per the Company's curriculum plan for directors' advanced studies.

Curriculum classification	General professional knowledge	Proportion
Core courses 70.45%	Sustainable development	50%
	Directors' legal duties and responsibilities	18.18%
	Finance; accounting	2.27%
Professional courses 29.55%	Risk management; internal controls; digital governance	15.91%
	Affairs relating to directors & shareholders' meetings	6.82%
	Business and commercial affairs of the Company's affiliated properties	6.82%
Total		100%



For advanced studies of all of the Company's directors in 2024, please refer to the company website.

According to the "Global Economic Crime Survey 2024" published by professional consultancy agency PricewaterhouseCoopers(PwC) in June 2024, "procurement fraud" has been among the top three most disruptive economic crimes experienced by companies globally in the past 24 months, just behind cybercrime and corruption. Upon evaluation, however, we found that the Company's procurement operations are relatively simple, and that the delineation of responsibilities and an educational training system against corruption have already been put in place. Therefore, the Company decided to focus on "cybercrime" as the theme of its directors' advanced studies in 2024, and organized two sessions of educational training in "Personal Information Protection Trends and Applications under the Development of Digital Financing" and "Trends and Patterns of Countermeasures against Money Laundering & Emerging Crimes". 41 of the Group's directors and 49 supervisors attended the training, respectively.

3-3 Functional Committees

To achieve sound supervisory functionality and to strengthen the management function, the Company's Board of Directors has progressively established functional committees made up of independent directors, including the "Remuneration Committee", "Audit Committee", and "Ethical Management Committee" since 2011. Each committee exercises its authority in accordance with its charter, in an effort to strengthen the Board of Directors' supervision over financial affairs as well as management over the remuneration system and ethical management.

Committee	Established in	Operations in 2024
Remuneration Committee	2011	<ul style="list-style-type: none"> This committee is made up of three independent directors, and independent director Lin Jun-hong serves as the convener. A total of five meetings were convened in 2024, with an attendance rate of 100% among committee members.
Audit Committee	2012	<ul style="list-style-type: none"> This committee consists of all independent directors, and independent director Huang Rui-qing serves as the convener. A total of seven meetings were convened in 2024, with an attendance rate of 100% among committee members.
Ethical Management Committee	2015	<ul style="list-style-type: none"> This committee is made up of three independent directors, and independent director Lin Hong-yu* serves as the convener. In 2024, a total of two meetings were convened, with an attendance rate of 100% among committee members.

* : Independent director Chen Yan-liang, convener of the third Ethical Management Committee, resigned on May 6, 2024. Therefore, a resolution was passed at the first meeting of the 8th Board of Directors on June 24, 2024 to entrust the selection of a successor to the fourth committee. Independent director Lin Hong-yu was approved unanimously in a committee meeting to become its convener on the same day.



For the major duties, members and attendance of various functional committees in 2024, please refer to page 60-64 and page 73-76 of the Company's annual report

3-4 Remuneration Policy

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

Directors	<ul style="list-style-type: none"> Remuneration of directors: Director's compensation, monthly remuneration, health examination fee, and transportation allowance (actual expense reimbursement), etc. Director's compensation: Taking into account factors including the annual performance evaluation results, business performance, implementation effectiveness in enforcing sustainable development and major risk events of the Board of Directors (including individual directors) and functional committees, the Remuneration Committee would submit a proposal in line with the range of allocation ratios stipulated in the Articles of Incorporation. After review and approval by the Board of Directors, the proposal will be reported to the shareholders' meeting. Director's monthly remuneration: In accordance with the shareholders' meeting resolution, the Board of Directors is authorized to decide on the remuneration level of each director within the range of NT\$2.4 million per month. The Chairman's remuneration shall be 1.25 times that of the President's.
Independent director	<ul style="list-style-type: none"> Remuneration of independent directors: Monthly remuneration, health examination fee and transportation allowance (actual expense reimbursement), etc. Independent director's monthly remuneration: In accordance with the Board of Directors resolution, each person shall be paid NT\$60,000 per month.

◎ President remuneration standards and approval procedures at First Financial Holding

Basis*1 "Articles of Incorporation", "Employee Salary Regulations", "Employee Bonus Disbursement Regulations", and "Employee Remuneration Payment Regulations"

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

1. Performance bonus

Indicator	Contents of indicators	Achievement status in 2024
Strategic indicator	<ul style="list-style-type: none"> • Performance of corporate governance execution • Results of sustainable development • Results of corporate image and credit rating 	<p>First Financial Holding continues to hold itself to global standards and outdo itself in the realm of sustainable development, having recorded stellar performances at the top 3 international sustainability indexes: MSCI, FTSE and DJSI, as it takes the lead for the Group to follow through on the "No. 1 Brand in Sustainable Finance" vision through nonstop innovation and sustainable practices.</p> <ul style="list-style-type: none"> • Selected for inclusion as a constituent in the MSCI Global Standard Indexes on three occasions, in addition to being named in the top AAA class in the bank category of the ESG Rating • Selected for inclusion as a constituent in the Dow Jones Sustainability "World Index" for 7 straight years; selected for inclusion as a constituent in the "Emerging Markets Index" for 9 straight years • Selected for inclusion as a constituent in the "FTSE4Good Emerging Index" for eight years in a row • Ranked among the top 5% of the global bank industry in the S&P Global Sustainability Yearbook on eight occasions • First Financial Holding's TCFD report has been awarded "LEVEL -5+", the highest level of certification, by the British Standards Institution (BSI) for four straight years. • Ranked among the "top 5% of listed/OTC-traded companies" in the Corporate Governance Evaluation by Taiwan Stock Exchange Corporation on nine occasions • Won the "Sustainable Pilot Enterprise for Healthy Workforce" award from the Ministry of Labor on two occasions • Honored with the "17th "TCSA Taiwan Corporate Sustainability Awards", receiving the "Top 100 Sustainable Role Model Companies Award" • Served as the convening party for the "Platform for Promoting Net-Zero in the Financial Industry-Domestic and International Promotion Work Group", and was responsible for conducting sustainability-related seminars and exchanges. In 2024, we hosted four events, including the "Net-Zero Transition Forum-Green Finance Session" • Acted as an overall coordinator to arrange the nine state-owned financial institutions affiliated with the Ministry of Finance to jointly participate in the "2050 Net Zero City Expo" to showcase the net-zero achievements of state-owned financial enterprises
Risk indicator	<ul style="list-style-type: none"> • Asset quality • Customer complaints • Compliance and major incidents of internal control 	<ul style="list-style-type: none"> • Both the capital adequacy ratio and double leverage ratio comply with standards set by the competent authority • There were no major internal control incidents, or major penalty cases by competent authorities for violating financial regulations.
Profitability indicator	<ul style="list-style-type: none"> • Achievement rate of pre-tax surplus budget target • Pre-tax surplus growth rate 	<ul style="list-style-type: none"> • The achievement rate of this indicator was 108.07%
Joint marketing indicator	<ul style="list-style-type: none"> • Achievement rate of joint marketing revenue budget target • Joint marketing revenue growth rate 	<ul style="list-style-type: none"> • The achievement rate of this indicator was 145.16%
Sustainable Development Index	<ul style="list-style-type: none"> • Integrated ESG performances of various subsidiaries 	<ul style="list-style-type: none"> • The achievement rate of this indicator was 99.00%
Other indicators	<ul style="list-style-type: none"> • Management and leadership skills, judgment, ethics, and other competency indicators • Various annual targets, including those for inclusive finance, green financing, responsible investment, information security management and climate governance, were achieved. 	

2. Remuneration: In the event of an annual profit, the Company should appropriate 0.02% to 0.15% of its profit before tax as employee remuneration, before deducting employees' and directors' remunerations. The actual disbursement ratio shall be calculated and decided after comparing indicators, such as the annual pre-tax profit target achievement rate, earnings per share (EPS), return on equity (ROE) and return on assets (ROA) of the year, with those of other banks in the industry.

Indicator	Benchmark	Proportion (%)	Achievement rate (%) in 2024
Pre-tax surplus	Target value of the Company's budget surplus	60	106.52
Earnings per share (EPS)		15	92.35
Pre-tax return on equity (ROE)	Simple average value of industry peers	15	91.79
Pre-tax return on assets (ROA)		10	95.71

Compensation structure	In 2024, the ratio between the President's (note 2) fixed salary and variable pay was around 3:1				Unit: NT\$1,000
	Title	Fixed salary (A)	Floating wages		Total remuneration (A+B+C)
			Bonuses(B)	Remuneration (C)	
	President	4,780	1,592	0	6,372
	Proportion of remuneration	75%	25%	0%	100%

- *1 : Formulation and revision of the payment levels of senior executives' (including those of the President) pay, bonuses and remunerations shall be proposed by the Remuneration Committee to the Board of Directors for review and approval.
- *2 : In 2024, the President's compensation (the Company's top salaried individual annually) was 3.29 times that of the average employee compensation (excluding the President; applicable hereinafter), and 3.89 times that of the median employee compensation. The rate of the President's compensation increase was 1.56 times that of the median employee compensation in terms of percentage points.
- *3 : All of the members of the Remuneration Committee were independent directors. Please refer to the company website for their independence.



Risk management and continuous operation

GRI : 2-27 、 205-1 、 FS1 、 FS2

Our company has established internal controls in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The system covers all business activities and require joint compliance by the Board of Directors, management, and all employees. The Board of Directors shall be aware of the operational risks faced by the company or business, supervise its operating results and bears the ultimate responsibility for ensuring the establishment and maintenance of appropriate and effective internal control system.

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

4-1 First line model – Internal inspection by Business unit

Business units are responsible for identifying, evaluating, controlling, and reducing risks derived from business activities based on their respective functions and scope of businesses. We established internal control procedures and execute risk management procedures to ensure that the execution of business operations meet the business policies and goals. We also organize self-inspection and self-assessments for internal controls and immediately propose improvement plans when processes and control procedures prove to be inadequate. According to the Company's 2023 "Compliance Risk Assessment Report", which was submitted to the Board of Directors for review before being approved in June 2024, the Group reached 100% in terms of the rate of conducting corruption risk evaluation for its domestic and overseas business locations. In particular, AML and employees' related personal activities were evaluated to be medium-to-high risk. The subsidiary bank, securities company, investment trust company and life insurance company have all formulated related internal guidelines for control and management, in order to reduce the risk of corruption.

4-2 Second line model – Sound compliance and risk management system

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



Compliance system

FFHC, First Bank, First Securities, First Securities Investment Trust and First Life Insurance have all established dedicated compliance units reporting to the president in accordance of the law. Other subsidiaries also appointed the Chief Compliance Officers at their head offices. The Chief Compliance Officers are responsible for the planning, management and execution of the regulatory compliance system at their respective companies. FFHC is continuing to require all subsidiaries to enforce their compliance systems. Related developments in 2024 are as follow:

Implementation Plan	Implementation Results
Supervision and management of the Board of Directors and the Audit Committee	<ul style="list-style-type: none"> The Company's annual compliance plans for 2024 were submitted to the Audit Committee and Board of Directors for review and passage before implementation. The subsidiaries reported the plans to the Board of Directors for review and passage before implementation. The subsidiaries reported the plans to the Chief Compliance Officer of the head office. The Company reports the implementation of the regulatory compliance system by each subsidiary to the Risk Management Committee bimonthly and to the Audit Committee and the Board of Directors semi-annually. Based on the results of compliance risk assessment of each subsidiary and the methodology of Group consistency, every year, the Company compiles the Group's compliance risk assessment report to report to the board of directors.
Regulatory change management	<ul style="list-style-type: none"> A weekly regulatory update list is provided to relevant departments, and compliance with external regulatory changes is monitored twice a month across all departments to ensure that the Company's operations remain in full compliance with applicable laws and regulations. In addition, a dedicated Regulatory Compliance Section has been established on the Company's internal website to continuously collect and summarize international compliance updates and enforcement cases, which are made available for reference by all departments and subsidiaries. Overseas branches of the banking subsidiary revise internal policies in accordance with local regulations and submit regulatory gap analyses and enforcement case reviews to their respective Compliance Divisions for assessment.
Compliance training and self-assessment operations	<ul style="list-style-type: none"> The Company's 2024 education training courses for compliance included important regulatory changes, penalty cases of our peers in the financial industry, gender equality at the workplace/awareness campaign for the prevention of sexual harassment at the workplace, employee confidentiality training and awareness campaign, personal data protection awareness campaign, and employee ethical & self-discipline guidelines awareness campaign (prevention and mitigation of internal threats/awareness campaign for the whistleblowing system [including awareness campaign for the UK whistleblower protection mechanism]/employee code of conduct). Furthermore, to enhance our employees' awareness of personal information protection and to follow through with related implementations, the Company also held "Lectures for Raising the Awareness of Personal Information Protection", inviting professional lawyers to lecture about related regulations and penalty cases. The Legal Compliance Division also provided "Insider Threat Mitigation Guide" for education training by the subsidiary companies. The Group's subsidiaries are required to conduct compliance educational training and self-evaluation at least once every six months. The Group's subsidiaries conducted a total of 243.5 hours of compliance educational training in 2024, with 17,483 participants in attendance.
Compliance performance evaluation	<ul style="list-style-type: none"> The legal compliance operations of the Company's departments in 2024 were submitted to the President for approval and the discrepancies in compliance matters were submitted to the supervisors of each department and the Human Resources Department as the basis for personnel evaluations. The results of the compliance system performance evaluation of subsidiaries in 2024 were reviewed by the Company's Board of Directors and sent to the subsidiary companies for reporting to the Board of Directors. They shall be used as the basis for personnel evaluations.
Compliance coordination and communication and onsite visits	<ul style="list-style-type: none"> Four "Group Chief Compliance Officers Meetings" were convened in 2024, where the subsidiaries reported the status of implementing their compliance systems in the previous quarter. They were also asked to cooperate in terms of disseminating, discussing and offering suggestions on important recent issues, in addition to reporting back their status of execution. On-site visits were paid to the subsidiary securities company, investment trust company and life insurance company for guidance and verification. After presenting a report on important agenda topics of the year, each subsidiary was subject to inspection to make sure that it had followed through on implementing the compliance system, and improvement suggestions were offered. In doing so, we hope to enhance communications and liaison with subsidiaries, thereby consummating their regulatory compliance system. Furthermore, we also conducted spot checks on the aforementioned subsidiaries to examine their compliance and AML operations, and came up with one suggestion for improvement, and improvement has already been made.

In 2024, the Company and its subsidiaries were penalized in four cases by Taiwanese and overseas competent authorities for a total sanction amount of around NT\$670,000. There were no major penalty cases*

* : The disclosure of penalties relating to cases of major violations must comply with Article 36, Paragraph 3, Item 2 of the Securities Exchange Act if there is a possible of material impact to the rights and interests of shareholders or the price of securities or if it complies with Article 2 of the "The Financial Supervisory Commission's Measures for the Public Announcement in Major Penalty Violations of Financial Laws".

Risk management

01. Risk Management Structure

FFHC's Board of Directors is the top policy-making unit when it comes to Group risk management. A "Risk Management Committee" has been established under it. The Chairman serves as the committee chairperson, while the President, VPs and the chairmen and presidents of subsidiaries serve as committee members. A meeting would be convened once every two months to supervise and examine the effectiveness and implementation status of the Group's and each subsidiary's risk management, which is reported to the Board of Directors on a regular basis. The Risk Management Department is responsible for carrying out various risk management policies.



02. Risk management Policies & Process

A. The Group identifies, weighs, monitors and controls each risk based on the "Risk Management Policy" approved by the Board of Directors, and formulates qualitative and quantitative measures commensurate with risk appetite.

- Identification of Risks: The influence path of major hazards, risk types and risk descriptions are identified through the compilation of various data, such as historical events as well as domestic and international issues and trends.
- Risk Measurement Assessment: Risk assessment models are introduced for scenario analysis to complete the quantitative assessment of the impact that risks have on business as well as potential opportunities.
- Risk Strategy: Based on the quantitative assessment results and the organization's current situation, adopt strategies for mitigation, transfer, acceptance, or control of climate risks and establish action plans for mitigation and adaptation.
- Objective Setting: Concrete organizational goals and indexes are established based on the outcome of risk strategy formulation. These goals are in turn allocated to business management units.
- Objective Monitoring: Organizational risks and opportunities are monitored regularly to ensure that milestones are met in time. An independent Risk Management Committee has been set up to effectively integrate the reviewing, monitoring, reporting and coordinated operation of the risk management matters of the entire Group.

The Company has imposed caps on the maximum risk undertaking for the Group's and its subsidiaries' credit extensions and investment operations in order to control the Group's large risk exposures; The subsidiaries have set their respective capital adequacy ratio (CAR) alarm levels for various industries in order to maintain the Group's CAR; The Group regularly reviews its subsidiaries' main risk monitoring indexes, including credit risk, market risk, interest risk, liquidity risk, insurance risk, operational risk and emerging risk, in order to faithfully implement the early-warning and stop loss mechanisms; Effective internal control systems are implemented to reduce possible losses caused by risks.

Each subsidiary company would formulate its own control & management procedures for credit risk, market risk, interest rate risk, liquidity risk, insurance risk, operational risk and emerging risk, based on the characteristics of its business operations, including establishing and implementing the power delegation mechanism, quota management, monitoring indicators and reporting procedures, etc. The functionality of risk management is implemented through monitoring indicators as well as regular self-evaluations. Additionally, audit units would regularly check and verify the implementation status of risk management to ensure that the risk management mechanism is operating effectively.

Risk Types	Description	Scope of Management	Consideration Factors for Evaluation
Credit Risk	Credit risk refers to the risk of financial losses arising from a transaction counterparty's failure to perform his/her contractual obligations.	We have developed a credit rating model for assessing borrower risk as well as assessment tools for measuring credit limit characteristics risks for operations such as corporate financing, credit financing, mortgages and credit cards. We have also introduced them to our system, in hopes of quantizing the risks and controlling them to a tolerable range with the help of objective and consistent tools for measuring credit risk.	<ul style="list-style-type: none"> The Company's risk management system and policies have been established in accordance with the "Risk Management Policy and Guiding Principles for FFHC and its Subsidiaries", as well as risk management policies formulated by each subsidiary based on the risk strategies and management policies approved by each company's Board of Directors. They are in compliance with the Basel Accords as well as related rules and regulations by competent authorities. In view of economic cycles and changes as well as factors such as the detail and quality of the overall credit extension portfolio and business promotion strategies, our risk management policies are subject to timely adjustments on the condition of compliance with the related regulations of competent authorities. These adjustments are approved on a tiered responsibility basis. To align with regulations of the New Basel Capital Accord and to establish an objective audit standard, we have gradually developed credit risk rating tools, introduced an audit process for credit checks and extensions in order to assess risks, and linked them to post-loan management in the early-warning mechanism for reviews. The goal is to build a sound and comprehensive credit extension management process. Furthermore, to control risks associated with credit concentration, we have established a credit limit management mechanism for conglomerates, industries, nations, stock collaterals of publicly listed and OTC companies, and real estate loans. To avoid overly concentrated credit risk and to monitor changes in the credit rating of credit assets, important credit risk information, such as credit rating status, asset quality, non-performing loan ratios and concentration risk, is submitted to the Risk Management Committee or Board of Directors regularly, in addition to adhering to the regulation on legal credit extension limit for the same individual, same related party and same related enterprise. Develop a credit rating model for measuring the borrower's risks in our business operations such as business loans, credit loans, mortgage loans and credit cards; develop evaluation tools for measuring risks associated with credit exposure characteristics; and introduce them to the system to quantify risks using objective and consistent tools for measuring credit risks, in order to control risks within tolerable limits. We regularly monitor and report concentration risks associated with conglomerates, industries, nations, various types of stocks and collaterals of publicly listed and OTC companies, and real estate loans. We also revise our risk undertaking caps in accordance with changes in market environments, levels of business complexity and risk control strategy assessments, in order to grasp the effectiveness of risk control.

Mitigation measures

- To align with regulations of the New Basel Capital Accord and to establish an objective audit standard, we have gradually developed credit risk rating tools, introduced an audit process for credit checks and extensions in order to assess risks, and linked them to post-loan management in the early-warning mechanism for reviews. The goal is to build a sound and comprehensive credit extension management process.
- To control risks associated with concentration of credit extensions, we have established a credit limit management mechanism for conglomerates, industries, nations, various types of stocks and collaterals of publicly listed and OTC companies, and real estate loans.
- To enable the risk management process to run effectively, we have established related systems for internal audit & internal control.
- We regularly monitor and report concentration risks associated with conglomerates, industries, nations, various types of stocks and collaterals of publicly listed and OTC companies, and real estate loans. We also revise our risk undertaking caps in accordance with changes in market environments, levels of business complexity and risk control strategy assessments, in order to grasp the effectiveness of risk control.
- We would demand proper collaterals or guarantee in line with a borrower's credit status or credit limit characteristics to mitigate our credit risk.

Market Risk	Market risk refers to possible losses of investment portfolios or financial assets resulting from changes and fluctuations of risk factors in market transactions.	Changes in market prices on or off a balance sheet could lead to expected or unexpected losses for the Company. In particular, interest rates, equity, exchange rates and product risk could cause changes in market prices.	<ul style="list-style-type: none"> Including expected and unexpected losses resulting from changes in market prices on or off a balance sheet. In particular, interest rates, equity, exchange rates and product risks could effect changes in market prices. Formulate various market risk management guidelines in accordance with different business operation characteristics, so that related risk identification, measurement, control and reporting can be included in the operating procedure guidelines. Departments in charge of market risk management should monitor business units' compliance status. Based on risk factors, divide market risks into different investment portfolios for daily evaluation, monitoring and management; and adopt risk quantification indicators such as VaR or Greek values to measure the level of exposure to market risks for the reference of the management, in order to dynamically and timely adjust our market risk management policies.
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Mitigation measures

- Aside from taking necessary hedge covering with regard to financial products in our transactions with customers, we would also take into account market changes, financial goals and risk measurement factors to establish an appropriate risk-weighted asset position within the reasonable range of risk limit control, and take advantage of the benefit of capital allocation, in hopes of creating maximum profits. Our main financial products for hedging include interest rate swaps, cross-currency swaps, swaptions, and interest rate collars, etc. For our overseas business units' loan assets with fixed interest rates, we would - out of consideration for hedging - circumvent risks caused by fair market price fluctuations through interest rate swaps.
- Risk management departments would regularly submit their hedging monitoring results in accordance with the frequency required by various management regulations, which would be presented to business units and senior management.

Risk Types	Description	Scope of Management	Consideration Factors for Evaluation
Operational Risk	Operational risk refers to the risk of all losses resulting from inadequacies and errors of internal operations, personnel or systems, or of other external operations and related incidents. In particular, "legal risk" is also included, but strategic risk and reputation risk are excluded.	<p>The division of respective powers and responsibilities as well as the report line system are specified in accordance with the functionality of the three lines of defense in risk management:</p> <ul style="list-style-type: none"> Each unit should control and manage its daily business activities within the range of its responsible business operations, and implement operational risk management. Risk management departments are responsible for establishing the operational risk management system, planning operational risk management tools and processes, and conducting exposure monitoring and reporting. Audit departments are responsible for independently reviewing and assessing if the operational risk management architecture operates effectively. 	<ul style="list-style-type: none"> Operational risk management is the responsibility of individuals of all pay grades. When conducting various operational activities, they should be directly responsible for risk management within the perimeters of their job descriptions, apart from abiding by the internal control/audit system as well as related guidelines. Standardized operational risk management tools and working methods are adopted to conduct risk identification and assessment, so that managers are able to observe the profile of operational risks to continue monitoring the potential operational risks that they discover, which is conducive to risk control or mitigation. In the event that a business unit spots an operational risk event such as major risk exposure endangering the financial or operational situation, it should immediately notify audit units, its supervisory sales management departments and risk management units. Reports shall be submitted to the Chief Auditor and senior management in accordance with applicable procedures. In the event of penalties imposed by competent authorities as a result of regulatory violations, reports should be separately submitted to regulatory compliance units.
<p>Mitigation measures</p> <ul style="list-style-type: none"> Hedging or mitigation of operational risk is mainly achieved through insurance in order to transfer/mitigate operational risk losses caused by operational negligence, personnel, systems, or external incidents. We strive to ensure continuous utilization of these mitigating tools through regular risk identification and assessment as well as control measures. To reduce potential losses from disruptions to operations resulting from fires, explosions, typhoons, earthquakes, robberies, bank runs, strikes, or other major incidents, we have formulated the "Contingency Measures for Management Crises", and "Crisis Management Handbook" for all units to follow. 			

As the types of global emerging risk items and related incidence gradually rise, the Company has also separately formulated the "Emerging Risk Management Guidelines" so that the Group can enhance corporate governance and administer assessments of emerging risks (such as trade war, global epidemic diseases, climate emergencies, information security risk, etc). By doing so, we have established a Group-level management mechanism for emerging risk items. The Company also adds or amends various risk management regulations and monitoring indicators in accordance with regulatory requirements or changes in the economic environment. In 2024, we additionally formulated the "Directions for First Financial Group's Management of Climate Change Risks", and amended related regulations such as the "Directions for FFHC's filing for Article 46 of the Financial Holding Company Act", "Regulations Governing FFHC's and Subsidiary Companies' Credit Extension to and Transactions with Stakeholders", and "Table of Maximum Risk Undertaking for Subsidiary's Credit Extension to/Investment in Same Individual, Same Related Party, or Corporate Credit Extension to the Same Conglomerate".

B. Risk Appetite

After taking business plans and risk profiles into account, we would set our risk appetite in accordance with the amount and level of risks we are willing and able to accept or assume. Aside from referencing reliable risk quantitative data, we would also incorporate past experiences and decision makers' macro vision. The Group's risk appetite is presented in two ways. The first is its CAR target, and the other one is risk limits (including credit risk, market risk and operational risk).

C. Analysis of Sensitive Scenarios & Stress Test

- The Group's sensitivity analysis includes interest rate risk, foreign exchange risk, and equity securities risk.
- The Group's subsidiary bank is one of the competent authority's domestic systematically important banks (D-SIB), which should be subject to a two-year stress test. It should also calculate various kinds of capital adequacy ratios and various profit and loss situations under severe recession scenarios in accordance with the Financial Supervisory Commission's "Operating Plan for Conducting Stress Tests on Domestic Banks" methodology.

D. Independent External Audits

First Financial Holding is subject to a full-scope examination by the Financial Examination Bureau, FSC once every two years, in addition to unscheduled targeted examinations. In particular, as the subsidiary bank has been designated as a domestic systematically important bank (D-SIB), it is required to file its CAR assessment results to the competent authority regularly. The competent authority also has more stringent demands with respect to the Bank's risk management process.

03. Risk management enhancement measures

A. System upgrade

In response to the fact that the subsidiary bank has completed revision of its "Default Probabilities of Various Risk Grades in Corporate Finance", we have revised and added "Overdue Grades (W1 and W2), measurement methods and risk characteristics. The "Operation Directions for Credit Rating in Corporate Banking" and "Operation Directions for Grading in Specialty Financing" have also been amended accordingly.

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

- We amended the "Operation Directions for Bad Debt Provision in Domestic Business Units' Performance Reviews", and updated the "Product Median Reserve Ratio", in order to strike a balance between business expansion and risk pricing.
- The risk coefficient table has been corrected in order to stay in touch with the latest market changes and to increase effectiveness for measuring potential future exposure of derivative product transactions.
- To avoid omitting or failing to inspect the actual stakeholder's data and simplifying manual maintenance operation when conducting transactions beyond credit extension, we have linked up with data from the human resource information system (HRIS) for automatic investigation into related operations regularly. Reports are automatically produced for reference.
- Promulgated the amended "Illustrations on Banks' Regulatory Capital and Calculation Method of Risk-Weighted Assets and Tables" (BASEL III), and related regulations on capital accrual using standardized approaches for credit risk, in order to facilitate risk management and compliance.

◎ Subsidiary First Bank capital adequacy ratio

Unit: NT\$1,000

		2022 / 12	2023 / 12	2024 / 12
Own capital	Type 1 capital	254,727,880	274,376,185	294,343,820
	Type 2 capital	42,242,420	42,518,933	51,499,620
	Total own capital	296,970,300	316,895,118	345,843,440
Risk-weighted assets	Credit risk	2,021,903,672	2,032,188,724	2,225,320,690
	Operating risk	91,211,640	101,720,175	111,690,092
	Market risk	45,377,633	42,520,900	57,054,743
	Total risk-weighted assets	2,158,492,945	2,176,429,799	2,394,065,525
Capital adequacy ratio		13.76%	14.56%	14.45%
Ordinary share equity ratio		10.09%	10.91%	10.75%
Type 1 capital ratio		11.80%	12.61%	12.29%
Total exposure		4,254,256,403	4,537,458,881	4,817,348,068
Leverage		5.99%	6.05%	6.11%

04. Establishment of the Corporate Risk Culture

To enhance and ensure smooth operation of the Group's risk management mechanism and to establish a risk-oriented corporate culture, we would invite and round up various companies within the Group to discuss current financial events and related changes, evaluate and adjust various risk control indexes and frequencies, and host risk management seminars from time to time. In the meantime, we also leverage the complementary online e-Academy to help build a systemic risk awareness. We hope that each and every Group employee understands FFHC's risk culture and core ideas, and we also conduct related educational training in risk management for promoted employees on various levels. In 2024, a total of 1,190 employees completed 32.6 hours of in-person or online educational training in courses or tests relating to risk management. For those who had failed to pass the tests, we also conducted retraining and retesting until the pass rate reached 100%.

Additionally, as the formats of financial products and services have become increasingly diverse and complicated, transaction disputes and financial crimes are more likely to occur as a result. To help our employees fully understand related domestic and international regulations and avoid regulatory gaps, we conducted three hours of training titled "Corporate Governance Forum-Money Laundering Risks Associated with Emerging Technologies" in 2024. A total of 49 Group Directors and Supervisors attended the training.



Establishment of Risk Management Culture Measures

◎ Connection between Risks and Performance

- Risk indicators (includes asset quality, customer complaints, regulatory compliance, and major incidents of internal control) are included in the standards for the distribution of performance bonuses for the President, senior management, and employees, and they affect the amount of the annual performance bonus.
- The performance evaluation items of the risk management unit include risk management indicators such as the capital adequacy ratio and leverage ratio, return on capital, and non-performing loan ratio control target achievement rates, employee training, and innovative measures. The evaluation results shall be used as an important reference for determining the performance bonus for the evaluated department.
- Performance Assessment:
 - With regard to the internal control and management checklist item of "points deduction standard for administrative efficiency" under "management performance" in the performance assessment, if an employee violates regulations relating to credit rating adjustments for corporate banking, and has been notified of three or more incidents of inadequacy by the Risk Management Department or fails to improve within the required timeframe after being notified during the assessment period, he or she shall be subject to points deduction in commensurate with the severity of negligence.
 - With regard to the "monitoring and management measures for controlling real estate credit concentration", an important management index relating to "profitability" and "management performance" in the "financial performance" of the performance assessment, we have also formulated related incentive measures.
 - "Capital utilization effectiveness" and the achievement rate of "economic profits" after taking capital cost into account have been incorporated in the performance assessment. We also conduct assessment contests for return on capital, including return on capital for net profit before withdrawals or deposits, the amount of increase in return on capital for gross operating profit before withdrawals or deposits, and the amount of increase in capital deduction, which serve as items worthy of extra points in the performance assessment of business units; Additionally, we would also conduct incentive activities to grade each unit's return on risk-weighted assets and average risk weights. Commendations/bonuses are awarded to outstanding units based on their scores.
- We continue to follow up on review opinions of internal audit units, accountants, and business administration units or deficiencies proposed by internal audit units, and matters requiring improvement listed in the internal control system statement. Improvements are submitted in writing to the Board of Directors and Audit Committee and used as an important item for penalties and rewards and performance evaluations of related units.
- The results of the compliance evaluation of the departments and subsidiaries are used as the basis for personnel evaluations.

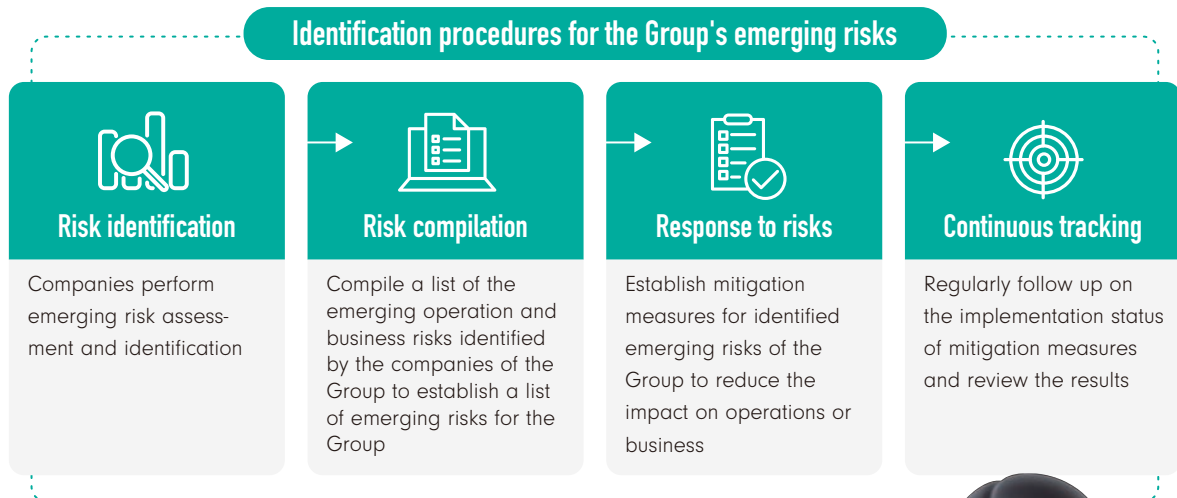
◎ Risk Reporting measures

- We strive to establish a risk reporting mechanism for internal staff through related regulations, such as the Rules for the Regulatory Compliance System, FFHC's Guidelines for Reporting Regulatory Compliance Cases, Implementation Rules for the Internal Audit System, FFHC Incident Reporting Guidelines, Operational Risk Management Guidelines, and Credit Risk Management Guidelines.
- A range of transparent, equal and convenient complaints channels have been established including the "Supervisor Mailbox", "President's Mailbox", "Chief Auditor's Mailbox", "Ideas Mailbox", "Employee Support Hotline", "CEO Weekly", and "Good Articles" as well as public forums on the company intranet to ensure complaints are handled properly.

◎ Enhancement of the Risk Culture

- The Company organizes risk management seminars from time to time and invites subsidiaries to discuss recent changes in the finance industry to evaluate and adjust the risk monitoring indicators and frequency.
- We established the employee proposal system to encourage employees to actively identify and report potential risks.
- We publish the risk management newsletter each month and use the "Risk Management Report", "Special Report", and "Risk Management Terminology" to enhance the risk awareness of all employees and increase their professional knowledge and skills.
- Organize relevant education and training for emerging risks (such as information security risks, climate change risks and personal information protection risks) to improve risk resilience.
- Based on the "Standard Operating Procedures for New Types of Products", various business management units would discuss the profiles, operating procedures and internal control mechanisms of new types of products. Their proposals are submitted to the Business Decisions Committee or (Managing) Board of Directors for review; Before a new type of product is officially launched/goes online, it is necessary to conduct risk identification and assessment in accordance with related RCSA procedures and methods in the "Guidelines for Operational Risk Management Tools".

05. Emerging risks



The identification outcome of the Group's emerging risk includes "misinformation and disinformation created by AI" and "geoeconomic conflicts". The mitigation measures we have adopted to deal with the potential impact from such risks are indicated in the following table:

Risk Description	Potential Impact
<p>Misinformation and Disinformation Created by AI</p> <p>Digital networks and social media have been inundated with large amounts of misinformation and disinformation over recent years. With the rapid development of generative AI (referred to as GenAI hereafter), financial institutions have also gradually adopted it. Even though GenAI helps improve operational efficiency while providing diverse services, it is likely to entail personal data leaks, information security issues, and related legal risks. In addition, people may have concerns about truthfulness of the generated content, or whether information is made up. Some crime syndicates even use GenAI to impersonate as financial institutions to conduct fraud, undermining society's trust in the financial system while impacting financial institutions' risk management and reputation.</p>	<ul style="list-style-type: none"> • Investment Risk: Investors and traders overreact due to misinformation or disinformation, which increases market fluctuations while impacting investment portfolios and trading performance. • Operational Risk: Misinformation could also cause the management team to make wrong judgment calls in management policymaking, which would lead to failure, unnecessary cost burdens, and operating losses. • Information Security Risk: In case information security management is less than perfect, customers' personal data and companies' trade secrets are prone to leaks, or misinformation may be disseminated. • Property Damage Risk: Impersonating as the Company, a scam syndicate could claim that "the customer has been impersonated to apply for a loan or open an account", and use it as an excuse to contact the said customer, claiming that it has already helped notify the police to ensure the safety of customer property. Afterwards, the syndicate would arrange a phony policeman to call the customer, trying to extract personal data under the guise of police investigation and causing property damage to the customer. • Compliance Risk: To address risks associated with use of misinformation and disinformation derived from GenAI, governments of various countries will progressively introduce new legislation or amend existing regulations. The companies under the Group need to adjust their internal guidelines in response to regulatory amendments in a timely fashion. They also need to enhance employees' ability to identify GenAI-related risks and contingency countermeasures.

Mitigation Measures

Short-term:

- Disseminate the correct message to investors and customers via various channels, including bank statements, and transaction app push; provide anti-fraud information to customers regularly; set up a dedicated counter-fraud zone on the official website; make a list of frequently seen investment fraud patterns and related information from government agencies and continue to update it; and raise the anti-fraud awareness on the official social media platforms.
- Clearly remind customers to call the "165" anti-fraud hotline for verification and reporting when they suspect an impostor of posing as a Company employee, or find a counterfeit and phony official website, marketing advertisement, or an impostor using apps to misguide or scam people.
- Install an instantaneous and smooth channel for the distribution of material messages and communications about customer complaints; make timely clarifications to block and eliminate misinformation; and prevent negative public sentiments from spreading, so that society's impressions on the Company are not impacted.
- Increase employees' information security awareness of fraud patterns derived from emerging technologies through regular educational training and bulletin reminders.

Additionally, the following medium- and long-term mitigation measures are also adopted:

- Use big data and AI technology to conduct real-time monitoring and identification of misinformation and disinformation, in order to facilitate correct decisions.
- Build a robust risk management system through AI technology and joint data defense; enhance cooperation with the tech sector to create a more sturdy anti-scam ecosphere.
- Actively set up a channel for monitoring and verifying disinformation as well as instant notification with third parties or government agencies to jointly maintain financial market stability.
- Continue to follow up on the latest relevant regulatory developments and updates or supervisory trends, and use them as foundation to distribute regulatory reports or education training materials, so that various units can stay on top of relevant regulatory messages in a timely manner. Internal guidelines are also adjusted accordingly, and scenario tests are conducted in line with demands of competent authorities. We would also evaluate to set up an emergency response team to counter cases involving impostors and cope with various patterns of impostor incidents.

Risk Description	Potential Impact
<p>Goeconomic Conflicts</p> <p>Whether it's Brexit, China's emphasis on self-sufficiency through internal demand and circulation, or Trump's tariff and trade war, they all represent the emergence of global protectionism, isolationism and deglobalization, as nations weaponize economy and limit products, knowledge, services or technology, in order to gain geopolitical advantages and solidify their sphere of influence. Therefore, enterprises and governments need to strengthen supply chain resilience and divert market risks, in an attempt to address uncertainties associated with goeconomic risks.</p>	<ul style="list-style-type: none"> • Default Risk: Goeconomic competition may lead to import/export restrictions and tariff barriers, which impact corporate profitability. Economic sanction and trade war are also likely to ramp up raw material prices. As capital expenditures increase, solvency is adversely affected, and the risk of default on financial institutions' loans goes up. • Credit Risk: Due to fear of goeconomic conflicts, borrowers' operations may be impacted by trade risks such as trade deficit and weak foreign exchange rates, which further increases credit risks for financial institutions. • Systemic Risk: As price fluctuations in the global energy, raw materials and financial markets exacerbate, investment gains are feared to decline. Market hedging sentiment would rise, and investors scramble to dump financial products in their possession, triggering a price collapse while intensifying financial market fluctuations. • Rising Corporate Costs: Rising tariffs would lead to an increase in the prices of imported products, which represents a severe blow to import-oriented companies. This would invariably jack up operating costs for companies and impact their bottom line. • Compliance Risk: People fear that economic sanctions and technological blockades may increase compliance and operational risks for financial institutions.

Mitigation Measures

Short-term:

- Pay attention to international political and economic messages, various countries' economic indicators, changes in their overall status, and rating reports; monitor losses/gains and changes in our investment positions, asset quality, and credit risk concentration regularly; keep a tight leash on related exposed positions; adjust our investment strategies discreetly, and issue timely warnings or put forth countermeasures in response to material events.
- Develop new clientele actively; divert business operations; reduce reliance on one single country or supplier; and adjust risk quotas of various countries, depending on the situation.
- Support the government's push for the Six Core Strategic Industries, including information and digital technology, cybersecurity, medical technology and precision health, green and renewable energy, national defense and strategic industries, and strategic stockpile industries, so that we can stay on top of business opportunities associated with reset global supply chains.
- Continue to understand our borrowers' operating status through post-loan reviews and early warning operations; and adopt action plans or debt collection programs before credit default in order to maintain the quality of our credit assets.
- Collect the latest relevant regulations of various countries and formulate corresponding internal guidelines for compliance by our business units.

Additionally, the following medium- and long-term mitigation measures are also adopted:

- Beef up cooperation with international financial institutions to build up a risk-sharing mechanism, in an effort to reduce impact of goeconomic conflicts.
- Manage our credit exposure discreetly; and avoid concentrating credit positions on a specific region to reduce the impact of unfavorable factors on our credit operation.
- Utilize fintech to streamline manual operations and reduce operating costs; and increase transaction monitoring capabilities to avoid the risk of being sanctioned.
- Continue to remind managers to be closely mindful of international political and economic situations; refine our pre-loan credit investigation capabilities; urge colleagues to enhance crisis identification; pay attention to borrowers' operating status; and be mindful of diverting concentration on one particular industry or customer.

4-3 Third line model – Independent internal audit unit

The Company and its subsidiary bank, securities company, securities investment trust company and insurance company have all set up internal audit units that report to the Board of Directors. A general audit system has also been established, which audits and assesses the internal control system designed and executed using the first and second models as well as the effectiveness of the risk management system, based on an independent and non-partial spirit. It also offers timely improvement suggestions to reasonably ensure that the internal control system can continue to be effectively enforced. The suggestions also serve as a basis for reviewing and amending the internal control system. Furthermore, the internal audit units would continue to follow up on and re-examine review comments as well as audit faults identified by financial examination agencies and accountants, those submitted by themselves and business units, as well as items marked for further improvement in the internal control system declaration. The status of their follow-up audits and improvement, regularly submitted to the Board of Directors and Audit Committee in writing, serves as an important index for awarding or punishing related departments as well as performance assessments. The goal is to maintain the operation of an effective and appropriate internal control system.

To enhance the functionality of the second and third models such as regulatory compliance and internal audit and control, the Company would ask its various departments and subsidiary companies to be mindful, and review the completeness and effectiveness of related internal control regulations and control measures in its "Review Seminar for Improving Internal Control System Faults & Regulatory Compliance". The meeting focuses on the emphasis of financial examination noted by the Financial Supervisory Commission and the financial holding company's internal audit seminar, the annual examination emphasis announced by the Financial Examination Bureau, main faults identified in examinations of the financial industry, as well as the recent peers' fault patterns in penalty cases. The Company would ask various audit units to incorporate the aforementioned items in their annual audit focus, in order to implement the three models of internal control and facilitate sound management for the Company. To implement performance assessments, we would annually assess the results of related audit operations, including the subsidiaries' internal audit units and systems as well as their verification for internal audit and audit management, in accordance with the Company's assessment regulations governing the evaluation of subsidiary companies' audit operations. The results would be presented to the Board of Directors of each subsidiary as an important basis for the performance assessment of each audit unit.

With regard to the execution of the Company's 2024 internal audit operations and formulation of our 2025 audit plan, we would adopt a risk-weighted management approach, in addition to referencing the latest changes in regulations, the competent authority's updated examination focus, ratings for the internal control execution of various units (including subsidiaries), and the business characteristics of various units (including subsidiaries). In addition, the two models would supervise the examination outcome from the internal control system itself. After being reviewed by the audit units, the outcome, along with internal control faults and the improvement status of anomalies as identified by the audit units, would be used for evaluating the effectiveness of our overall internal control system. By doing so, we hope to consummate self-evaluation in the Group's internal control system. Additionally, subsidiary First Bank has implemented a risk-oriented internal audit system by establishing a series of risk-oriented methods and procedures to evaluate internal audits. This acts as a foundation for compiling audit plans to determine the frequency of internal audits based on the assessed risk level, thereby deploying audit resources with more effectiveness as well as reinforcing audit focus on critical risks.

◎ Key audit criteria

- The status of implementing measures to prevent money laundering, combat terrorism financing, and counter weapon proliferation.
- The status of enforcing of the regulatory compliance system.
- Supervision and management of the reinvestment businesses.
- The status of implementing and operating the corporate governance system.
- The Group's risk management and control mechanism.
- Conduct information security management, and supervise & guide subsidiaries' implementation on updating relevant plans and operations of the information system, information security defense, early warning monitoring, and the contingency response drill mechanism.
- Personal information protection.
- The status of executing the whistle-blowing system, including educational training.
- The status of declarations in compliance with the Financial Holding Company Act.
- The status on implementing control procedures and the sampling/verification mechanism to guard against conflict of interest regarding domestic equity investments or inappropriate transactions.
- The status of audits and management initiated by the internal control system.
- The status of driving ESG in sustainable finance and implementation of IFRS sustainable information disclosure standards.



© Implementation of the internal audit system in 2024 is as follows

Implementation plan	Number of times held/ Execution times
Self-audit meetings, internal control system self-audit results review, internal control system deficiency review meetings, and internal audit coordination meetings within the group	2 times each
General audits, project audits	8 times each
Derivative trade audit	10 times
Auditing opinions and follow-up	22 times
Non-routine auditing	4 times

Please refer to the Company's website for the
2024 Internal Control System Statement



4-4 Business Continuity Management Mechanism



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

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

To ensure uninterrupted operation for the financial system, and to provide people with reassuring, convenient and diverse financial services as the basis of innovative FinTech developments, the Company and its subsidiary bank, securities company and life insurance company implement and execute measures for information security and privacy protection. Please refer to the "Information Security and Privacy Protection" chapter for more details on related planning and execution status.

ESG Products and Services

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

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

5-1 Corporate Banking / Investment Business

◎ Corporate finance – ESG-related products and their respective proportions

Unit: NT\$100 million

Item	Balance (End of 2023)	Balance (End of 2024)
G Renewable Energy Sustainability Loans & Preferential Financing Program for Green Industries and Green Enterprises	1153.40	1,214.65
S ESG Infrastructure Financing	210.45	211.30
G S S Sustainable performance-linked credit project	802.89	1,829.22
G S Preferential Financing Projects for Six Core Strategic Industries	5,540.33	6,244.45
Corporate loan financing balance	11,293.02	12,060.07
Percentage (%)	68.24	78.76

Unit: NT\$100 million

Item	Balance (End of 2023)	Balance (End of 2024)
G S Sustainable financial bonds	40	55
Total issued monetary value of fixed income products	546.87	625.07
Percentage (%)	7.31	8.80

Unit: NT\$100 million

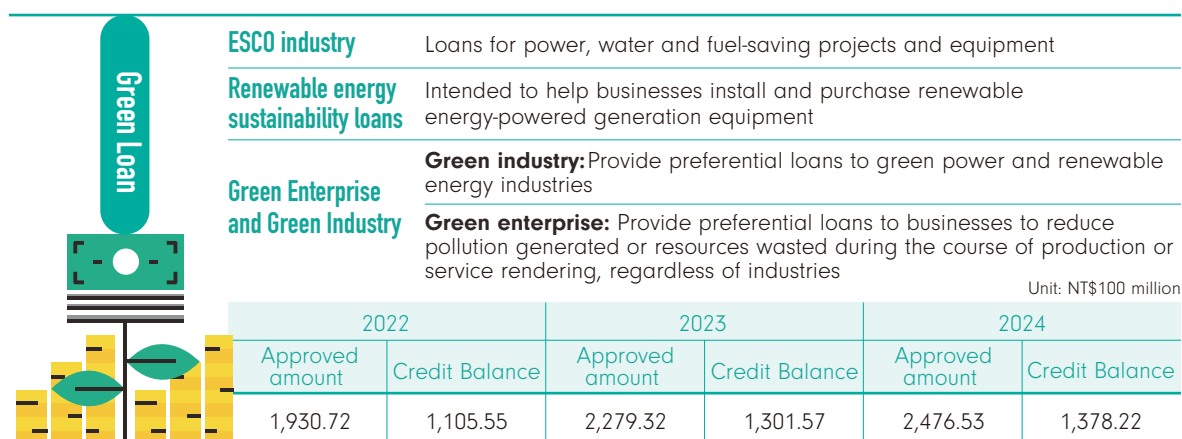
Item	Balance	Product content description
Financing for ESG-based entrepreneurship investment consulting services	8.46	G S Invest in companies involved in industries such as eco-friendly green energy, biomedicine, and medical supplies G Solar power plant construction services and consulting services for the operation and entrusted management of power plants
Volume of entrepreneurial investments and consulting services	17.43	
Percentage (%)	48.54	

G Green **S** Social **S** Sustainable

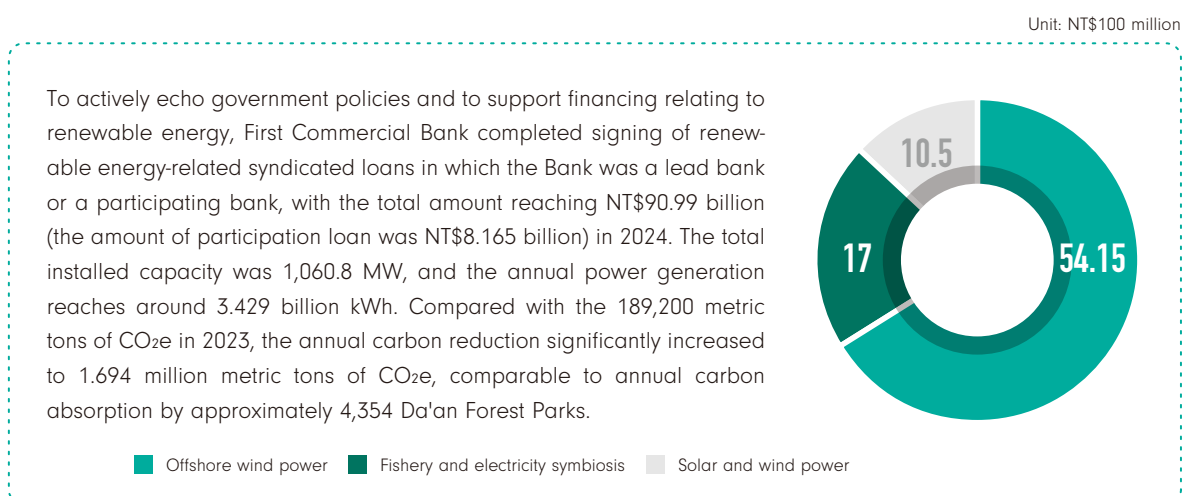
Green Finance

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

* : In light of the fact that all of First Commercial Bank's projects relating to green finance have been progressively set in motion, the "Green Finance Committee" has completed its scheduled mission. To increase the operating efficiency of the Bank's organizational structure for sustainable governance, it has therefore merged the "Green Finance Committee" into the "Sustainable Development Committee" in 2023.



* : Includes green financing loans from overseas branches in the amount of NT\$33.698 billion and balance of NT\$16.357 billion.



* : The amount of carbon absorption by one Da'an Forest Park is around 389 metric tons annually, as referenced from the "Bureau of Energy's photovoltaic target of 6.5GW for 2020" <https://www.ey.gov.tw/File/D995A747C88EA053?A=C>

Case Study

To align with international climate actions and to achieve the 2050 net-zero goals, Taiwan will continue to expand its share of renewable energy. Therefore, the government has stepped up its efforts to promote renewable energy. First Commercial Bank jointly organized and acted as the lead bank in a syndicated loan for the development of an offshore wind farm. The project is Ørsted's Greater Changhua Northwestern Offshore Wind Farm, which is installed around 50 kilometers off the shore of Changhua, with a total installed capacity estimated at 583 MW. When commercial operation commences, it is capable of generating around 2.77 billion kWh annually, achieving a carbon reduction of approximately 1.37 million metric tons of CO₂e.



ESG Infrastructure Financing

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

Unit: NT\$100 million

ESG Infrastructure Construction Loan Balance	2022	2023	2024
	223.21	210.45	211.30

Sustainable performance-linked credit project

In order to be in line with international ESG trends, First Bank launched the "sustainable performance-linked credit project"* , which differs from green loans in that the funds can be used without being confined to specific purposes. Through long-term monitoring of ESG indicators, connecting corporate borrowers' sustainability performance in controlling greenhouse gas emissions, electricity, energy, and total waste, etc. to loan interest rate pricing. The Bank will reduce the financing costs if the borrower meets the relevant ESG performance indicators to encourage corporate borrowers to actively manage their low-carbon transformation risks and support corporate borrowers that implement ESG governance in this engagement manner. The credit accounts tracked in 2023 accounted for a total decrease of 4,499,300 tons CO₂e and conserved 1,483.92 million kWh of electricity for the year.

* : First Commercial Bank's "Preferential Credit Project for Green Sustainable Finance (including green enterprises and sustainability-linked credit extensions) incorporated the concept of the "Guidelines for Identifying Sustainable Economic Activities", promulgated by competent authorities in 2022. The project was designed for products with green capital expenditures, encompassing the range of forward-looking economic activities defined by the guidelines (such as renewable energy installations, architectural energy conservation, low-carbon transportation, and utilization of low-carbon and circular economic techniques, etc). Our sustainability-linked credit extensions have incorporated methods and concepts recognized by the guidelines to have substantive contributions in terms of mitigating climate change. Through sustainability performance indicators (such as controlling GHG emissions and electricity management) and the linkage to performance, we are able to provide favorable interest rates, encouraging customers to devote themselves to ESG. We also leveraged the project to engage in negotiations with enterprises, and encouraged and guided customers to make the low-carbon transition with preferential interest rates.

◎ Sustainable performance-linked credit project

Unit: NT\$100 million

2022			2023			2024		
Approved cases	Approved Amount	Outstanding Loans	Approved cases*	Approved Amount*	Outstanding Loans	Approved cases*	Approved Amount*	Outstanding Loans
69	1,064.61	243.17	215	3,463.23	802.89	478	6,963.77	1,829.22

* : All the figures in the statistics refer to cumulative numbers from program initiation in April 2021

Case Study

First Commercial Bank partnered with Bank of Taiwan to organize the NT\$40 billion "sustainability-linked" syndicated loan for AU Optronics. Through reviewing that company's completion status of various sustainability performance indicators, such as waste recycling rates, sustainability evaluation results and the audit completion rate of its green supply chains and key suppliers, we provided corresponding preferential interest rates, as part of our efforts to fulfill our corporate social responsibilities and align with international sustainable development trends. Furthermore, First Commercial Bank also partnered with Bank of Taiwan to organize the NT\$18 billion "sustainability-linked" syndicated loan for Qisda Corporation. We provided preferential interest rate discounts through the linkage to various sustainability performance indicators, as we demonstrated our support for Qisda Corporation's sustainable growth with actual action. Moreover, we also organized an NT\$5 billion "sustainability-linked" syndicated loan for Cheng Loong Corporation. Through reviewing the company's indicators such as utilization rates of recycled industrial paper and alternative fuel utilization rates, we were able to provide the customer with preferential interest rate discounts to help it combine its operations with sustainability strategies & goals.



Preferential Financing Projects for Six Core Strategic Industries

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

Unit: NT\$100 million

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

2023 Financing balance

1,889.93	696.60	241.88	3,042.16	1,905.25	2,810.88
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5,540.33*

2024 Financing balance

2,133.10	857.94	269.14	3,355.84	2,237.41	3,128.43
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6,244.45*

* : Excludes double counting.

Financing Key Strategic Industries on the Pathway to Net-Zero Emissions in 2050

To respond to the global trend of net-zero emissions, the government officially published "Taiwan's Pathway to Net-Zero Emissions in 2050" in March 2022. The pathway is based on the four major transformations of "energy, industry, life, and society" and the two major governance foundations of "technology research and development" and "climate legislation", and supplemented by "12 Key Strategies". Action plans have been formulated for important domains where growth is expected as a result of government policies on energy, industrial and life transformations, in an attempt to implement our efforts to achieve the net-zero transformation goal. First Commercial Bank provides customers in the following related strategic industries with the funds needed for operations in accordance with the government's 12 key strategies.

Unit: NT\$100 million

Wind power generation solar photovoltaic	Forward-looking energy	Power system & energy storage	Energy conservation	Vehicular electrification and decarbonization	Resource circulation and zero waste	Natural carbon sink	Net-zero green life	Green Finance
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2023 Loan Balance

117.26	2.55	30.67	18.20	10.41	17.91	0.36	287.09	884.27
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1,368.72

2024 Loan Balance

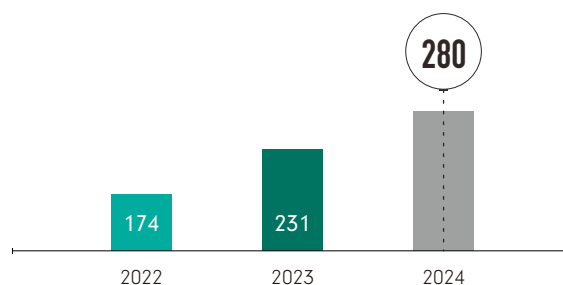
147.02	1.34	31.18	30.87	0.47	21.4	0.34	284.99	894.21
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1,411.82

Sustainable Investment

Unit: NT\$100 million

① Investment balance of sustainable development bonds in the past three years



- The Group has gradually ramped up its share of investment in sustainable development bonds over the years, supporting invested companies to implement their low-carbon economy and reduction plans with action. As of the end of 2024, our cumulative investment in sustainable development bonds had reached NT\$28 billion.
- To implement the spirit of sustainable investment and to actively participate in investing in related domestic green electricity and renewable energy industries, First Commercial Bank makes it a rule to examine the invested companies' publicly available information such as sustainability reports before making an investment, in addition to inspecting if their scope of operations or action plans are classified as part of the government's Six Core Strategic Industries. As of the end of 2024, First Commercial Bank's outstanding investment amount in the domestic green electricity and renewable energy industries had amounted to NT\$44.5 billion. Its investment income for the year was around NT\$550 million, and the cost of capital was around NT\$80 million. The average investment duration was estimated to be one year. Additionally, according to data from the Market Observation Post System, the Bank's outstanding investment amount in businesses whose economic activities are deemed consistent with the FSC's Guidelines for Identifying Sustainable Economic Activities by themselves amounted to NT\$4.35 billion. The Bank also continues to actively expand its positions, in the hope of effectively guiding funds toward the direction of related ESG applications, so we can take advantage of our influence as an institutional investor.

② Our outstanding investment amount in the domestic "green electricity & renewable energy" industries over the past three years

2022	2023	2024
NT\$35.2 billion	NT\$41.9 billion	NT\$44.5 billion

- First Financial Management Consulting has successfully raised and managed three green energy funds totaling NT\$780 million. Meanwhile, First Venture Capital also invested NT\$333 million in the construction of a solar power plant with a capacity of approximately 47.6 MW. When the aforementioned project is completed, it is expected to reduce 47,600 metric tons of CO₂e every year, comparable to annual carbon absorption by around 122 Da'an Forest Parks.

Issuance of Sustainable Development Bonds

In compliance with the International Capital Market Association's (ICMA) Green Bond Principles (GBP), Sustainability Bond Guidelines (SBG) standards, Sustainability-Linked Bond Principles (SLBP), as well as regulations of Taiwan's "Taipei Exchange Operation Directions for Sustainable Bonds", we have issued green/sustainable development bonds, and third-party certifications have been acquired. As of the end of 2024, First Commercial Bank had issued sustainable development bonds with a cumulative total of NT\$5.5 billion.

Issuance date	2023	Bond type	Currency	Issuance amount (Million NTD)	Balance as of the end of 2024 (Million NTD)	Main purpose
2021/12/8	First Bank	Sustainability bond	TWD	1,000	1,000	<ul style="list-style-type: none"> • Provide enterprise loans for the installation of solar PV or wind power generation equipment • Support small and micro enterprises to carry out project loans
2022/9/19		Sustainability bond	TWD	1,500	1,500	
2023/3/21		Sustainability bond	TWD	1,500	1,500	
2024/2/5		Sustainability bond	TWD	1,500	1,500	

Time Deposits for Sustainable Development

To respond to the government's "Green Finance Action Plan 3.0", First Commercial Bank has offered the "Time Deposits for Sustainable Development" program since 2023, and obtained a limited assurance report from an independent third party, ensuring that funds received from this program would be used on energy conservation and development of related green projects, in addition to social impact financing plans like affordable housing. In doing so, we are able to help enterprises that have demonstrated actual improvements in environmental and social benefits to obtain necessary funds. Our customers could thereby bring about positive influence and long-term effects on environment and society through making a deposit. In 2024, we undertook a total of 3* such cases. The amount we received totaled NT\$1.62 billion, which has been used on credit cases involving construction of social housing.

* : Two of the three cases have expired and been canceled.

5-2 Retail Banking / Personal finance

◎ Retail Banking - ESG related products and their respective proportions

Unit: NT\$100 million

Item	Balance of 2023	Balance of 2024
Balance of green/ESG consumer loans and financing	193.26	405.18
e-speed loan	165.58	231.77
Urban renewal & financing projects for the reconstruction of dangerous and old building	237.14	582.34
Total retail banking business loan balance	7,117.09	8,216.31
Percentage (%)	8.37	14.84

Unit: NT\$100 million

Item	Balance of 2023	Balance of 2024
ESG/Green Financing Balance for SMEs	668.66	764.52
Financing of long-term care enterprises	8.25	11.15
Total loan balance for SMEs	9,257.81	9,605.70
Percentage (%)	7.31	8.07

Unit: NT\$100 million

Item	Balance of 2023	Balance of 2024
Scale of listed ESG funds	72.46	44.6
Total assets under management (AuM)	2,870.50	1,908.8
Percentage (%)	7.07	2.3

Green / ESG Loans

◎ Green / ESG Consumer Loans

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

Unit: households / NT\$100 million

Category	Related Products for Green/ ESG Consumer Loans	Number of households/ Balance of 2023	Number of households/ Balance of 2024
The Environment	Green consumer loans (provide customers with funding for the purchase of green energy or energy-efficient products)	1,584 / 193.26	2,369 / 405.18
	E-speed loans (create a digital financial environment and provide customers with convenient online application services for consumer loans)	19,841 / 165.58	11,287 / 231.77

◎ Urban renewal

First Commercial Bank spares no effort in supporting the government's drive for urban renewal financing projects, as well as financing the reconstruction of dangerous and old buildings. The Bank also encourages its customers to apply for the Green Building Label, in addition to providing financing to green building projects for security deposit; In 2017, the Bank launched the "Preferential Loans for Accelerating the Reconstruction of Dangerous and Old Urban Buildings" program. Old and dangerous buildings that meet the requirements of the "Statute for Expediting Reconstruction of Urban Unsafe and Old Buildings" or "New Taipei City Simple Urban Renewal or Disaster Prevention Renewal" are eligible to apply for preferential loans for reconstruction. These loans can go as high as matching the total amount needed for reconstruction or related costs, and the repayment duration could be as long as five years. The Bank also partnered with East Asia Real Estate Management Company, a reinvested and affiliated company of the Bank, to provide comprehensive, one-stop financial service for urban renewal, allowing building owners to feel at ease during the reconstruction process. Reconstructed buildings are required to comply with green indicators, and minimize their emissions and discharge of exhaust heat, carbon dioxide, methane and waste water in order to transition to energy-efficient, low-carbon, and environment-friendly communities. The goal is to create a win-win scenario for environment, the residents and the Group. To date, a total of 164 projects related to urban renewal and reconstruction of dangerous old buildings have obtained Green Building Labels of silver or above and are expected to decrease carbon emissions by approximately 6,560 tons CO₂e.

◎ Approved financing amount and the number of cases for urban renewal and the reconstruction of dangerous and old buildings

Unit: NT\$100 million/Case

Item	Year	2022	2023	2024
Self-managed urban renewal and the reconstruction of dangerous and old buildings projects		124.09/38	200.92/45	288.92/48
Developer-consolidated urban renewal and the reconstruction of dangerous and old buildings projects		1,350.5/165	1,601.06/186	2,041.9/214
Landowners benefited		3,157	3,921	4,903

* : All statistical figures are cumulative.

Case Study

In 2024, First Commercial Bank partnered with investee company East Asia Real-Estate Management Company to push forward the Urban Regeneration R&D Foundation's urban renewal case in Beitou District, Taipei City as well as the self-reliant reconstruction of houses damaged by the presence of chloride ions in Banqiao District, New Taipei City, with a financing amount totaling NT\$8.7 billion to help around 104 landowners to embark on reconstructing their old buildings. We provided consultation services ranging from construction engineering management, financial audit to the continuation insurance mechanism. During the construction period, the landowners do not need to raise reconstruction funds themselves, and a total of NT\$17.968 billion in revenue has been generated for them. A carbon reduction of 17.97 metric tons of CO₂e is expected to be achieved every year, as we chip in to create safe, comfortable, environment-friendly housing of happiness for the residents.

◎ ESG / Green financing for SMEs

First Commercial Bank supports local enterprises with action. Apart from our long-standing collaboration with the Small & Medium Enterprise Credit Guarantee Fund of Taiwan in providing credit guarantee, we have also expanded financing services for Taiwan's SMEs. In 2024, we won the "Credit Guarantee Golden Quality Award" for credit guarantee financing operations for SMEs for the 16th time. In addition, we also won the "Green Credit Promotion Award", a special credit guarantee award, back-to-back. Furthermore, we were also presented with the "Post-Pandemic Revitalization Award-Financial Institution Category" as well as "Local Assistance in Post-Pandemic Revitalization & Transition Award", which makes us the most awarded financial institution in the entire industry. To continue to support SMEs in the low-carbon transition and to drive their sustainable development, First Commercial Bank resorts to concrete actions to provide a range of preferential loans for green financing, as part of our efforts to guide businesses to value sustainable development and fulfill their corporate social responsibilities, so that we can march toward a sustainable ecosystem hand-in-hand. In addition, we also support the development of small and medium providers of long-term care. As of 2024, we had undertaken a total of 77 financing cases for small and medium providers of long-term care. As of the end of 2024, the total approved amount had reached NT\$1.76 billion, with the outstanding loan amounting to NT\$1.115 billion. We continue to inject funds into projects conducive to social and environmental benefits, and strive to develop ESG and sustainable business opportunities together with our borrowers.

Case Study

In 2024, First Commercial Bank provided an SME electricity generator with the funds necessary for developing and installing land-based and rooftop solar PV sites. The company leased rooftop space at two private factories in the Kaohsiung area to build rooftop solar PV power generation equipment, with installation capacity of around 334.97 KWP and 499.38 KWP, respectively. The project is estimated to generate nearly NT\$3.8 million in annual revenue from electricity sales. Aside from helping the company to expand its scale of operations and revenue, the project also echoes the nation's policy to develop green energy, as we partner with our customers to realize environmental sustainability.



◎ Public Welfare / Green Credit Card

First Commercial Bank continues to push forward environmental and public welfare events with a fixed percentage of the amount of transactions made with its charity credit cards/Living Green cards. In 2023, the Bank was certified to both the British Standards Institution's "PAS2060: 2014 Carbon Neutrality" and the Ministry of Environment's "Carbon Footprint Reduction Label". Green electricity was used to help reduce carbon footprint during the course of credit card production, and carbon credits were purchased to offset the remaining carbon emissions in order to achieve carbon neutrality. The Bank added the "Carbon Calculator" function to its iLEO app for credit cards in 2023, allowing credit card holders to understand the amount of carbon emissions from their credit card transactions each month. This marks the first time that a government-owned bank offers such service. As of the end of 2024, a total of 33,983 customers had activated this function. In addition, we also hold carbon reduction & LOHAS marketing campaigns, in which holders of green credit cards who use them at designated green channels are entitled to cashback bonuses.

Unit: NTD thousand

Card type	Content	Carbon footprint/ card	2023/2024 Number of cards in circulation	2023/2024 Proportion to the whole (%)	2023/2024 Accumulated donation amount
Environmental conservation	Living Green Card Donate 2% of domestic payments made with the card to the First Bank Culture & Education Foundation for charity programs dedicated to environmental sustainability and carry out the "Green Light to Spread Love" program to assist remote elementary schools and social welfare organizations replacing energy-saving LED lamps.	500g CO ₂ e	287,192/ 279,551	18.41/ 18.95	180,050/ 203,156
	Leezen Card Donate 6% of domestic and overseas spending with the card to the "Tze-Xin Organic Agriculture Foundation" and the "Bliss and Wisdom Foundation of Culture and Education" to promote the idea of organic, pesticide-free vegetables, assist organic agriculture, and restore land.				
	Yilan Card Donate 3% of domestic payments with the card to Yilan County Government for use in social welfare, tree planting and tree protection activities to provide care for disadvantaged groups in such County and environmental protection.	900g CO ₂ e			
	Taoyuan Card Donate 3% of domestic payments made with the card to Taoyuan County Government for use in promoting innovative smart city applications including smart water resource recycling cloud integration platforms, green transportation, diverse energy integration systems, and regional resource and circular economy industry chains to create a smart, energy-efficient, green, and low carbon city.				
Social Welfare	World Card Donate 1% of the domestic payments made with the card to the First Bank Culture & Education Foundation to sponsor education activities, school lunches, classes after school, etc. for disadvantaged schoolchildren in remote areas through the "Edusave" platform of the Ministry of Education.		8,904/ 12,291	0.57/ 0.83	6,976/ 10,989

* : • First Bank does not provide pre-paid card products.

• In 2024, the total number of valid credit card customers of First Bank was 719,702, and the number of cards in circulation reached 1,474,945.

• For the social and environmental benefits of credit cards, please refer to the chapter "Social Impact - Public Welfare Strategy".

Sustainable Investment Products & Services

◎ FSITC issues funds rated four globes or higher by the Morningstar Sustainability Rating, with a substantial ESG fund asset management scale

As of the end of 2024, FSITC had issued 3 funds with higher-than-average rating (four globes) by the Morningstar Sustainability Ratingnote, as well as 6 funds qualified for Morningstar's highest rating (five globes), with a total scale of around NT\$6.565 billion while accounting for 5.24% of FSITC's publicly offered funds. In particular, the "FSITC Global Sustainable Impact Investment Multi-Asset Fund" is Taiwan's first ESG fund focusing on impact investment.

Unit: NT\$100 million

Category	Rating	AuM	Fund Name
Active		5.42	FSITC Asian Technology Fund
		3.23	First Securities Global Fitness Fund
		1.15	First Securities Global Real Estate Securitization Fund
		4.70	FSITC Global Sustainable Impact Investment Multi-Asset Fund
		18.05	First Securities Innovative Trends Fund
		3.82	First Securities OTC Fund
		7.93	First Securities Small Selection Fund
		5.46	FSITC Taiwan Core Strategic Infrastructure Fund
Passive		15.89	First Securities Taiwan Industrial 30ETF Fund

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

◎ Asset scale of ESG funds under the management of First Bank

Unit: NT\$100 million

AuM of ESG funds*	AuM of all wealth management products	Percentage (%)
44.6	1,908.8	2.3

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

◎ ESG products of First Bank and First Life Insurance

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

	First Bank	First Life Insurance
Funds compliant to the laws and regulations of the domestic competent authority in 2024/total number of listed funds in 2024	11.42%	-
Green (linked objects) funds compliant to the EU's SFDRin 2024/number of listed (linked objects) funds in 2024	11.89%	61.54%

◎ First Securities ESG Smart Sustainability Index & Data Platform

First Securities is the first securities company in Taiwan to offer scores and information relating to the sustainable development of individual stocks, providing investors with a platform that they can reference when investing. Referencing collected sustainability reports, the Market Observation Post System, news reports, and publicly available information from the Financial Supervisory Commission, Ministry of Environment and Ministry of Labor, ESG performance is scored and ranked through analyzing corporate ESG actions using AI quantization analysis and models. In the meantime, TWSE's corporate governance evaluation and rankings have also been included to make the scoring more diverse and objective. They have also been integrated into First Securities' customer order placement system, so that investors can promptly access corporate ESG scores and related analyses to significantly improve their decision-making efficiency.

5-3 Inclusive Finance Products and Services

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

Unit: Households/Number

Products	Recipients of Services	Content of Products and Services	Number of customers		Transaction volume	
			2023	2024	2023	2024
Demand Deposits	Low Income Households	In order to practice fair treatment of customers, fulfill our corporate social responsibility, and reinforce measures for accessible financial services, the banking business is waiving processing fees for overseas remittance/deposits for vulnerable customers (low/medium income households).	9,636	10,656	197,193	378,196
	Residents in Remote Areas	The nine sub-branches of First Commercial Bank's Phnom Penh branch provide local people with convenient demand deposit account services, including online/mobile banking services (including exchange rate/interest rate inquiry, account balance/details inquiry, designated/non-designated money transfer and remittance, and the service interface can be switched to traditional Chinese, English, or Khmer). In order to practice fair treatment of customers, forms related to deposit business are simultaneously provided in Chinese, English, and Khmer at each branch (including sub branches) to facilitate customer use.				
Savings Deposit	Low Income Households	In order to practice fair treatment of customers, fulfill our corporate social responsibility, and reinforce measures for accessible financial services, the banking business is waiving processing fees for overseas remittance/deposits for vulnerable customers (low/medium income households).	104	111	914	776
	Residents in Remote Areas	The nine sub-branches of First Commercial Bank's Phnom Penh branch provide local people with convenient savings account services, and customers can inquire about details of their time deposits via the online/mobile banking service. In order to practice fair treatment of customers, forms related to deposit business are simultaneously provided in Chinese, English, and Khmer at each branch (including sub branches) to facilitate customer use.				
Loans	Micro Enterprises	Operating in cooperation with the Small and Medium Enterprise Administration, Ministry of Economic Affairs, the Bank targets small companies and offers various projects, including preferential/regular loans for small and micro businesses, and loans for owners of small companies. Their credit conditions include preferential interest rates, and loans of up to NT\$3 million are available as revolving funds to small companies that are able to present their owners as guarantors. The loan balance in 2024 is NT\$ 666 million.	13,967	12,472	43,524	37,770
	Low Income Households	For individuals with less than NT\$170,000 in annual income, the Bank provides many home loan and credit loan products to meet their fund needs for money management, home decoration and repair, home or car purchases, wedding, and children's education.	932	1,128	1,115	1,388
	Residents in Remote Areas	For people living in areas defined as remote areas by the Ministry of Internal Affairs, the Bank has designed many kinds of home loan products, offering up to 30 years in repayment period and a grace period for principal repayment. Thanks to these products, the burden of buy a house on people living in remote areas is alleviated.	24	28	53	57

Unit: Households/Number

Products	Recipients of Services	Content of Products and Services	Number of customers		Transaction volume	
			2023	2024	2023	2024
Loans	Disadvantaged Women	In order to increase labor force participation rates among middle-aged, old-aged and disadvantaged women with lower incomes, the Bank operates in cooperation with the Ministry of Labor to roll out the Phoenix loan for micro entrepreneurs program. Companies would be able to remain financially flexible within the credit limit of NT\$2 million. In addition, interest during the first two years would be waived.	53	57	106	114
	Youth Groups	In line with government policies, the Bank rolled out the "Preferential Housing Loan Program for Successful Family Foundation of Youth", offering first-time home buyers up to NT\$10 million in mortgage loans and up to 40 years in repayment period. They have the choice of one-stage adjustable interest rates, two-stage adjustable interest rates, or a hybrid fixed interest rate. With this program, the Bank helps young people materialize the dream of buying a home.	3,395	7,150	3,395	7,150
		Operating in cooperation with the Ministry of Economic Affairs' "Loans for Young Entrepreneurs and Start-ups" project, the Bank provides businesses the opportunity to obtain financing for revolving funds within a combined cap of NT\$18 million. Moreover, it also provides companies with loans of no more than NT\$1 million on the preferential condition that they offer 95% in collateral and that they present the owner as guarantors.	901	756	1,980	1,653
	Elderly Groups	The Bank rolled out the "Comfort Loan" program, which is designed for elderly people 60 years or older. With the plan, they can create a mortgage on their existing real property and have it registered to the Bank, and the Bank in turn would make monthly payments within the reverse mortgage loan period to provide funds necessary for their daily lives. New "Comfort Loan" cases in 2024 amounted to NT\$1.595 billion, accounting for 0.85% of all new home mortgage loans.	226	213	233	215
Insurance	Low Income Households	"Micro insurance" has been launched to care for the financially disadvantaged and groups with specific identities, hoping that the relatively low premiums will provide the most basic assurances for members of disadvantaged families.	417	320	417	320
	Residents in Remote Areas	In order for residents in remote areas to enjoy comparable insurance protections as the general public, "micro insurance" and "micro lifetime insurance" has been marketed towards customer groups in remote areas.	2,422	1,635	2,422	1,635
	Disadvantaged Women	Micro insurance is provided to low income women, allowing relevant groups to enjoy comparable insurance protections as the general public.	998	806	998	806
Trust	Elderly and Individuals with Disabilities	Customers trust their assets with banks, which manage and utilize these trust assets in accordance with regulations in their trust agreements to take care of elderly customers' future lives, medical care and health care. In 2024, the amount of our outstanding trust assets totaled NT\$33.454 billion, which accounted for 2.63% of the Bank's overall trust business. Among customers 55 years or older, 405 people out of every 10,000 customers have opened an account for health care trust and benefited as a result.	9,646	16,159	9,646	16,159

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

© **Social Impact Indicators of First Financial Holding's Non-Financial Support**

	Financial Literacy	FinTech Literacy	Willingness and Habits for Saving	Convenience of Saving Services	Business Management Insights	Financial Planning Capability
2023	+74%	+78%	+82%	+73%	+76%	+82%
2024	+78%	+80%	+83%	+75%	+79%	+84%

© **Training in Financial or Digital Literacy**

- Remote Areas: First Securities makes it a rule to go deep into far-flung areas every year to provide fintech training to people with scarce financial resources. It also provides complimentary health check-up service for money management. In 2024, the company traveled to Lukang Township, Changhua County, Hengchun Township, Pingtung County, Magong City, Penghu County, Guanxi Township, Hsinchu County, and Donggang Township, Pingtung County, providing financial information and fintech training to a total of 186 customers.

© **Measures for Friendly Financial Services**

- Remote Areas: The Bank actively develops mobile banking apps in developing countries and least developed countries such as Cambodia and Vietnam. It also joined the local Bakong blockchain system to boost payment/receipt efficiency and safety for local people, in addition to promoting inclusive finance.
- Youth Groups: The Bank has developed the iLEO Digital Account that caters to young people. Through lively, cute and easy-to-understand interface designs, the service provides favorable interest rates for small-sum demand deposits. A 2% interest rate is available for demand deposits from NT\$100 to NT\$120,000. Such interest is paid out every month to encourage young people to get into a savings habit.
- Persons with Disabilities: First Commercial Bank, in compliance with the "Guidelines for Friendly Financial Services in the Banking Industry", has pushed forward measures of various accessible services. As of the end of 2024, these services had encompassed the following:

Item	Service-related facilities (measures)
Environment	<ul style="list-style-type: none"> • All business units offer "service bells", "accessibility slopes (with some adopting the movable ramp design)" and "accessible service counters". In addition, "dedicated receptionists" are also deployed to provide customers with consultation and guiding service. "Exchange (interest) rate billboards" and "electronic bulletin boards" are also installed to provide information such as real-time exchange (interest) rates and standard business fees. • 543 ATMs have been installed, and all of them are wheelchair-friendly and support the accessible "full keyboard operation" mode. In particular, all business units have installed talking ATMs featuring a voice assistant for visually impaired customers. There are 232 such machines in total. • "Disabled parking spaces" have been installed at 100 business units, and "accessible toilets" have been installed at 145 business units. • "Friendly service counters" equipped with various tools for augmentative and alternative communication have been installed at 10 business units, along with optimized ticket dispensers, passbook printing machines and writing counters.
Communication	<ul style="list-style-type: none"> • The account opening master agreement, as well as various deposit, foreign exchange, securities, trust and credit card application forms are available for download from the official website. • QR codes for "deposit service/gold passbook agreement", "consumer loan receipts", "foreign exchange service application forms" and "master agreement for trust service" are provided for scanning, downloading and future reference. • Easy-to-read versions of documents are provided for review, including "deposit account opening procedures", "open an account, or make a deposit/withdrawal/wire transfer over the counter", "make a deposit/withdrawal/wire transfer at the ATM", "basic e-Banking operations and anti-scam knowledge", "foreign currency exchange service", "fund subscription /redemption procedures", and "instructions on important articles in consumer loan agreements". • Respect the need of persons with disabilities to be legally witnessed, and provide assistance. • Provide "sign language video relay interpretation service" to customers with hearing or speech impairment. • Stickers containing "24-7 customer service information (including QR codes for telephone and text-based customer service) have been attached to all of our ATMs, so that customers can access timely assistance.

Item	Service-related facilities (measures)
Services	<ul style="list-style-type: none"> Regulations such as standard service procedures and business acceptance criteria specific to each handicap are formulated in the "Guiding Manual for Friendly Financial Service" for compliance by our employees. In case a person with disabilities is unable to come to the Bank to conduct business, he/she can commission or delegate to a third party to act on his/her behalf. If necessary, the customer may contact a nearby business unit for out-of-bank document pickup (delivery) service. Customers with disabilities may book a designated time slot during our business hours and proceed to his/her designated business unit to conduct business. Deposit account holders with disability identification or certification may apply for waiver of the handling fee for interbank ATM withdrawals. Each such person may apply for one account, and is entitled to three complimentary interbank ATM withdrawals each month. Customers in possession of a Certificate of Low-Income and Moderate-Income Households or approved official documents issued by a city or county civil affairs office are entitled to discounted handling fees for foreign currency remittance.
Products	Wording for disadvantaged demographics such as persons with disabilities has been eliminated from our product instructions or descriptions.
Information	<ul style="list-style-type: none"> First Commercial Bank's "Friendly Financial Service Network" has provided service items such as simplified e-Banking services (including functions such as TWD/foreign currency account, wealth management KYC evaluation, changing e-Banking login username/password), financial information inquiry, simplified eATM, and discount applications for persons with disabilities. In addition, promulgated information relating to accessible services is also published. The Friendly Financial Service Network has obtained the AAA rating for "Web Content Accessibility Guidelines" from the Ministry of Digital Affairs. Our official website, eWeb and simplified e-Banking have all obtained the AA rating, while our simplified eATM online wealth management machine has obtained the A rating.
Rights protection	<ul style="list-style-type: none"> "Customer opinion feedback forms" are available at all of our business units for customers to fill in and express their comments. We provide a 24-7 customer service hotline, hotline for reporting a lost/stolen credit card, and hotline for friendly services and senior citizens. Furthermore, we also offer smart customer services (including text-based customer service with a real attendant), as well as diverse communication channels such as the Internet and apps.
Reward	Rewards are given to business units and front-desk personnel with outstanding service performance.
Announcement	The "implementation status of friendly financial service guidelines", "table of accessible service facilities (measures) available at each business unit", and "Q&A for friendly financial service operations" are regularly updated and published on the "Friendly Financial Service Network" for inquiry and browsing.

- Foreign nationals: As of the end of 2024, the Bank had built 111 bilingual branches. 12 of them provide trilingual service in "Chinese, English and Japanese". 25 bilingual branches are expected to be added each year. We plan to complete our bilingual drive at all of our domestic branches by the end of 2027.

© Technical Assistance

- Microenterprises, disadvantaged women: First Bank has partnered with Industrial Technology Research Institute ("ITRI") so that the institute may provide enterprises with counseling in terms of patents, technologies, and market conditions while the bank handles financing loans for technology, intellectual property, or other matters. Also, long-term support for microenterprises has been provided in coordination with the Workforce Development Agency. Consultation and services for micro startup businesses, female entrepreneurs, and pre/post loan operations are provided by dedicated consultants stationed at the Ministry of Labor. Furthermore, the Bank also works with the Taiwan Small & Medium Enterprise Counseling Foundation. We would jointly host seminars to increase SMEs' financial competitiveness and provide counseling plans each year. We would invite industrial and economic experts or business owners for bilateral communication with enterprises, while providing counseling service from the industrial, economic and technical aspects.

© Business Management Tools or Training



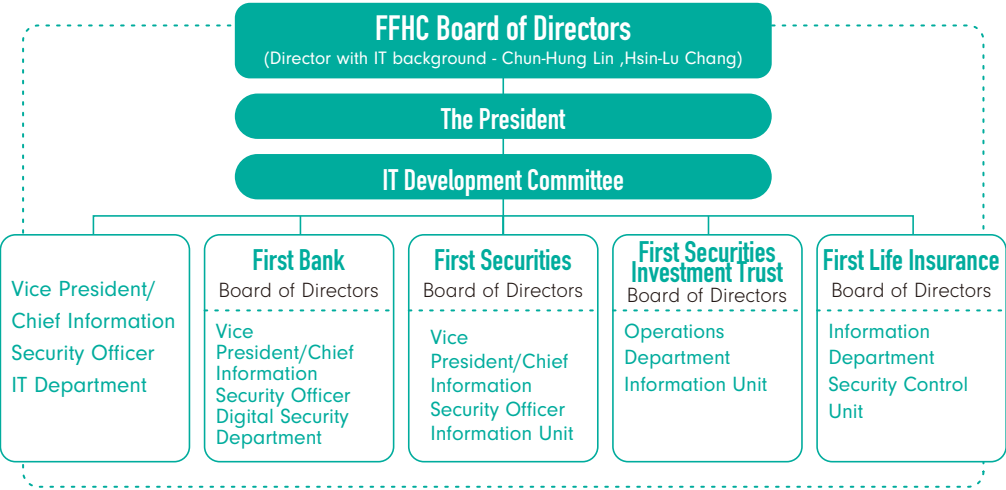
- Microenterprises: First Commercial Bank has partnered with the Taiwan SME Counseling Foundation in coordination with the government's development policy to support small, medium, and microenterprises by providing them with financial examination and diagnosis counseling services. In 2024, a total of 60 small, medium, and micro enterprises benefited as a result. In addition, 7 seminars were organized in 2024 to provide overall economic and industry trend analysis to small, medium, and microenterprises, in an effort to help business owners cultivate business insights.
- Microenterprises, low-income households, demographics living in remote areas and relatively disadvantaged women: Through the "LEO's Life" blog, we provide professional articles on business administration, investment and money management, industrial trends, and financial knowledge. We have also designed and added the "Financially Savvy Leo Club" and "Leo News Flash" columns to our Facebook fan page, as knowledge-based infographics are disseminated. We also communicate information relating to wealth management with our official LINE account "Wealth Management Is A Cinch", in order to help would-be entrepreneurs increase their professional competence while implementing and promoting the value of inclusive finance.

Information security and privacy protection

GRI : 418-1
SASB : FN-CF-220a.1 、 FN-CF-220a.2 、 FN-CF-230a.1 、 FN-CB-230a.1 、 FN-CB-230a.2 、 FN-CF-230a.3

6-1 Information Security Management Framework and Strategies

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



We established an IT Development Committee with the president of FFHC as the chairperson. Committee members include vice presidents (Chief Information Security Officer), the head of the Information Technology Department, presidents of subsidiaries, and vice presidents responsible for IT operations (or managers with an expertise in IT). The IT Development Committee is convened regularly to discuss and review IT development, IT security and management issues at each subsidiary. To comply with the authority’s rules, bank, securities, investment trust and life insurance subsidiaries have included the overall implementation of information security in 2024 into the internal control system statement, and such companies’ chief information security officer or the supervisor or top supervisor of the dedicated unit responsible for information security and its chairman, president, chief auditor, and the head office’s legal compliance officer jointly issued the internal control system statement.

<div>IT development committee</div> <div></div>	<div>Duties</div> <div><ul style="list-style-type: none">• The discussion on the Group's information development strategy• The discussion on the Group's information framework• The discussion on the Group's information safety regulation• The planning on the Group's information resource compilation• The discussion on the subsidiaries' information development and information investment plans and their review of effectiveness of enforcement• The follow-up and review on the Group's information technology related major contingency reports• Other information management coordination works of this Company and between the subsidiaries</div>
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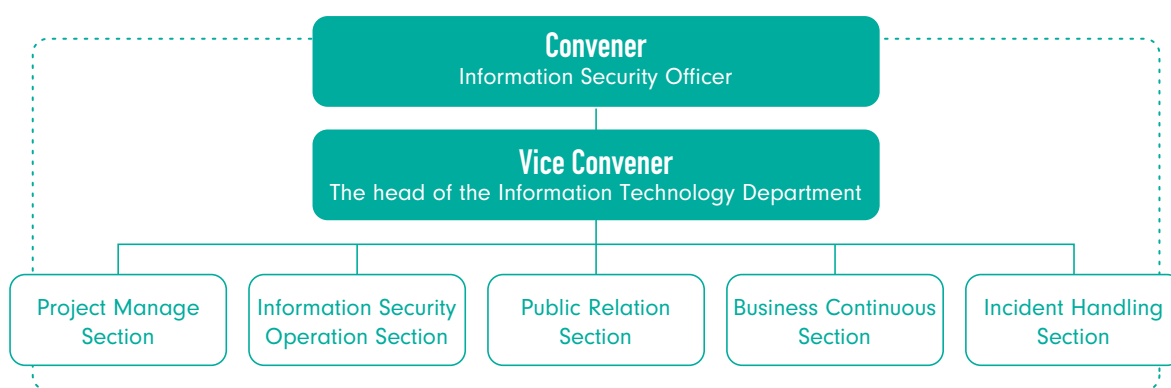
To support the Group's overall business development, and ensure the effective utilization of its information and resources while looking after the safety of its information system and operations, the Company demands that it and its subsidiaries formulate related information operation management regulations in line with industry characteristics and in accordance with the "Information Management & Information Security Policy" reviewed and approved by the Board of Directors. Moreover, the Company has formulated the "Regulations Governing Information Operation Management" to beef up its and its subsidiaries' information operation systems, equipment networks and data security, strengthen its internal control functions, and align with regulatory regulations relating to information management. Guidelines for the usage and safety control of Internet of Things (IoT) equipment have also been stipulated in the "Regulations Governing Information Security Management", in response to the Bankers Association's requirement for controlling IoT equipment. The Internal Control System contains detailed rules and manuals for information security/online security risks, including application system operations management, hardware and environment management, network management, webpage management, e-mail security management, computer user access rights management, disaster recovery procedures, subsidiary supervision and computer file preservation, storage and processing principles. In addition, the Company's audit units would conduct internal audits on the information system and information security of the Company and its subsidiaries in accordance with the risk characteristics of each company's operations.

To provide safe, convenient and uninterrupted financial services, the Company and its subsidiary bank, securities company and life insurance company have implemented and executed related planning and operations in accordance with the Financial Supervisory Commission's "Financial Cyber Security Action Plan 2.0" as follows:

Execution measures	Execution schedule	Execution results
Encourage financial institutions exceeding a certain scale or Internet-only banks to appoint a Chief Information Security Officer	Completed	FFHC has set up a Chief Information Security Officer in 2022. First Bank and First Securities have set up Chief Information Security Officers in 2021 and 2022 respectively. All were assumed at Vice President level.
Encourage the appointment of Directors or consultants with information security background or information security advisory teams.	Three years	The Digital Security Division of First Bank has set up an "Information Security Advisory Team", which has recruited two external information security experts from academia as members of the team. The team provides decision-making advice for information security framework, development blueprint planning, major information security incidents and information security implementation.
Encourage financial institutions to assess the maturity of their information security governance	Three years	First Bank has cooperated with the Financial Information Sharing and Analysis Center (F-ISAC) in evaluating the Cybersecurity Assessment Tool (CAT), and has produced the F-ISAC Taiwan's version of cybersecurity maturity assessment.
Encourage financial institutions to adopt international information security management standards and obtain related certifications	Continuous	The Group's various subsidiaries have enhanced the effectiveness of their information operations and cyber security management through reviews and audits by independent, external third-party institutions, including: <ul style="list-style-type: none"> • First Commercial Bank, First Securities, FSITC and First Life Insurance have all obtained the ISO 27001 Information Security Management Systems certification. • First Commercial Bank and First Life Insurance have obtained the BS 10012 Personal Information Management Systems certification. • First Commercial Bank has obtained the ISO 20000 Information Service Management Systems certification.
Encourage financial information security personnel to obtain international information security licenses	Continuous	First Bank's Digital Security Division has established a KPI for adding two international information security licenses each year. First Securities also set up a management goal that all personnel of information security units shall acquire information security licenses, and this goal has been accomplished for four years in a row.
Encourage financial holding companies to establish computer information security incident response team	Continuous	The "Computer Information Security Incident Response Team" was established and the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." was enacted.

6-2 Information Security Measures

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



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



To build the right concepts of information security among employees and encourage them to abide by related regulations, the Company organized 102 information security training sessions in 2024 which were attended by 19,666 people with 415 total training hours. Details are shown in the table below:

Training Recipients	Session	Number of Trainees	Hours	Course Content
Regular Personnel	25	12,112	84	Cloud Information Security Issues & Protection Methods; Zero-Trust Architecture & Development Trends; Latest Trends in Hacker Attacks & Case Sharing; AI Applications in Information Security; Information Security Management in the Era of Big Data, AI and Robotics; Awareness of the Management System for Personal Data Protection & BS 10012:2017 International Standards; and Education Training on Information Security, etc.
IT Personnel	77	7,554	331	Cloud Information Security Issues & Protection Methods; Zero-Trust Architecture & Development Trends; Self-Audit of Information Security Management System; Risk Assessment of Personal Data; Standards for Information System and Security Management of Electronic Payment Institutions; Pre-Verification Education Training for the Management System of Information Security; Testing of Open Source Software -User Operations; Latest Trends in Hacker Attacks & Case Sharing; Security Awareness of Information Communication; Sharing of Recent Information Security Cases & Awareness Campaign for Filling Out Defect Notice; Defense in Depth of Information Security; Frequent Cyberattacks & Education Training on Social Engineering Awareness; AI Applications in Information Security; Information Security Management & Information Security Awareness in the Era of Big Data, AI and Robotics; Investigation Trends in Information Security & AI Attacks; Website Attacks & Protection Summary; and Information Security Awareness & Education Training on IoT Protection, etc.
Total	102	19,666	415	

To guard against malware from encroaching on the Company's information system via social engineering methods, and to enhance education on information & communication security, the subsidiary bank, securities company, investment trust company and life insurance company would target all employees and conduct two to four social engineering exercises at varying intervals within the perimeters of safe monitoring every year. Our coverage rate of employee training has been 100%. Exercise items include opening emails, clicking on hyperlinks, returning receipts, opening attachments and phishing success. With respect to units that have failed these exercises and employees with insufficient awareness of information security, we would enhance education training and information security awareness campaigns. Furthermore, we would also add related information security items, such as exercise completion rates and the occurrence of information security incidents that has led to major regulatory penalties for the Company or any of its subsidiaries, to the pool of annual employee performance indicators. Those who have failed to reach the required benchmarks would receive reduced annual performance bonus per our employee bonus distribution regulations, as part of our efforts to reduce risks associated with potential vulnerabilities and threats. In 2024, neither the Company nor any of its subsidiaries underwent any material information security incidents*, or any IT infrastructure incidents causing revenue losses. No companies were subject to regulatory penalties, either. Moreover, due to system abnormality on the part of the IT supplier (SYSJUST Co., LTD.), multiple securities companies, including our subsidiary First Securities, experienced an information service incident involving abnormal transactions. As the incident was consistent with compliance item two in the "Scope and Filing Procedures for Securities Firms Reporting Material Information Security Incidents & Other Compliance Directions" (item two: more than 3 securities companies have been affected by the same system abnormality incident), a material incident was filed.

* : Definition of Material Information Security Incident: An incident with grave impact where the financial impact has exceeded NT\$5 million, where the competent authorities have intervened for investigation, and where reputational damage has been incurred.

To ensure network and information system security and to provide customers with safe automated services, the Group's subsidiary bank, securities company, securities investment trust company and life insurance company have all obtained the ISO 27001 certification. In an effort to maintain the validity of the certificates, we would commission verification organizations to conduct secondary reviews every year in addition to re-verification every three years, so that we can provide safer financial products and transaction flows. To beef up information security resilience and information security, all subsidiaries have adopted the following related measures:

First Bank

To enhance information security resilience, First Bank continues to purchase the "information system illegal conduct insurance" to mitigate the financial losses of the penetration of the system. It also appoints an independent third party to conduct information security evaluations, examine the completeness and appropriateness of existing control measures for the overall computer system, and uncover potential information security threats and vulnerabilities. This provides the basis for implementing control measures in technical and management aspects to build key defensive capabilities in information security, including continuing the transitioning of core systems, expanding the capabilities of backup centers through containerized security protections, automating deployment of firewalls, optimizing the integrated code, and expanding platform support for accounts with special permissions etc. Additionally, the organization of "Red Team Exercises" utilized the strategy of third party infiltration or white hat hackers in goal oriented themed exercises. These Red Team Exercises allow external cyber attacks that expose the security strength of network environments and application systems, the effectiveness of defensive equipment, management systems and implementation of procedures, the rationality of surveillance scope, and appropriateness of response time.

© First Bank's information security emergency response plan

Emergency response plans and drill scenarios	Time drill was completed
01. Response plan and procedure practice for abnormal ATM withdrawal incidents: Simulated emergency response measures for branches being robbed by hackers.	2024/07/30
02. Response process drills when computer systems are infected with encrypted ransomware: These drills simulate emergency response measures when computers are infected with encrypted ransomware	2024/07/16
03. SWIFT abnormal remittance response plan and procedure practice: Simulated emergency response measures for when hackers hack the SWIFT system and transfer funds.	2024/11/07
04. Phishing websites and Phishing application (APP) information security prevention emergency response plans and drills: A scenario simulation of the emergency response plans and drills when the bank's external website and application (APP) is attacked by hackers to be phishing websites or APP	2024/08/29
05. Response plan and procedure practice for website under DDoS attack: Simulated emergency response measures for branches under DDoS attack by hackers.	2024/10/23
06. Local backup plan for servers: Simulated emergency response measures for switching to backup servers of the Taipei Center when servers in the Taipei Center malfunction.	2024/03/10
07. Remote backup plan for servers: Simulated emergency response measures for switching all information services to the Taichung Center when the Taipei Center encounters a disaster.	2024/08/24

First Securities

First Securities conducts vulnerability scanning and test operations against infiltration through an independent third party, inspects network and system security as well as the effectiveness of its defense equipment, builds a multi-layered defense deployment system and control measures, increases the intensity of information security protection, continues to enhance the backup capacity of its core transaction system, and conducts response drills for interruptions to the core transaction system regularly. The goal is to enhance the company's capability to cope with contingencies.

© First Securities' Emergency Response Plan for Information Security

Emergency response plans and drill scenarios	Time drill was completed
01. Response plan for disruptions to the electronic transaction network and defense against distributed denial-of-service (DDoS) attacks for continuous operation: This plan simulates emergency response measures for disruptions to the transaction network	2024/10/05
02. Response plan for disruptions to the securities brokerage transaction system: This plan simulates emergency response measure for disruptions to the securities brokerage transaction system	2024/05/05
03. Response plan for disruptions to the concurrent futures transaction system: This plan simulates emergency response measure for disruptions to the futures brokerage transaction system	2024/11/17
04. Response plan for AC outages at computer rooms: This plan simulates emergency response measure for AC outages at computer rooms	2024/10/05

First Securities Investment Trust

FSITC has established the SOC information security monitoring system as well as the DLP protection system for confidential/sensitive data, in addition to reviewing its firewall rules on a regular basis; Vulnerability scan is carried out every year, in addition to social engineering drills and official website infiltration tests. Business continuity planning regarding the information system has been formulated to respond to emergency incidents. Remote backup drills are carried out every year. "DDoS offensive and defensive drills" are carried out in the fourth quarter of each year to ensure that the defense mechanism against cyberattacks is effective.

◎ FSITC's Emergency Response Plan for Information Security

Emergency response plans and drill scenarios		Time drill was completed
01. Remote backup drills:		
These drills simulate that a strong earthquake has hit the Headquarters Building, wreaking havoc on the company's computer rooms and networks. The General Manager orders that the remote backup center be initiated		2024/10/15
02. Handling process drills for incidents in which the online fund transaction system has come under a credential stuffing attack:		
These drills simulate emergency response measures for abnormal account transactions resulting from a credential stuffing attack on the online fund transaction system		2024/11/04
03. Process drills for incidents of DDoS attack:		
These drills simulate emergency response measures for distributed denial-of-service (DDoS) hacker attacks on the official website		2024/11/04

First Life Insurance

Each year, First Life Insurance would commission a professional external information security company to conduct various assessments, including vulnerability scanning, infiltration tests, mobile app tests, and the safety settings and reviews of the information system and network equipment. They are meant to help detect information security threats and vulnerabilities, as we hope to enhance our defense capability for information security through various improvements. Furthermore, social engineering drills, DDoS offensive and defensive drills, drills for responses to personal information leaks, and business continuity planning (BCP) drills for the information system are conducted each year. Through the approach of implementing scenario simulations, we hope to improve our colleagues' responsiveness and related awareness, while ensuring the appropriateness and reasonableness of various response processes.

◎ First Life Insurance's Emergency Response Plan for Information Security

Emergency response plans and drill scenarios		Time drill was completed
01. BCP drills for key (core) information operations and core information system:		
These drills simulate emergency response measures when key (core) information operations and the core information system must be switched over to a remote backup center because the head office's machine rooms have been damaged		2024/12/07
02. Response drills for distributed denial-of-service (DDoS) attacks:		
These drills simulate emergency response measures for distributed denial-of-service (DDoS) hacker attacks on the head office		2024/06/28
03. Response drills for personal information leaks:		
These drills simulate emergency response measures for incidents of personal information leaks at the head office.		2024/12/06
04. Backup data restoration tests:		
These tests simulate emergency response measures when backup data must be restored because important information system data at the head office have been damaged		2024/07/29

First Financial AMC

First Financial AMC has conducted information security assessments and vulnerability scanning through an independent third party to identify potential information security threats and vulnerabilities, which serve as the basis for implementing related control measures from both the technical and management aspects. The company's Microsoft operating system for server has also been upgraded, its external firewall has been replaced, and information security vulnerabilities have been patched continuously, as part of the effort to increase its defense capabilities for information security.

© First Financial AMC's Emergency Response Plan for Information Security

Emergency response plans and drill scenarios		Time drill was completed
01. Response process drills when computer systems are infected with encrypted ransomware:		
These drills simulate emergency response measures when computers are infected with encrypted ransomware		2024/11/28
02. Drills for the restoration plan of information operation disasters		
These drills simulate emergency response measures for the restoration of backup data, failure of dedicated VPN lines or power supply facilities, and server switchover in the event of malfunction.		2024/12/27

© Table of the Group's Detection Measures for Information Security

Company	Detection Type	Detection Target	Detection Frequency
First Financial Holding	Vulnerability scanning	<ul style="list-style-type: none"> Scanning for system vulnerabilities-open servers Scanning for website vulnerabilities-service-oriented websites 	At regular intervals annually
	Intrusion & infiltration test	All systems providing external services	Before the system goes online and at regular intervals annually
First Bank	Vulnerability scanning	<ul style="list-style-type: none"> Scanning for system vulnerabilities-open servers Scanning for website vulnerabilities-service-oriented websites 	<ul style="list-style-type: none"> Scanning for system vulnerabilities: Before the system goes online and once every two months Scanning for website vulnerabilities: Before the system goes online and once every quarter
	Intrusion & infiltration test	All systems providing external services and internal systems providing important services	Before the system goes online and at regular intervals annually
First Securities	Vulnerability scanning	<ul style="list-style-type: none"> Scanning for system vulnerabilities-production system servers Scanning for website vulnerabilities-websites providing external services 	<ul style="list-style-type: none"> Scanning for system vulnerabilities: Once every six months Scanning for website vulnerabilities: At regular intervals annually
	Intrusion & infiltration test	Core systems providing Internet services	Once every two years
First Life Insurance	Vulnerability scanning	<ul style="list-style-type: none"> Scanning for system vulnerabilities-all production servers Scanning for website vulnerabilities-all websites providing external services 	Once every quarter
	Intrusion & infiltration test	All systems providing external services	At regular intervals annually
First Securities Investment Trust	Vulnerability scanning	<ul style="list-style-type: none"> Scanning for system vulnerabilities-production system servers Scanning for website vulnerabilities-service-oriented websites 	At regular intervals annually
	Intrusion & infiltration test	Websites providing external services	At regular intervals annually
First Financial AMC	Vulnerability scanning	Scanning for system vulnerabilities-open servers	At regular intervals annually

6-3 The protection of clients' privacy

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

Policies	The Company and its subsidiaries has enacted Personal Data protection policy or guidance in accordance with relevant regulations of "Personal Data Protection Act", "The Safety Management Regulation of Personal Data Document held by Non-Government Agencies Designated by the Financial Supervisory Commission", "UK General Data Protection Regulation (UK GDPR)" and "EU General Data Protection Regulation (EU GDPR)".
The range of protection	Set up relevant Company personnel's* rights to access Personal Data collected, processed, used when performing duties, management their contact of these Personal Data and agree with these personnel on their confidential obligations to strictly forbidden disclosure of Personal Data or customer's data.
Regulations and measures	<ul style="list-style-type: none"> • FFHC established the "Personal Data Protection and Management Committee", which the President is the chairman to be in charge of promoting and supervising the operation of Personal Data protection and management system, and established the "Personal Data Incident Response Team" in order to effectively respond to and handle Personal Data incidents which is inspected externally by accountants every year. • Customer data confidentiality measures and data-sharing protection mechanisms are disclosed on the homepage of each group company's official website. The scope and safeguards for protecting confidential documents—including paper and electronic files, charts, information, computer programs, media, or other items—are clearly defined. The Group also outlines the purposes, recipients, and protective measures related to data sharing. In addition, First Bank provides information on its official website regarding the procedures for customers to cancel or modify their consent for the use of marketing data. • When Personal Data is stolen, tampered with, damaged, lost, leak or when there's other major Personal Data security incident, the Risk Management Department and the Compliance Department shall be notified and the Financial Supervisory Commission shall be notified within 72 hours of such incident. • Conduct periodical training to employees, in 2024 the Group has conducted Personal Information Protection Act training, GDPR and customer privacy training and other related trainings to all employees, the total number of employees trained is 7,791 and the total hours trained is 3,895.5 hours, the completion rate is 100%. • Shall at least inspect Personal Data protection policy once a year in order to keep up with latest governmental laws and regulations, rules of industries, information technologies and business development of the Company.
Internal control	Stated that all subsidiaries shall include Personal Data protection procedure into their internal control system, hold self-check periodically and audit units shall conduct checking for Personal Data protection.

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



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

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

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

In 2024, the Group recorded six incidents relating to product sales and services, for which we were subject to regulatory punishments and underwent litigation proceedings. The total loss was NT\$600,000 (please refer to the appendix: sustainable operation indicators). The Group has remedied the relevant deficiencies and added relevant control mechanisms, effectively enhancing the protection of consumers' rights and interests.

First Financial Holding highly values the safety of our customers' personal data. To implement management of personal data protection, First Commercial Bank and First Life Insurance have both obtained the "BS10012: Personal Information Management Systems" verification certificate, and continue to undergo certification renewal every year. In 2024, First Commercial Bank underwent one case of data and personal data leaks and sustained regulatory penalties (please refer to the appendix: sustainable operation indicators) as a result. The Bank was penalized with a fine of NT\$20,000, and has strengthened its employee education training while appropriate measures have been taken. In addition, we stay firmly on top of every utilization of customers' personal data. Around 6.85 million (76.43%) pieces of customer data have seen secondary use (such as marketing or product/service quality improvement, etc.) on the condition that no relevant regulations or agreements with customers are violated.



Ethical Management and Fair Customer Treatment

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

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

7-1 Ethical corporate management execution status

The Company has formulated the "Ethical Corporate Management Best Practice Principles & Guidelines for Conduct", which serves as the policy for the companies and organizations within the Group to observe when it comes to ethical corporate management. These guidelines clearly stipulate a confidentiality mechanism, as well as preventive measures to prohibit, supervise and report unethical conduct such as corruption, bribery, monopoly, unfair competition, and inside trading. It is applicable to Group employees around the globe, subsidiaries, and contractors/suppliers/service providers. Enterprises and organizations within the Group are also required to combine the ethical management policy, employee performance evaluations, and human resource policy. Major violators of ethical conduct shall be punished in accordance with the relevant laws or human resource management rules. The violator's job title, name, date of violation, contents of violation, and handling shall be disclosed on the Company's internal websites, in order to establish a clear and effective discipline and grievance system. In addition, the Corporate Governance Group of the Administration Management Department has been put in charge of planning and managing affairs relating to ethical management. The "Ethical Management Committee", which reports to the Board of Directors, has been established as the dedicated entity for promoting ethical operations. Three independent directors are appointed as the committee's members responsible for formulating and revising the Group's ethical management policy. To achieve sound ethical management, the "Ethical Management Committee" shall provide the Board of Directors with a report on the Group's fulfillment and adopted measures about ethical operations once every six months, conduct regular analysis and assessment on the Group's risks from unethical conduct, formulate plans to prevent unethical conduct, and report the implementation status of internal/external education training on ethical operations and whistleblowing systems within the Company and all subsidiaries. It should also direct various subsidiaries to step up their anti-fraud promotions and internal whistleblowing systems, and enhance education training on personal data protection. With respect to implementation of ethical management, relevant organizations have studied, planned and put forth the following countermeasures:

Measures for implementing ethical management

Aside from establishing the "Rules for Implementing Accountability Systems for the High Asset Wealth Management Business"- which clearly defines the basis of accountability, applicable subjects, and procedures of the high asset wealth management business - the subsidiary First Bank has also set up a Board-level "Accountability Committee", which is in charge of accountability for the high asset wealth management business and is consistent with the Financial Supervisory Commission's requirements to strengthen the supervision, management and responsibility of such business operations. Furthermore, the "Guidelines for Implementing the Responsibility Map System" as well as the responsibility map (including the organizational chart for corporate governance, accountability assignment chart and diagram for internal reporting flow) were formulated in December 2024. The goal is to clearly delineate the scope of responsibility between the Chairman and senior management personnel, and to establish a responsibility-based accountability system, which could serve as foundation for implementing a corporate culture of ethical management and strengthening the corporate governance structure. To build a sound system for managing intellectual property, the Company has also formulated the "Intellectual Property Management Policy" and "Directions for Trade Secrets & Intellectual Property Management". Subsidiary First Bank received Taiwan Intellectual Property Management System (TIPS) verification for the third time on Oct. 24, 2024 (valid till Dec. 31, 2025), making it a bank that has simultaneously obtained TIPS verification (class A) for both patents and trademark.

Ethical corporate management education and training

The Company conducts education on regulations related to integrity management of subsidiaries through the "Group Chief Compliance Officers Meeting" quarterly. We urge subsidiaries to organize education, training, and promotion events related to ethical management for employees, and to communicate the group's ethical management policy and whistleblower system. In 2024, the group provides all employees worldwide with a total of 76,422.5 hours of education and training for 39,695 participants. Counterparts that do business with the Company are invited to participate in the activities, so that they fully understand the Company's unethical conduct prevention plans and zero tolerance policy.

◎ Ethical Management Education and Training in the past three years

Target	Year	Method	Total hours/hours of message dissemination (Hours)	Persons/Companies	Coverage Rate (%)*
Employees (persons)	2024	Each subsidiary organized at least two ethical management training sessions	76,422.5	39,695	100
	2023		69,987	34,974	100
	2022		89,961	49,512	100
Suppliers (companies)	2024	Advocated the Group's "Supplier Management Guidelines" to suppliers	0.25	429	100
	2023		0.25	326	100
	2022		0.25	359	100
Subsidiaries (companies)	2024	Promoted during the quarterly "Group Chief Compliance Officers Meeting"	0.4	32	100
	2023		0.4	32	100
	2022		0.4	32	100

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

In 2024, the FFHC had no financial losses resulting from litigation involving fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, corruption, or other violations of financial industry laws and regulations.


Code of Conduct

The rate of the Group's Directors, Supervisors, managers and employees signing the "FFHC Code of Conduct for Directors, Supervisors, and Managers" and "FFHC Code of Conduct for Employees" note is 100%. Furthermore, the rate of employees hired by subsidiary First Commercial Bank in its overseas operating locations signing local language versions (English, Vietnamese and Khmer) of the "Code of Conduct for Directors, Supervisors, Managers, and Employees" is also 100%.

Subsidiary bank's control measures to guard against corruption and fraud committed by financial advisors

- To align with the "Principles of Internal Control Operations Relating to Banks' Efforts to Guard Against Embezzlement of Customers' Funds by Financial Advisors" example table amended and promulgated by the Bankers Association on July 26, 2021, and the newly added 21 "typologies of suspected embezzlement of customers' funds by financial advisors", including proxy operation on behalf of the customer, fund transfers, associated accounts and other behavior, the subsidiary bank has formulated the "Investigation Procedures for Abnormal Behavior or Transactions Involving First Commercial Bank's Financial Advisors and Management Directions for Supervision and Implementation", in order to strengthen its control mechanism targeting financial advisors' money management operations. An independent investigation team made up of Headquarters units or personnel that are independent from the financial advisor's business operations has also been set up to look into related abnormal behavior, as part of our efforts to implement regulatory compliance, consumer protection and risk management, as well as to demonstrate that we value ethical management and fair customer treatment.
- Additionally, to prevent financial advisors from misappropriating customers' funds, we have enhanced related internal control measures, including the implementation of standard operating procedures for financial advisors' customer visits, in an effort to strictly enforce independent front-end and back-end operations. All money management transactions are linked to bill deductions from our customers' accounts, without requiring them to separately present withdrawal certificates; Financial advisors are strictly prohibited from carrying out cash deposits or withdrawals throughout the entire process on behalf of their customers. Furthermore, the Bank, when necessary, would conduct spot checks to see if financial advisors have manifested abnormal behavior, such as retaining customers' passbooks, seals, or signed blank transaction documents, etc. The Bank would also designate dedicated personnel to check if there are any inappropriate fund exchanges between financial advisors and their customers during their designated leave days every year. The Bank also stipulates that a financial advisor's tenure with the same business unit shall not exceed six years, in addition to reinforcing the second-person service mechanism. Branch executives are also required to personally visit or call important money management customers in order to prevent malpractice resulting from these customers overtrusting their money management advisors.
- The Bank has also installed the "Management System for Abnormal Money Management Patterns". With this system, the Bank is able to identify and detect early warning signs through analyzing transaction behavior between the teller and the customer. This fully automatic monitoring and control system not only can shorten the monitoring cycle, but also can spot new corruption patterns instantaneously. Moreover, the Bank is able to swiftly analyze trends and anomalies through visualized forms such as charts and figures. This is conducive to instantaneous decision-making, enabling the Bank to boost the effectiveness of its controls over abnormal behavior.

7-2 Whistleblower System, Process, and Results

Whis- tling Policy	A board of directors reviewed and approved "Implementation Rules for Whistleblowing Systems" is disclosed in the "Corporate Governance - Rules" on the Company website. Our subsidiaries each established a whistleblower system that was reviewed and passed by their respective board of directors.
Receiving unit	The legal compliance department and internal audit unit/supervisor at the Company and subsidiaries is responsible for handling whistleblower cases
Whis- tling Channels	<p>The Company set up the "Stakeholder Communications" section on our official website and a whistleblowing section official website, and provides whistleblowing channels by telephone, email, and mail.</p> <p>Compliance Department Address: 18F, No. 30, Sec. 1, Chung King S. Rd., Zhongzheng Dist., Taipei City Tel : 02-23481458 Complaint mailbox : compliance@fhc.com.tw</p> 
Whis- tling Methods	Any individual who discovers that an employee of this Company is suspected of a crime, fraud, or violation of laws may submit a whistleblowing report to the receiving unit by stating their real name, contact method, the specific incident, and supplementary evidence through written notice such as mail and email; whistleblowing can also be conducted by phone or personally recounting the incident. The receiving unit must establish records stating the details of each incident, real names, and contact methods.
Case Acceptance Principles	<p>The "Whistleblowing Review Committee" ("the committee") reviews all whistleblowing cases and determines if they will be accepted. The committee may decide not to accept whistleblowing reports if it falls under any of the following circumstances:</p> <ul style="list-style-type: none"> • The whistleblower has not provided his/her real name and contact information. However, in cases where the content of the whistleblowing report is specific and there are verifiable materials, it still can be processed with care and discretion. • The whistleblower's report does not fall under Article 3 as an accepted category of the implementation rules or is unrelated to the execution of business. • The whistleblowing report is obviously made with malicious intent, is obviously false, or has no substantial content. • The whistleblower was requested to provide or supplement the evidence materials within a certain period of time. However, the whistleblower failed to do so, which hindered the investigation. • The reported matter is regarded as the same as a case that has already been investigated to completion, and the whistleblower has failed to present new facts or new evidence. • The reported matter has been investigated by relevant judicial agencies, or is already under investigation by a court of law, or has been subject to non-prosecution or deferred prosecution, or has already received a verdict therein.
Case Handling Procedures	<p>01.The committee approves acceptance of a case: Cases should be filed and registered in a confidential manner. Depending on the type and nature of the case, units or personnel should be designated to form an investigation team as required by regulations. The investigation team should complete the investigation within 60 days, and send its investigation reports to relevant units. The investigation duration may be extended when necessary.</p> <p>02.Investigation method: Based on the necessity of the case, telephone, written review, or interviews should be performed. When an investigation is conducted, related units shall cooperate with the investigation and provide necessary documents and data. The information involving related parties in the reported contents and the data or information they provide must be kept strictly confidential and may not be leaked. The Investigation Panel may give the reported person an opportunity to make a statement verbally or in writing, which shall, in principle, be processed in a non-public manner.</p> <p>03.Recusal in conflicts of interest: During the process of processing, investigating, deliberating, reviewing and reporting the whistleblowing reports, any person who has interests in individual whistleblower reports or other persons that may affect a fair investigation shall recuse themselves.</p> <p>04.Notifying the results of investigation: The investigation reports should be submitted to the committee for review and approval. If the accused individual is a Director, Supervisor, or a member of the management team whose pay grade is equivalent to Vice President, the investigation reports should be submitted to independent directors (Audit Committee) or Supervisors for secondary review. After the investigation reports are reviewed and approved, the receiving party shall notify the whistleblower of the investigation results in writing or via other methods within 10 days. Where the whistleblowing report is transferred to a subsidiary for processing, the said subsidiary shall notify the whistleblower and submit a copy to the Company.</p> <p>05.Follow-up actions: Where a whistleblowing report is verified to be true or with an audit opinion, the inspected unit and the Company shall report it at the next month's board of directors meeting or the next board of directors meeting, submit it to the Company's dedicated unit (Ethical Management Committee) for future reference, and comply with the following procedures:</p> <ul style="list-style-type: none"> • Related units shall be assigned to review the internal control system and operating procedures, propose improvement measures. A copy shall be submitted to the audit unit. • The audit unit shall include the whistleblowing report in the most recent business audit items. <p>Major incidents or illegal cases shall be referred to or reported to the Company and relevant authorities in accordance with the "FFHC Incident Reporting Guidelines" and "First Financial Group Compliance Notification Guidelines".</p> <p>06.Incentive measures: In the event that a whistleblower's case proves to be true and contributes to the Group substantially, rewards may be afforded to the said whistleblower. However, if a whistleblower is verified to have lied about his case or have been involved in malicious attacks that lead to damages to the Group's reputation or profits, penalties may be imposed as per regulations.</p> <p>07.Record retention: When the committee takes on a whistleblowing case, the investigation process, investigation results, details of replies, related documents & data, and resolution records should all be fully preserved either physically or electronically. Moreover, a dedicated dossier should be created and retained for at least five years; In the event of lawsuits or dispute mediation relating to the whistleblower's case before the preservation period is up, the dossier should continue to be preserved for five years after the conclusion of the dispute mediation or lawsuits.</p>

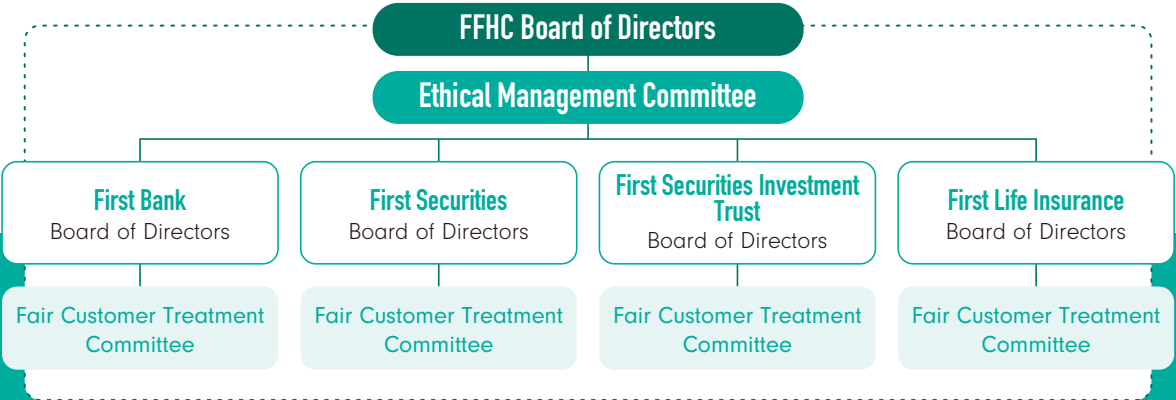


In 2024, the Group received a total of 52 whistleblower's cases. In particular, 23 cases were dismissed for lack of substantial facts or because they were unrelated to our business operations. For the remaining 29 cases, their case types, investigation results, reviews and remedy measures have all been submitted to the Board of Directors of respective companies, as well as the Company's Ethical Management Committee and Board of Directors for future reference. In 2024, the Group did not incur any financial losses due to corruption-related cases.

<div> Number of cases being investigated : 29 </div> <div> Cases proven to be untrue or in violation of ethical corporate management upon investigation (operating procedures; internal management) : 29 </div> <div> Number of cases violating ethical management : 0 </div>	Corruption or bribery	0
	Discrimination or harassment	0
	Customer data privacy	0
	Conflicts of interest	0
	Money laundering or insider trading	0
	Antitrust or anti-competitive practices	0

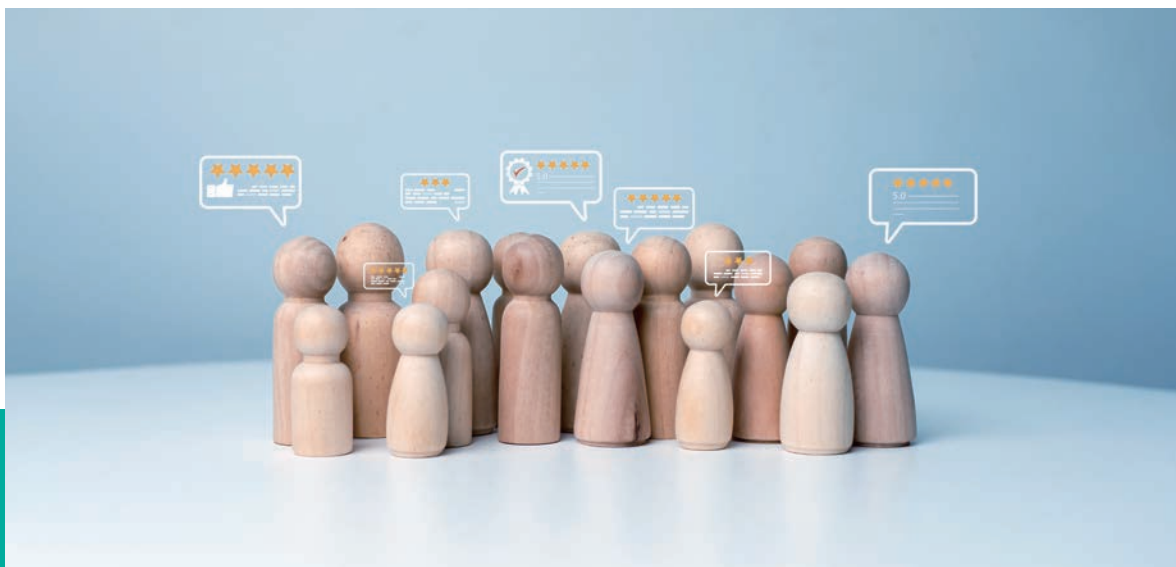
7-3 Implementation of Fair Customer Treatment

Ethical corporate management is the cornerstone of fair customer treatment in the financial industry. The Company has formulated the "Code of Conduct for Ethical Management" in accordance with the "Principles for Fair Treatment of Customers in the Financial Services Industry" and "Standards Governing Friendly Financial Service". It stipulates that, during the course of product/service R&D, provision or sales, companies within the Group shall not infringe upon the rights of consumers or any other stakeholders. It also demands that related operating procedures and code of conduct be formulated, and that education training be conducted. First Commercial Bank, First Securities, First Securities Investment Trust and First Insurance have all formulated and promulgated the "Policy of Fair Customer Treatment & Related Strategies", which have been submitted, reviewed and approved by the Board of Directors of each company. Furthermore, inspection comments made by internal audit divisions about improvement measures for inadequacies relating to consumer protection are regularly incorporated in the regulatory compliance status report, which is submitted to the Board every six months. First Bank has also formulated the "Handling Procedures for the Classification & Reporting of Customer Complaints", which requires immediate identification upon the receipt of a customer complaint case. It also calls for monitoring, investigating and analyzing the root cause of a customer complaint, in addition to creating a risk-oriented reporting mechanism. In 2024, the Bank was once again ranked in the top 25% in the Financial Supervisory Commission's review for fair customer treatment. First Life Insurance made the list of top 26%-50% companies. First Securities, a small- or medium-sized securities firm, is subject to review once every two years. In 2023, it was chosen as one of the top 26%-50% companies. Additionally, each company has also established its own dedicated committee responsible for supervising the advancement and implementation of "Fair Customer Treatment in the Financial Services Industry". These committees review the implementation status of fair customer treatment on a quarterly or semi-annual basis. They also put forth and submit remedy measures to the Board of Directors of their respective companies, before submitting them to the Company's Ethical Management Committee and Board of Directors. Related education training on "Fair Customer Treatment in the Financial Services Industry" was also conducted. A total of 7,759 individuals have undergone training, with a completion rate of 100%.



To better protect the rights of financially disadvantaged demographic groups such as elderly people and persons with disabilities, the Company partnered with the Economic Daily News in 2024 to jointly host the "Ethical Finance-Counter Fraud; Prevent Scams and Build a Safe Financial Environment" forum, where we took a deep dive into how to integrate resources and how to take advantage of AI technology to guard against financial crimes and protect consumers' properties and rights. With respect to improper marketing to disadvantaged people or customer complaints and disputes arising from rules violations, First Commercial Bank has incorporated them into the annual review of business units. They are also incorporated into the evaluation scope of the Compliance Risk Assessment (CRA) and Institutional Risk Assessment (IRA). The "Reference Practices for Bank Services for People with Dementia or People Suspected of Dementia" published by the Bankers Association has also been incorporated into the "Friendly Financial Service Guiding Handbook"; The Bank also compiled personality trait analysis reports on vulnerable demographic groups (including the elderly) published by the Financial Conduct Authority (FCA) in the UK, which have been shared with our front-line staff at operating locations for reference; 24 red-flag indicators for elder financial exploitation published by FinCEN in the U.S. have been introduced and applied to over-the-counter outreach operations at our branch offices; The Bank referenced the "Recovering from Elder Financial Exploitation" report promulgated by the United States Consumer Financial Protection Bureau as well as domestic practices to formulate the "Standard Protocols for Assisting Elder Customers in Retrieving Funds Lost to Financial Exploitation", and compiled measures to protect vulnerable people from financial exploitation, such as FinCEN's Elder Financial Exploitation: Threat Pattern & Trend Information report, in an effort to better protect the rights of such demographic groups; Furthermore, the Bank also compiled emerging measures for the economic inclusion of persons with disabilities that were promulgated by the International Finance Corporation (IFC), the Japanese Financial Services Agency's directives for eliminating discriminations against persons with disabilities, and the United States Consumer Financial Protection Bureau's (CFPB) penalty cases pertaining to discriminatory home mortgage applications, which have been provided to various units for education training and promotion. In addition, the Bank also follows up on the implementation status of service measures for the fair treatment of elderly customers on a quarterly basis, which is submitted to the Committee for Advancing Fair Customer Treatment.

To protect consumer rights, First Bank, First Securities, First Securities Investment Trust and First Life Insurance have all implemented the Know Your Product/Service (KYP) policy. Since Q1 of 2016, First Bank has completely suspended the undertaking of complex and high-risk products. With respect to structured notes, the Bank has formulated special notifications to customers in addition to informing them of the risks associated with structured notes, in order to make sure that customers are well aware of our product details. In 2024, the Group recorded six incidents relating to product sales and services, for which we were subject to regulatory punishments and underwent litigation proceedings. The total loss was NT\$600,000 (please refer to the appendix: sustainable operation indicators). The Group has remedied the relevant deficiencies and added relevant control mechanisms, effectively enhancing the protection of consumers' rights and interests.



7-4 Customer complaints and satisfaction surveys

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

© Customer satisfaction survey of past years

	First Bank	First Securities	First Securities Investment Trust	First Life Insurance
Satisfaction Survey Item	The experience of visiting the counter and guest greeting, the convenience of digital channel services and the satisfaction of product marketing campaigns, etc.	On-site customer satisfaction survey at participating locations and investment information services	Survey on Counter and Call Center Service Experience and Satisfaction	Sales personnel's attitude and familiarity with products
2024 Performance	91.2%	85.7%	97.8%	83.7%
2024 Performance goals	87.2%	85.6%	96.5%	79%
Sampling coverage rate in 2024*	100%			
2023 Performance	90.9%	85.5%	96.7%	82.6%
2022 Performance	89.9%	85.5%	96.6%	81.3%
2021 Performance	87.2%	85.5%	96.3%	79.3%
2024 NPS score	61.01	53.95	68.40	28.80
2024 NPS goals	47.20	53.65	56.50	11.00
Improvement	<ul style="list-style-type: none"> Forward NPS as well as customer feedback and comments to relevant sales management departments every month for reference, optimization, and improvement. Add new competitive product analysis so that relevant sales management departments can keep track of changes in customer loyalty and major potential rivals. 	<ul style="list-style-type: none"> Continue to optimize the electronic trading system. Refine the content and breadth of our investment consultation and research information. 	<p>Information aspect: Enhance our fundamental investment analysis and research, and provide instantaneous fund information.</p> <p>Transaction aspect: Continue to improve the convenience of the transaction process, and provide great deals on subscriptions, etc.</p>	<p>Product aspect: Will provide more diverse products.</p> <p>Information aspect: Provide policyholders with web pages that are easier to search for their investment targets. Furthermore, after taking into account the need of economically disadvantaged people, we have optimized the presentation of our micro insurance website for easier web search.</p>

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

Moreover, a mechanism has been established to handle consumer complaints and disputes. Aside from formulating the "Operating Guidelines for Handling Customer Complaints" and procedures for handling various business disputes, First FHC also provides access to the online customer service of its subsidiaries, toll-free customer service phone numbers, dedicated phone numbers for business consultation, and complaint mailboxes under the "Stakeholder Communication" menu item on its official website. First Commercial Bank has also installed a 24 hours customer service hotline as well as an email box to remain in constant communication with its customers. In 2024, the Bank obtained the "AA" accessibility label for its official website and major e-banking services. In addition, it also enhanced its over-the-counter outreach mechanism for disadvantaged and elderly people as well as people suspected of suffering from dementia when they approached us for online banking, debit cards/voice-activated money transfer and foreign exchange operations. We also provided the "friendly reservation service", in addition to installing the "Senior Citizens & Friendly Service Hotline". To cooperate with the competent authority's policy to reinforce the review and evaluation mechanism for fair customer treatment, First Commercial Bank, First Securities, First Securities Investment Trust and First Insurance continued to refine their procedures for handling customer complaints in 2024. They regularly compile and sort major cases of customer complaints, and submit them to the Board. Customer complaints lodged with the Financial Ombudsman Institution are also regularly submitted to their respective Board of Directors for future reference, including the types, number, indemnity and handling status of such cases.

To effectively improve our operating procedures and reduce customer complaints, First Commercial Bank has incorporated the performance for handling customer complaints into the performance review of each unit, in addition to establishing a customer complaint review mechanism. Education training will be intensified for employees with poor attitudes, and units with repeated negligence are required to submit concrete improvement measures. Moreover, a dedicated customer complaint area has been created on the internal network, providing business units with information such as analyses on customer complaint cases and related statistical tables for their reference. We acquired ISO10002 "Customer Complaint Management Certification" in August, 2024 to improve the quality of our handling of complaint cases and align ourselves with international standards. The Group accepted and handled a total of 290 customer complaint cases via various grievance channels in 2024. In particular, we were notified of 208 of these cases via competent authorities (please refer to the appendix for more details: sustainable operation indicators). For most complaint cases, we were able to complete customer pacification and replies within the required timeframe. We also analyzed customer feedback and compiled related statistics in accordance with business types, before sending them to related units for improvement.

7-5 Customer Care Events

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

2024 Customer Care & ESG Engagement Events

Reaching the Next Pinnacle of Corporate Success Lecture



With the touring Reaching the Next Pinnacle of Corporate Success Lecture, we provided the latest financial information and investment recommendations, promoted regional revitalization, the Micro Loans for Female Entrepreneurs, and the review principles for green financing, green energy and the Industrial Innovation Plan Loan, and shared our energy conservation and carbon reduction measures and results.

Reaching the Next Pinnacle of Corporate Success Lecture and Dinner (Taichung and Kaohsiung sessions)	A total of 2 sessions	446 participants
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"First Commercial Bank Marches Towards 2050 Net-Zero Emissions Goal with Customers" Lecture

To respond to the issue of 2050 net-zero emissions, we shared global ESG trends, partnered with enterprises to take concrete action, and implemented the low-carbon transition, as we march towards a sustainable ecosphere

"First Commercial Bank Marches Towards 2050 Net-Zero Emissions Goal with Customers" Lecture (Taipei, Taichung and Kaohsiung sessions)	A total of 2 sessions	270 participants
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Investment & Money Management Lecture for Customers



We disseminated correct consumer finance and money management ideas through introducing financial products, explaining key issues, and promoting preferential activities

First Bank business units	A total of 646 sessions	11,539 participants
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Financial Planning Clinic Seminar

Our financial consultants (FC) for personal finance reviewed customers' assets and offered their suggestions in a one-on-one format. Through regular live streaming focusing on thematic courses by our FC, our financial consultants conducted training on the money management teams of our branch offices, in an attempt to better prepare them to respond to changes on the investment market.

31 branches throughout northern, central and southern Taiwan	A total of 31 sessions	574 participants
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Customer care investment checkup seminar in rural communities



First Securities traveled to far-flung villages and communities to host customer care investment checkup seminars, providing customers with the latest information on financial products and suggestions.

Lukang Township, Changhua County; Hengchun Township, Pingtung County; Magong City, Penghu County; Guanxi Township, Hsinchu County; and Donggang Township, Pingtung County	A total of 5 sessions	186 participants
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Investment & Money Management Lecture: Celebrity Money Management Class

Through money management lectures and online videos and audios, First Securities Investment Trust was able to promote sound investment and money management ideas, and introduced financial products and investment trends.

In-person money management lectures & online lectures on First Securities Investment Trust's official website	A total of 26 sessions	318 participants
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Seminars and regular live broadcasts of financial management courses



Online thematic lectures to promote the popularization of financial knowledge

2 online orientations and 8 in-person money management lectures	A total of 10 sessions	2,126 participants
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The Group's financial institutions organized the "Be a Young, Anti-fraud Vanguard and Steer Clear of Traps" campus promotional campaign in association with the FSC.

To increase students' knowledge and skills in fraud identification, we held anti-fraud promotional events at various schools.

First Bank held a total of eight campus promotional events and briefing sessions.	A total of 8 sessions	400 participants
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Prevention of money laundering, financial fraud and terrorism financing

GRI : 2-23 、 2-24 、 2-25

8-1 The Group's AML / CFT Management Framework

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

Authority and responsibility	Establishment and amendment of the AML/CFT Policy
Supervision mechanisms	<ul style="list-style-type: none"> Follow-up and report on improvements for audit deficiencies Report the AML implementation status every six months
Handling status	The database utilized by the bank subsidiary's PEPs list compilation review system and comparison engine is from external supplier World Check and a self-constructed list (collected from public PEPs information). Batch scans and comparisons are conducted for the list daily.

Assigned dedicated officer – Chief Compliance Officer of the head office

Authority and responsibility	The Board of Directors assigned a Vice President to take charge of supervising the Group's AML/CFT compliance status.
Implementation Results	<ul style="list-style-type: none"> Reporting the Group's AML/CFT implementation status and reviewing improvement measures to the Risk Management Committee every two months Reporting the AML/CFT implementation status to the Audit Committee and the Board of Directors every six months

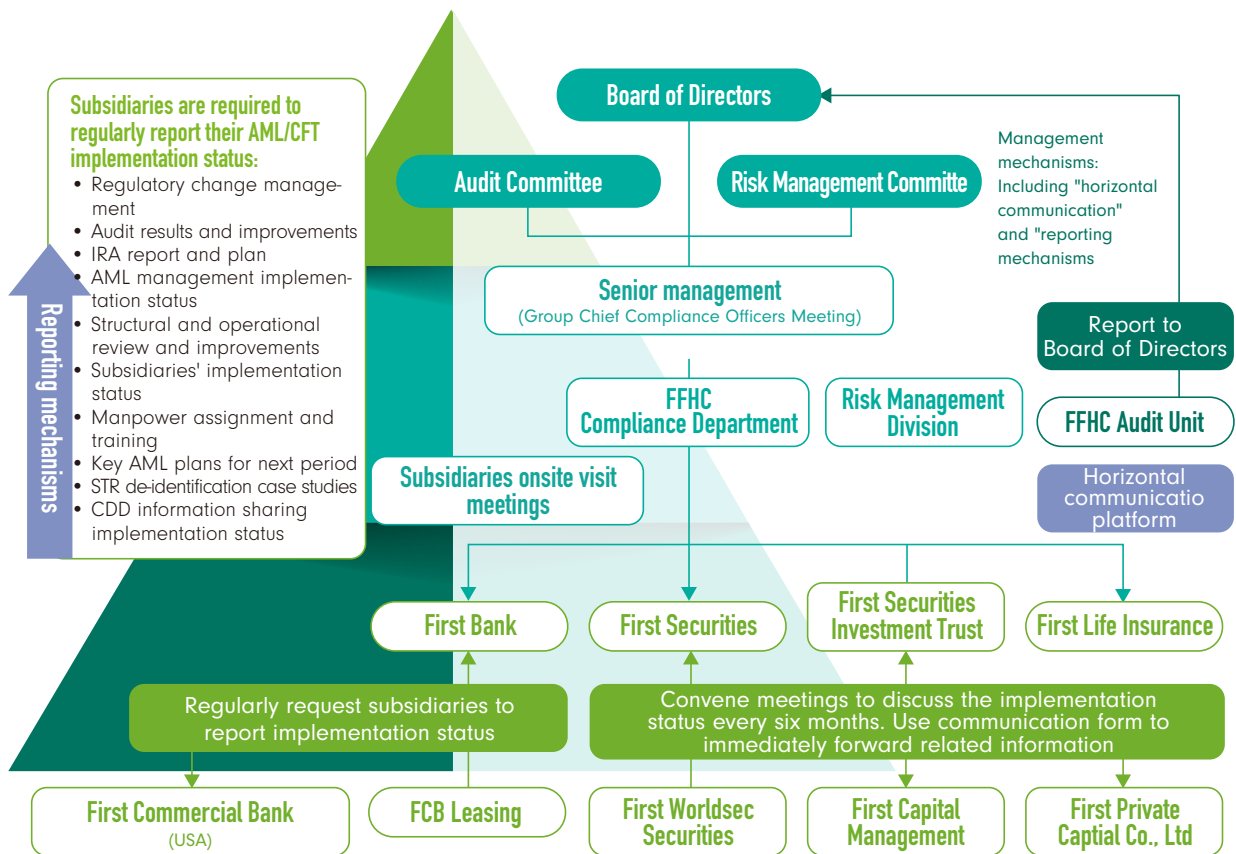
Establishment of dedicated unit – Compliance Department

Authority and responsibility	Establishment and management of the Group's overall AML/CFT plans.
Implementation Results	<ul style="list-style-type: none"> Bank and insurance subsidiaries set up dedicated AML units to take charge of the planning, coordination, and management of AML/CFT mechanisms and reporting suspected ML/TF transactions; Bank subsidiaries also established the AML/CFT Committee to learn about the Bank's ML/TF risks and the operations of AML/CFT plans Regularly organize Group's AML/CFT education and training sessions every year to increase Group employees' understanding and risk awareness of AML/CFT, and implement related preventive measures In order to strengthen the professionalism of the Group's money laundering prevention, more than 90% of the heads and personnel of domestic AML units of the banks, securities, investment trust, insurance subsidiaries and FCB Leasing have obtained domestic or international certificates

Assign supervisor

Authority and responsibility	To enhance the effectiveness of anti-money laundering (AML) and countering the financing of terrorism (CFT) implementation, the bank subsidiary has adopted a system of appointing dedicated AML/CFT supervisory officers for material units, selected based on the Risk-Based Approach (RBA).
Implementation Results	First Bank assigned dedicated AML/CFT supervisors to 21 domestic business units in 2024. Other domestic units that do not implement the dedicated supervisor system are assigned a deputy supervisor.

◎ Anti-Money Laundering and Counter Terrorism Financing Organization Structure



8-2 Implementation of Anti-Money Laundering and Counter Terrorism Financing Education and training

To improve the abilities and performance of the group's employees in AML/CFT, categories of AML/CFT education and training courses organized by FFHC, First Bank, First Securities, First Securities Investment Trust, and AMC in 2024 are as follows:

	FFHC	Banks	Securities	Securities Investment Trust	Life Insurance	AMC
Regular internal training that uses cases for learning	-	3,227 persons 3,718 hours	120 persons 60 hours	18 persons 18 hours	26 persons 13 hours	-
Computer training course self-evaluation form	-	-	-	446 persons 1,784 hours	780 persons 983.5 hours	-
The laws/regulations manager is responsible for company-wide internal network training	-	15,651 persons 27,398 hours	-	-	-	-
The laws/regulations unit provides face-to-face training	-	1,027 persons 758 hours	-	-	-	-
Face-to-face training by external institutions	92 persons 276 hours	78 persons 343 hours	-	43 persons 70 hours	18 persons 90 hours	3 persons 9 hours
Mandatory annual training	7 persons 105 hours	290 persons 3,480 hours	1,283 persons 2,566 hours	-	91 persons 309 hours	122 persons 244 hours
Total	23,322 people attended the courses with a total of 42,224.5 hours					

Centralized suspicious transaction report (STR) project

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

Non-face-to-face customer due diligence

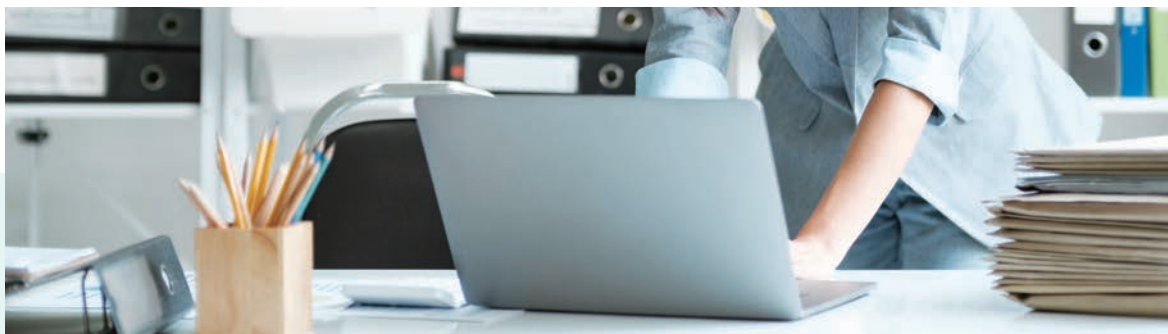
The bank subsidiary conducts a customer due diligence (CDD) procedure (as shown in the chart below) that has a similar effect to general CDD. Special and sufficient measures must be in place to mitigate risks and in principle, individual accounts must submit identification documents for the verification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

01. Digital deposit account

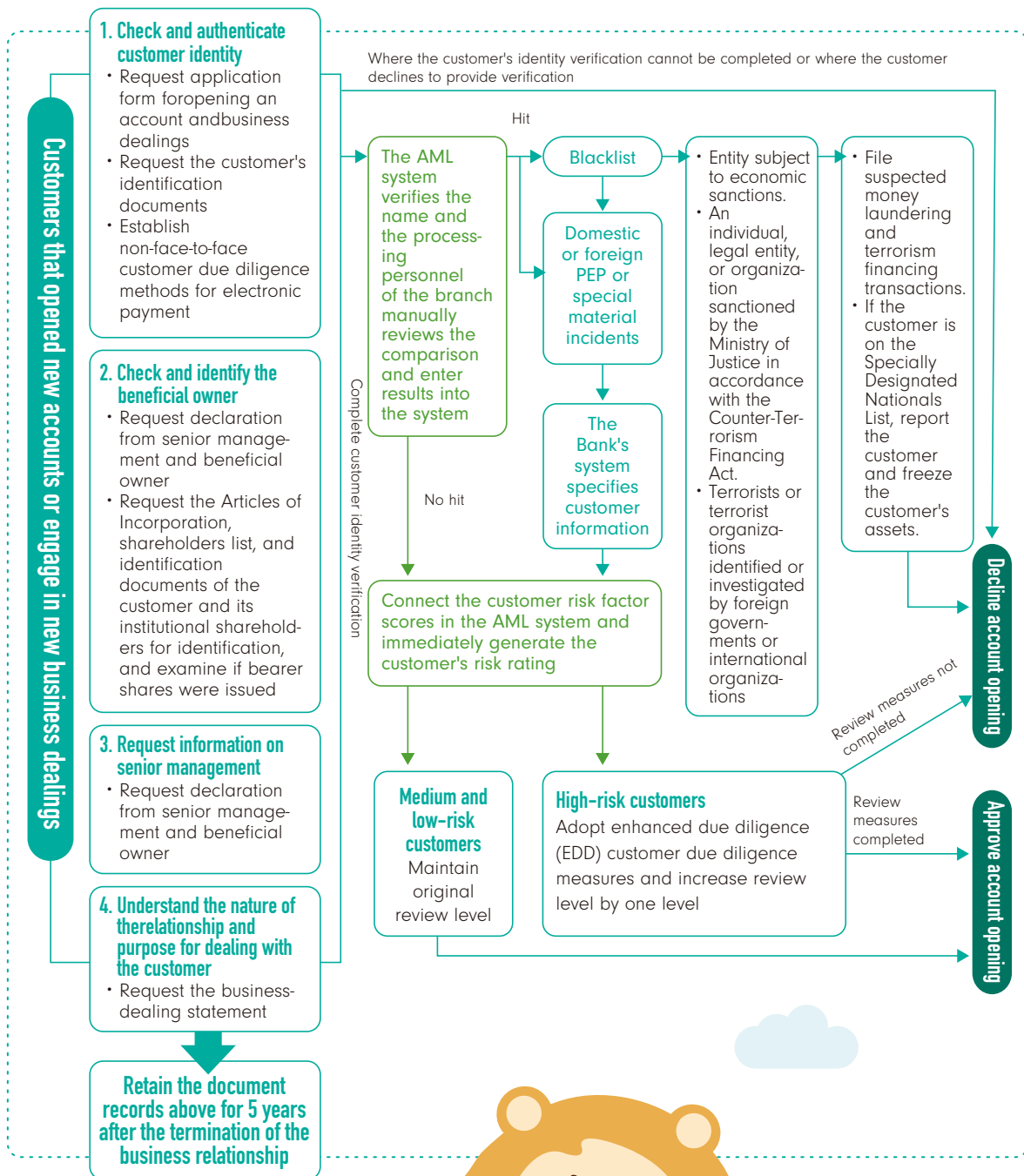
This service is limited to natural persons and sole proprietorship companies, but application is not limited to original customers of the bank. Online account opening requires ID authentication beforehand. Authentication methods vary between different types of customers, as described below:

- A. Natural persons of Taiwanese nationality:** Natural persons of Taiwanese nationality aged seven or older with an ID card. When the applicant is not an existing customer, ID should be authenticated based on the deposit accounts opened over the counter at other banks; For an existing customer of that bank, authentication would be based on a valid, normal and active deposit account of the customer with that bank as well as a two-factor mobile number; When the applicant is a minor aged seven years or older, the party subject to authentication shall be the minor's legal guardian, with two types of ID and a household certificate transcription (or a household certificate) of that legal guardian attached.
- B. Sole proprietorship corporate accounts:** This service is limited to Taiwanese sole proprietorship companies registered in accordance with the Business Registration Act, and the responsible person must be a natural person of Taiwanese nationality aged 18 or older. The responsible person should undergo ID authentication with his natural person certificate and MOEACA ID Card, and obtain the latest business registration data from the Ministry of Economic Affairs instantly. Account opening is complete after video authentication is concluded.

In addition to strengthening its ID authentication mechanism, the subsidiary bank also adopts appropriate measures to conduct customer due diligence, such as confirming the customer's purpose and nature of opening a new account, proof of actual business operations, the main source of funds, and the anticipated number of transactions and amount. The Bank should also understand the scope of economic activities involved, in addition to conducting name verification and risk assessment operations. The Bank also regularly identifies if information pertaining to the ID of the customer and his real beneficiary is complete every year, in order to ensure authenticity and accuracy for information updates.



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



02. e-speed loan

In response to changes in consumer behavior models, the subsidiary bank provides its customers with comprehensive online financing services. Every step of the way, from loan application, document uploading, notification of loan approval, verification, to funds being credited, can be operated online, without requiring the applicant to visit the bank counter. Application is only limited to adult natural persons of Taiwanese nationality. If the applicant is not an existing customer, ID authentication shall be conducted based on the deposit accounts opened over the counter at other banks. Aside from uploading ID certificates, the customer still needs to provide other authenticated banks, authenticated accounts (limited to accounts opened over the counter) and mobile number for the purpose of ID authentication. All data must be processed by the system for ID review, name verification and risk assessment. In case of doubt, the Bank can demand that the customer undergo video authentication, in an attempt to reinforce the strength of ID authentication.

Policy regarding high-risk clients such as politically exposed persons (PEPs) and related identification, regular reviews and monitoring

01. With respect to important political figures from domestic or foreign governments, terrorists or groups that have been sanctioned economically or identified/pursued by foreign governments or international anti-money laundering organizations, and individuals, legal persons or groups designated for sanction in accordance with the Counter-Terrorism Financing Act, the Company not only directly regards them as high-risk clients, but also requires approval from competent supervisors one grade higher than the original supervisors before new business dealings are added or new business relations are established. Each subsidiary may define the types of clients that should be directly regarded as high-risk clients in accordance with their own business patterns, and after taking into account related risk factors.

02. The subsidiary bank has formulated related guidelines targeting high-risk clients, such as the "Comprehensive Group-wide Plan for Preventing Money Laundering and Combating Terrorism Financing", "Anti-Money Laundering & Counter-Terrorism Financing Notice", and "Manual of Due Diligence on High-Risk Clients for Preventing Money Laundering and Combating Terrorism Financing". Please refer to the followings for explanation:

- A.** Control measures to be enforced when a client is identified as a high-risk client during the course of establishing a new business relation: In addition to regular due diligence operations, it is necessary to adopt additional measures to further identify the client in question (such as doing a search with Google, or obtaining the client's work information, etc).
- The grade of supervisors responsible for approving a new business dealing should be raised to a higher rank.
 - An intensified client due diligence form should be filled out, and transactions must be made on the system for the sake of preserving track records.
- B.** Control measures to be enforced when a client is identified as a high-risk client during the course of regular transaction monitoring:
- Supporting documents should be solicited for transactions involving high-risk clients.
 - The grade of supervisors responsible for approving transactions involving high-risk clients should be raised to a higher rank.
- C.** In the event that high-risk clients are spotted in the transaction monitoring forms of the Company's various divisions, they should be submitted to the supervisors responsible for preventing money laundering and combating terrorism financing for review.
- D.** Increase the frequency of regular reviews: the frequencies of regular reviews for medium- and low-risk clients are 3 years and 5 years, respectively; the frequency is once per year for high-risk clients.

03. Identification method of politically exposed persons (PEPs)

- A.** Install a list examination system and comparison engine, whose database is sourced from external vendor Thomson Reuters (World Check) as well as the list it compiles on its own (PEPs gathered from publicly available information by itself). The list would be scanned through in batches and compared on a daily basis.
- B.** When new business dealings with a client are established or added, the system would conduct real-time list audit. If the system finds that the client is a PEP, it would adopt enhanced measures and continue monitoring.

Measures that go above and beyond regulatory regulations

01. To strengthen its anti-money laundering and counter-terrorism financing system and to optimize the system against money laundering, the Group strives to optimize methodology and reports relating to the institutional risk assessment (IRA) of its subsidiaries, review clients' risk factors and the rationality of the list scanning rules, and strengthen the client due diligence mechanism and the sharing of group information, etc. It has commissioned "Deloitte Touche Tohmatsu Limited" to create the "Anti-money laundering & counter-terrorism financing system consultation service project" to offer guidance and assistance in installing more comprehensive control measures for anti-money laundering & counter-terrorism financing.

02. In 2024, the Group's subsidiaries, including First Commercial Bank, First Securities, First Life Insurance and FSITC, continued to commission "PwC Taiwan" to audit assurance projects for anti-money laundering & counter-terrorism financing, which went above and beyond the Financial Supervisory Commission's existing regulatory requirement of demanding that banks and large insurance companies outsource the auditing of their assurance projects.

Monitoring of criminal offenses involving money laundering and terrorism financing

In addition to using the 53 suspicious transaction representations in the "Annex: Red Flags for Transactions Suspected to Involve Money Laundering or Terrorism Financing" published by the Bankers Association to monitor criminal behavior, the Group's subsidiary bank also compiles statistics from cases provided in letters from external inspection agencies to identify the crime risks that it faces. It has also adopted corresponding mitigating measures. The top 3 threats associated with money laundering and terrorism financing that the Bank identified in 2024 were fraud, tax crimes and narcotics, which were approximately consistent with the STR crime patterns that it declared.

© Letters from external inspection agencies and STR crime patterns declared by First Commercial Bank in 2024

	Letter from external investigation institution		Bank files STR		Number of feedback incentive cases of FIU	
	Number of cases	Percentage (%)	Number of cases	Percentage (%)	Number of cases	Percentage (%)
Fraud	12,162	81.30	438	40.44	3	3.89
Tax crime	664	4.44	556	51.34	73	94.81
Drugs	669	4.47	24	2.22	0	0.00
Corruption Bribe	664	4.44	15	1.39	0	0.00
Illegal gambling	229	1.53	30	2.77	1	1.30
Securities crime	349	2.33	12	1.11	0	0.00
Organized crime	151	1.01	4	0.37	0	0.00
Intellectual property crime	67	0.45	1	0.09	0	0.00
Underground banking	0	0.00	3	0.27	0	0.00
Smuggle	4	0.03	0	0.00	0	0.00
Total	14,959	100.00	1,083	100.00	77	100.00

Application of regulatory / technology (Regtech)

Artificial intelligence and machine learning (AI/ML) technology is at the heart - and an important part - of regulatory technology, and the subsidiary bank has utilized or adopted the following technologies and control measures, in order to lower regulatory cost while enhancing regulatory performance:

- Leveraging robotics process automation (RPA) to boost efficiency while reducing various business workload.
- Full implementation of AML system in regular customer review operations. Corresponding investigation frequencies are issued according to the money laundering risk level of customers. The AML system automatically initiates investigations and generates MIS reports to reinforce surveillance and management, thereby reducing the possibility of human error within operations.
- Designing a digital smart equity calculation tool in-house, using automated system tools to calculate the equity structure and to generate an equity structure chart, in hopes of increasing operational efficiency and accuracy in identifying senior management personnel and real beneficiaries.
- Referencing red flag indicators identified by American financial regulatory agencies, as well as typology examples for monitoring what is suspected to be money laundering, terrorism financing or weapons proliferation and transaction associated with virtual currency platforms and transaction-based businesses, which have been promulgated by the FSC; adding a new typology to the AML system for customers who frequently change their emails; lowering money-laundering risks associated with providers of virtual asset services through utilizing system automation monitoring and controls.
- To align with the Society for Worldwide Interbank Financial Telecommunication's (SWIFT) adoption of the ISO 20022 message specifications standardized format (MX messaging), the Bank has added an audit module for MX messaging to its domestic AML system, which audits the names of incoming or outgoing MX messages. By doing so, the Bank hopes to strengthen the operating mechanism for anti-money laundering and counter-terrorism financing.
- The Bank has incorporated transactions involving frequent deposits into personal accounts in the AML system for monitoring & control, in order to enhance our tax risk management.
- The New Actimize System has been installed for overseas branches and AI monitoring technology has also been introduced, in order to enhance control over related accounts and detect potential risks of money-laundering transactions.

8-3 Preventing financial fraud

As financial fraud incidents are quite rampant recently, the subsidiary bank has joined the Criminal Investigation Police Office's "Eagle Eye Anti-Fraud Alliance" to prevent customers from sustaining property losses. The Bank has developed an AI-enabled early-warning mode for account warning, enhanced monitoring and control over transactions, and signed a "Letter of Intent for Cooperation in the Anti-Fraud Project" with the Criminal Investigation Police Office on March 25, 2025, in order to jointly counter financial fraud. The Bank also plans to introduce the "associated network and dynamic money flow" analytical tool, and establish a "Bank-wide Joint Defense Mechanism", as part of its efforts to stay on top of all accounts with suspicious money flow while improving the successful rate of fraud interception. For over-the-counter operations, the Bank has formulated the "Gentle Reminders & Questions for Over-the-Counter Operations" and "Notices for Business Units to Protect Account Holders from Fraud & Be Mindful of Large Sums of Over-the-Counter Cash Withdrawals". With respect to customers who are making a withdrawal/remittance, applying for designated account transfer, elderly customers making a withdrawal exceeding a certain amount, or those who have manifested early warning signs or suspicious signs of fraud, the Bank would reach out to them with gentle reminders and questions. We would also notify the local prescient in a timely fashion for on-site investigation or police escort. Furthermore, the Bank has enhanced its employee education training to reach out to customers over the counter, as we properly utilize case studies provided by the National Police Agency as well as media reports of the latest fraud schemes, in order to boost interception effectiveness. In 2024, our performance in countering financial fraud continued to grow, as the number of cases and the amount were up by 3% and 34.3% respectively from 2023.

© Results of our anti-financial fraud efforts over the past 3 years

Unit: Case/NT\$10,000

	2022	2023	2024
Successfully blocked fraud cases	230	365	376
Amount of money successfully blocked from fraud	12,265	20,043	26,922

Apart from enhancing employee education training and raising their regulatory compliance awareness, subsidiary companies, including First Securities, FSITC and First Life Insurance, have also disseminated anti-financial fraud information and financial knowledge to our customers and the public via their official websites, social media platforms, apps, and digital channels.

Tax Governance

GRI : 207-1~207-4 、FS1

9-1 Tax Governance Policy

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



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

9-2 Tax Governance Risk Management

Tax compliance risk and management

All subsidiaries of the Group file and pay taxes in accordance with tax laws. The Administration Management Department is responsible for compiling information and notifying subsidiaries for confirmation. The results are reviewed by the CPA of the Group and reported based on the internal hierarchical delegation of responsibilities. The Administration Management Department is the tax management unit and it is responsible for conducting 2 independent audits each year to ensure that tax personnel comply with internal operating procedures and tax laws for routine tax filing, filing for suspension of payment, annual filing and payment, and filing of various types of income. It is also responsible for reporting tax management to the Board of Directors.

Tax law management

Related personnel are consulted on the latest changes in regulations each month. In the event of changes in tax laws, we actively inquire the opinions of other financial institutions and discuss response strategies with the Group's CPA to adjust internal operating procedures and related policies at appropriate times and ensure that internal operations and management are consistent with regulations.

Improve tax governance capabilities

To ensure personnel responsible for tax governance are familiar with tax laws, the Group's CPA provides information on the latest developments in tax laws whenever necessary. Personnel also participate in external tax training courses whenever necessary to improve their professional skills.

Publication of tax information

The Group's disclosure of tax information is based on the tax information in financial statements audited and certified by the CPA firm, and it is disclosed through public channels such as the official website and the annual report for the shareholders' meeting.

9-3 Stakeholder Management

Internal stakeholders

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

External stakeholders

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



9-4 Tax information by country

◎ The Group's revenues, operating profits and tax information in every country it operates around the world in 2024*1

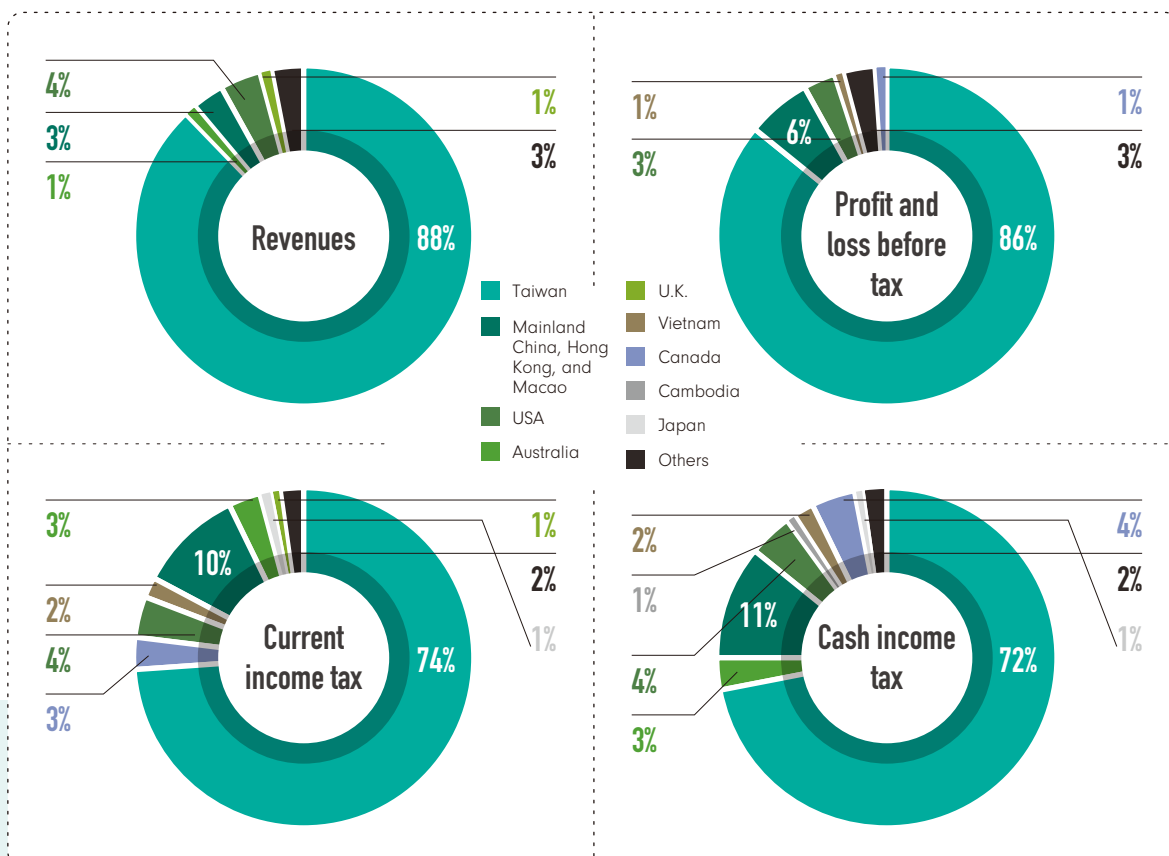
Unit: million NTD, %

Country of operation	Revenues	Revenues from unrelated party	Revenues from related party	Tax paid	Current income tax	Profit and loss before tax	Number of employees	Tangible assets	Effective tax rate*2	Estimated income tax rate*3
Taiwan	223,167	203,223	19,943	5,113	4,615	49,410	9,529	41,998	9.34	20.00
Mainland China, Hong Kong, Macao	7,048	6,871	177	753	643	3,396	248	318	18.93	20.70
USA	9,554	9,253	301	300	272	1,387	187	1,154	19.63	28.5
Cambodia	2,320	2,320	0	108	38	146	182	138	26.37	20.00
Canada	1,693	1,618	76	259	172	650	30	24	26.45	26.75
Australia	3,759	3,747	12	192	175	524	19	19	33.43	30.00
United Kingdom	2,838	2,661	177	48	65	464	20	94	13.94	25.00
Japan	863	863	0	90	76	497	22	8	15.37	30.62
Others	3,589	3,067	522	218	194	890	180	172	21.84	19.42
Total	254,831	233,623	21,208	7,081	6,250	57,364	10,417	43,925	10.89	20.54

*1 : This table is based on the total number of members required by Article 22-1 (country-by-country reporting) of the Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing.

*2 : Total effective tax rate $10.89\% = (49,410/57,365) \times 9.34\% + (3,396/57,365) \times 18.93\% + (1,387/57,365) \times 19.63\% + (146/57,365) \times 26.37\% + (650/57,365) \times 26.45\% + (524/57,365) \times 33.43\% + (464/57,365) \times 13.94\% + (497/57,365) \times 15.37\% + (890/57,365) \times 21.84\%$

*3 : Expected income tax rate refers to the weighted average of pre-tax profit and loss and statutory tax rate of each country; (pre-tax profit and loss in country A * country A's statutory tax rate + pre-tax profit and loss in country B & country B's statutory tax rate...)/ (pre-tax profit and loss of countries A and B). If the pre-tax profit and loss generated by some countries is negative, they are removed from the table to avoid distortion.





02 ENVIRONMENTAL FACTORS

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



Climate Strategy and Management

GRI : 201-2 、 203-1 、 203-2 、 FS1

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

2010

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

2011

2016

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

2017

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

2024

2023

- First Financial Holding's TCFD report has been awarded "LEVEL -5+", the highest level of certification, by the British Standards Institution (BSI) for four straight years.
- First Financial Holding officially passed the review for SBT on carbon reduction in June 2024.
- First Financial Holding has been awarded the highest Leadership accolade across CDP's top 3 environmental sustainability issues: climate, forests and water security.
- First Bank was named as one of the "top-performing private enterprises and organizations for advancing green purchasing in 2023" by the Ministry of Environment.
- 201 business locations of First Bank received the "Green Office" certification from the Ministry of Environment, ranking first in the financial industry.
- First Bank made the FSC's list of top 25% of banks in the "Second Sustainable Finance Evaluation", marking the second consecutive year in which the Bank was awarded.
- First Bank was awarded the "Gold Award" at the "Sixth National Enterprise Environmental Protection Award" hosted by the Ministry of Environment, making it the only financial institution in Taiwan to have won the honor in six straight years.
- We pushed forward the "Supplier Evaluation System" to improve the quality of green purchasing.
- We expanded the use of green electricity while playing the role of the green landlord to match tenants to use green electricity.
- We worked with the Kuroshio Ocean Education Foundation to drive the "Ocean Oasis-Ecological Conservation Project for Whales Along the East Coast", and submitted an application for the United Nations' Important Marine Mammal Areas (IMMAs) certification.

- First Financial Holding's TCFD report obtained the highest-grade "LEVEL- 5+" certification from the British Standards Institution (BSI) for three consecutive years.
- SBT carbon reduction goals formulated by First Financial Holding were submitted to the SBTi for review after they were deliberated and approved by the Board of Directors.
- First Financial Holding rolled out the "ESG Sustainable Application Map Inquiry Tool", which was unprecedented in the industry.
- First Commercial Bank's Living Green Card has obtained double certifications from the BSI's "PAS2060:2014 Carbon Neutrality" and the Ministry of Environment's "Carbon Reduction Label".
- First Commercial Bank partnered with MasterCard International to roll out the "consumption carbon footprint inquiry" service for credit cards users.
- First Commercial Bank's headquarters building has been certified for the Level 1+ Energy Efficiency Label (near zero-carbon building) for Existing Buildings by the Ministry of Interior.

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

2012

- In 2012, a target was set to reduce the headquarters building's GHG emissions by 12% by 2015 compared to 2011, and the goal was achieved ahead of schedule in 2013.
- Signed up for the Carbon Disclosure Project (CDP)
- Set electricity, water, fuel and gas conservation targets for each company. The annual reduction target must also be no lower than the ratio set for the previous year.
- Incorporated ISO 50001 Energy Management System guidelines for the IT Building for the first time and received certification.
- Incorporated ISO 14064-1 Greenhouse Gas Inventory System guidelines for five company locations including the IT building for the first time and received certification.

2013

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

2014

2015

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

2018

2019

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

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

2022

2021

2020

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

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

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

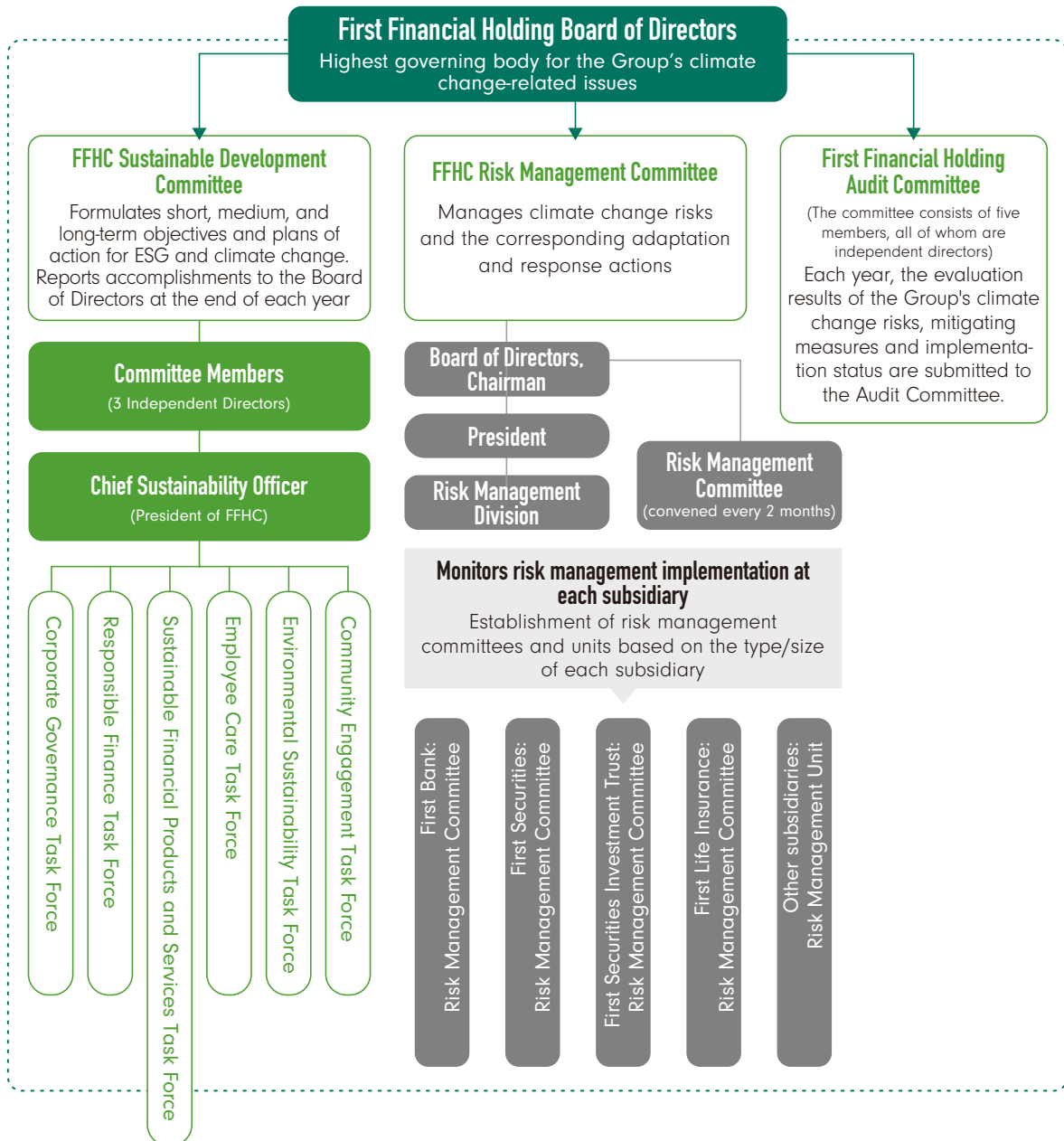
1-1 Climate change governance

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

After the review of and approval by the Board of Directors in 2020, emerging risks, including climate change risks, were incorporated in the Group's risk management policy. With effect from 2021, the evaluation results of climate change risks, mitigating measures and implementation status have been submitted to the Board of Directors. The subsidiary bank also invited independent directors to offer guidance to the Risk Management Committee in September 2021, allowing for effective, top-to-bottom supervision over various climate governance actions. In August 2022, we officially joined the "Partnership for Carbon Accounting Financials" (PCAF), conducted scope-3 financial carbon emissions inventory for investment and financing in accordance with PCAF's suggested methodology, and formulated near-term carbon emissions targets, which were submitted to the SBTi for review. Those targets were officially approved in June 2024, which in turn serve as foundation for implementation. We continue to incorporate the net-zero mentality in our investment and financing policy-making process, and reduce our share of investment/financing in highly polluting (carbon-intensive) sectors, in order to achieve our SBT on carbon reduction.



© First Financial Holding's Organizational Chart for Climate Risk Governance



© FFHC TCFD Indicator Disclosure Framework and Actions

	2011~2023	2024	2025
Governance	<ul style="list-style-type: none"> • Matters implemented after the resolution of the Board of Directors: <ul style="list-style-type: none"> ✓. Sustainable Development Policy ✓. Guidance on Sustainable Development for First Financial Holding • Matters supervised by the Board of Directors: <ul style="list-style-type: none"> ✓. Green Financing Review Principles ✓. Environmental Management Policy ✓. Energy Management Policy • The Board of Directors reviewed and established the Sustainable Development Policy: <ul style="list-style-type: none"> ✓. Integrated ESG factors into voting and product review mechanisms to implement requirements in the Stewardship Principles ✓. Integrated ESG issues into the development strategies and operating procedures of core businesses ✓. Supported the low-carbon economy transformation, provided funding needed by companies to improve their environmental performance, and reduced the impact of the products and services provided by the Company on the society and the environment. • The Board of Directors reviewed and passed the "Sustainability Credit Policy", "Sustainability Investment Policy", and "Sustainability Insurance Policy" and included ESG issues into the planning and operating procedures for investments, financing, underwriting, and insurance businesses; Submission of the climate change risk assessment result, its mitigation measures and implementation status to the board of directors. • The "Sustainable Credit Extension Policy" was amended in 2023, and sectors implicated in forests and water issues had been included in environmentally sensitive sectors. The category of "highly polluting (carbon-intensive) sectors" was also expanded to include non-manufacturing sectors (farming, animal husbandry, water and aviation transport industries) to strengthen countermeasures against climate change risks. • "Risk Management Committee" meetings are convened on a regular basis, where independent directors are invited to participate to offer their guidance, as the committee continues to supervise and manage the implementation status of risks and opportunities relating to climate change. The evaluation results of climate change risks and the implementation status of mitigating measures are also reported to the Board of Directors. • Incorporate climate change risk management and the mastering of business opportunities into the basic items of the ESG performance appraisal of each subsidiary 	<ul style="list-style-type: none"> • The Board of Directors shall continue to monitor related targets for countering climate change and the implementation status • Regularly convene the "Risk Management Committee", invite independent directors to attend and give guidance, continuously monitor and manage the implementation of climate change-related risks and opportunities, and report risk assessment results and implementation of mitigation measures to the board of directors • The "Sustainable Credit Extension Policy" was amended to expand the scope for excluding new undertaking of coal and unconventional oil & gas operations, lower the threshold of revenue shares, and prepare additional countermeasures when existing lending cases mature, in an attempt to gradually phase out financing for related sectors. • The "Sustainable Investment Policy" was amended to strengthen the decarbonization commitment of our investments, lower the threshold for revenue shares of coal and unconventional oil & gas operations, and expand the definition scope of environmentally sensitive implications, which is not limited to any specific sector. All investment targets implicated in environmentally sensitive issues must be discreetly evaluated, as we strive to beef up our countermeasures against climate change risks. • The "Sustainable Investment Guidelines" were amended to include the formulation of "science-based targets" (SBT) as an indispensable evaluation item of the ESG evaluation process prior to making an investment. Additionally, it is clearly stipulated that, when an investment target is a domestic corporation, due diligence is required to ascertain if it is located in an environmentally sensitive area within the country. If the target is a listed/OTC-traded domestic company with disclosure of water usage data from the previous year, related data should be retained as basis of reference for making investment decisions. 	<ul style="list-style-type: none"> • The Board of Directors shall continue to monitor related targets for countering climate change and the implementation status • Regularly convene the "Risk Management Committee", invite independent directors to attend and give guidance, continuously monitor and manage the implementation of climate change-related risks and opportunities, and report risk assessment results and implementation of mitigation measures to the board of directors • The evaluation results of climate change risks, mitigating measures and implementation status are submitted to the Audit Committee (The committee consists of five members, all of whom are independent directors). • We conduct related evaluations and operational adjustments in accordance with the timeline to introduce IFRS sustainability disclosure standards. Implementation results are submitted to the Board of Directors on a quarterly basis, before they are filed to competent authorities within 15 days at the end of each quarter.



| Changnan Building's zero-carbon green roof

	2011~2023	2024	2025
Strategy	<ul style="list-style-type: none"> Sign the Task Force on Climate-Related Financial Disclosures (TCFD) framework in April 2020 and became the supporter Completed signing of the Equator Principles in 2020 to reduce credit risks through inspecting the suitability of credit cases, grading of environmental and social risks, review, and monitoring We issued sustainable develop bonds, and rolled out the "Sustainability Performance-Linked Credit Extension Project", which identifies a borrower's management indicators such as GHG emissions, energy conservation and the total amount of waste reduction as key evaluation points for granting favorable financing. We connected adaptation to climate change to the performance of employees and implemented internal carbon management contests to reward employees of high-performing units. We joined the SBTi and formulated short-, medium- and long-term goals for scope 1 and scope 2 in accordance with SBTi approaches. We applied PCAF's recommended methodology to conduct scope 3 financial carbon emissions inventory of financing and investments We rolled out the "Consumer Carbon Footprint Inquiry" service, with which consumers can understand the amount of carbon emissions generated from their credit card transactions through the iLeo app every month. We developed the "ESG Sustainable Application Map Inquiry Tool". With this tool, people can input an address to search for environmental monitoring data relating to their locations at one go, as well as areas susceptible to disasters caused by climate change impacts. Accumulatively, we issued NT\$1 billion in green bonds as well as NT\$4 billion in sustainable development bonds. We have compiled and published TCFD reports every year since 2020. We would disclose climate-related financial information (including qualitative and quantitative information) on the company website after obtaining third-party verifications. 	<ul style="list-style-type: none"> Performed carbon emissions inventory of financing and investment positions belonging to high pollution (carbon emissions) industries; and negotiated with target enterprises based on inventory results, in order to urge them to formulate net-zero targets. We improved architectural energy efficiency and strove to obtain green building labels for our own office buildings. We compiled and formulated the Group's SBT on carbon reduction, which have been reviewed and approved by the SBTi. We continued to optimize the "ESG Sustainable Application Map Inquiry Tool" to provide people with more comprehensive risk assessments and disclosures on sustainability information. We procured 6.03 million kWh in green electricity, which was routed and provided to our 22 business locations across Taiwan. We rolled out the "Sustainable Development Time Deposit Project", which enables us to direct funds towards renewable energy and social housing lending cases to help companies develop solar energy and install wind power generation equipment. We issued NT\$1.5 billion in sustainable development bonds. 	<ul style="list-style-type: none"> We will continue to collect and identify the carbon reduction commitments of our invested targets, which will be used as the basis for tracking their transformation progress as well as the implementation status on engagement, so that we can stay on top of their carbon reduction performances. We will strive to obtain double certification for our own office buildings: green building labels and building energy-efficiency rating labels. We will optimize the interface and the inquiry or application function of the "ESG Sustainable Application Map Inquiry Tool", in addition to enhancing our application management. We will continue to maintain the operation of the ISO14001 environmental management systems as well as the ISO50001 energy management systems to ensure regulatory compliance for our own operations in terms of environmental protection and energy management. We will regularly review companies that have already joined the SBTi carbon reduction initiative and consider prioritizing them for investment and financing, in an effort to reduce the amount of financial carbon emissions from our investment and financing operations. We will continue to issue green bonds.
	<ul style="list-style-type: none"> We investigated and analyzed international and domestic trends in and new knowledge about climate change mitigations and adaptations, and leveraged them to produce training materials for environmental education for communications with the Group's employees. We set a cap on the share of our lending limits to highly polluting (carbon-intensive) sectors. The cap, which was lowered from 14.0% to 13.5% in 2023, is being monitored on a monthly basis. We set up our financing decarbonization policy, and promised not to take on new "financing cases involving mining companies that focus entirely on coal extraction", "project financing cases involving construction of coal-firing power plants (excluding those that fall into the category of carbon reduction transition)", and "corporate financing cases involving companies whose tar sands/polar circle oil & gas/ultra-deep water oil & gas operations account for more than 50% of revenue", as we gradually reduce financing to coal-related sectors. According to the methodology recommended by PCAF, calculate the greenhouse gas emissions generated by investment and financing for corporate customers with investment and financing balances of more than NT\$50 million and mortgage loan cases with credit balances of more than NT\$5 million Participate in the "New Basel Capital Accord Continuing Study Working Group - Stress Testing Subgroup" to assist the competent authorities in establishing the "climate change stress test" scenario and methodology for domestic banks We suspended new investments in the coal industry (where coal mining, coal power generation, and coal infrastructure accounted for more than 50% of revenue) and the energy sector (where tar sands, polar circle oil and gas, ultra-deep water oil and gas, liquefied petroleum gas, shale oil, and other businesses accounted for more than 50% of revenue), unless we could clearly confirm that funds would be used on the transition to carbon reduction. 	<ul style="list-style-type: none"> We formulated additional management measures for highly polluting (carbon-intensive) sectors, and required that climate actions adopted by our potential borrowers be reviewed in the process of domestic financing application. We would urge customers who have yet to adopt actions to improve and make the transition during the process of financing credentials assessment. We lowered the cap on the share of our lending limits to highly polluting (carbon-intensive) sectors to 13%. We expanded the scope of application for our financing decarbonization policy, and refrained from undertaking new project financing cases involving coal and unconventional oil & gas, as well as corporate borrowers whose shares of revenue from related operations have reached 30% and 15% respectively. They are also required to gradually lower those shares when their existing credit line expires. We suspended new investments in the coal industry (where coal mining, coal power generation, and coal infrastructure accounted for more than 25% of revenue) and the energy sector (where tar sands, polar circle oil & gas, ultra-deep water oil & gas, unconventional liquefied natural gas and shale oil & gas accounted for more than 10% of revenue), unless we could clearly confirm that funds would be used on the transition to carbon reduction, or the customer was a state-owned enterprise from a country where the local government had made net-zero commitment s while setting reduction goals. If an invested party falls into the category of highly polluting (carbon-intensive) sectors, the efficacy of its mitigating measures against transition risks should be evaluated in the investment policy-making process. Additionally, new investments in corporations with high carbon emissions but no transition plans were also suspended. 	<ul style="list-style-type: none"> We will build the "System for Evaluating Impairment of Collaterals Against Climate Risks" to enhance the measurement and management of physical risks. We will maintain the cap on the share of our lending limits to highly polluting (carbon-intensive) sectors at 13%. When undertaking a financing case involving a highly polluting (carbon-intensive) sector, we will focus on companies that have voluntarily disclosed their carbon emissions and look into calculating the amount of additional scope-3 carbon emissions for the Group after undertaking such a case. In doing so, we can measure the impact of climate risks on the Group. We will conduct awareness surveys or tests with regard to knowledge about the net-zero transition and industrial development trends on the employees of various companies within the Group.
Indicators and Goals	Please refer to page 26-27 and page 36-37 of the "Sustainable Development Goals & Corporate Risk Management" in the Company's 2023 Sustainability Report.	Please refer to P26-27, P36-37 of the "Sustainable Development Goals & Corporate Risk Management" chapter in this report.	Please refer to P26-27, P36-37 of the "Sustainable Development Goals & Corporate Risk Management" chapter in this report.

1-2 Climate change risks and opportunities

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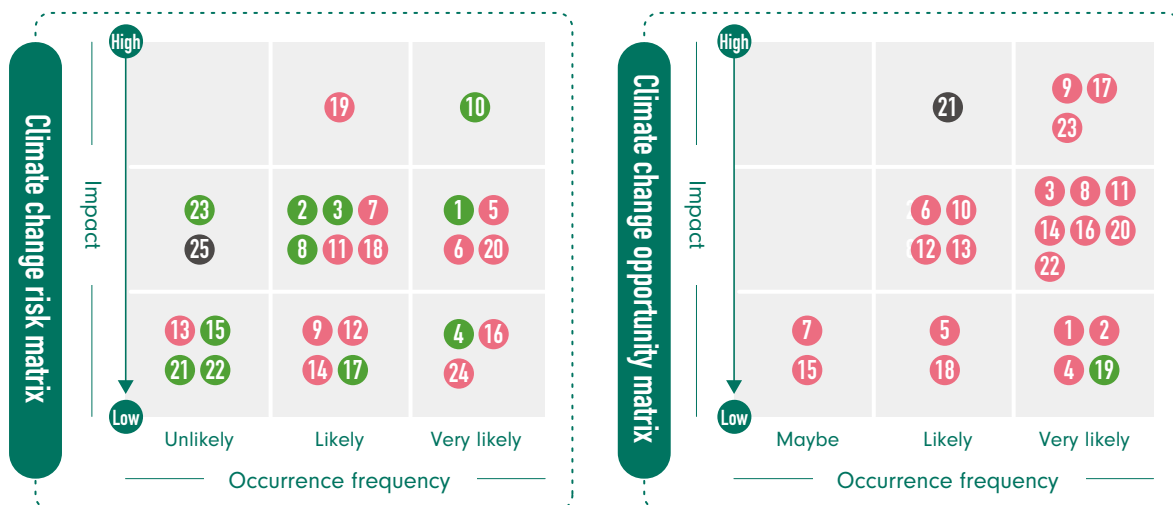
Type	Item	Impact on Company Operations	Corresponding number
Transformation Risks	Policy and regulatory risks	<ul style="list-style-type: none"> Domestic enterprises are responding to the net zero 2050 policies of the Climate Change Response Act by purchasing large amounts of green energy which may cause supply to fall behind demand in the renewable energy market. As such, the Company may fail to reach targets if decarbonization requires the purchase of renewable energy. 	1
		<ul style="list-style-type: none"> If the government requires users with a contractual capacity of 800 kW or more to save 1% of electricity every year, Although the Group has already taken action, the Group encounters a bottleneck to reducing carbon emissions. If the Group fails to achieve the carbon reduction target required by the government, it may face disciplinary action from the government. 	2
		<ul style="list-style-type: none"> As the supply chains of domestic/foreign industries confirm their decarbonization activities or if a carbon tax is implemented (such as the Carbon Border Adjustment Mechanisms that will be implemented by the EU in 2026), relevant sectors may face operation impact and transition risks that indirectly impact the group's credit and operational risks. 	3
		<ul style="list-style-type: none"> Regulatory change regarding renewable energy will influence power companies the Group reinvests in. 	4
		<ul style="list-style-type: none"> The FSC has promulgated the "Action Plan for Green & Transition Finance", second edition of the "Sustainable Economic Activities Guidelines", and "Suggested Items for Inclusion in Transition Plans", which expand the scope of industrial application while adding screening criteria and reference directions for transitioning. We fear this may limit evaluation criteria for the screening of our investment/financing targets and impact the Group's bottom line. 	5
		<ul style="list-style-type: none"> According to the "Climate Change Adaptation Law", the government will levy carbon fees on high-carbon emission enterprises as early as 2026, which may affect the business performance of customers in high-carbon emission industries, thereby reducing the revenue of the Group. 	6
		<ul style="list-style-type: none"> The energy transition and carbon reduction targets will increase the pressure of rising electricity prices, resulting in higher operating costs and affecting the Group's revenue. 	7
	Technical risks	In the future, the industry will be forced to transform and develop climate technology-related products and technologies. The Group's investment and financing targets may have to pay high costs, which will indirectly affect the Group's income.	8
	Market risks	<ul style="list-style-type: none"> Investors may reduce their holdings of the targets that lack the concept of corporate sustainability, resulting in a drop in the price of such targets. If the Group invests in such targets with its own funds, it will affect the investment income of the Group. 	9
		<ul style="list-style-type: none"> First Bank requires all loan customers to sign a letter of commitment for sustainable development, which may lead to loss of business. 	10
		<ul style="list-style-type: none"> Insufficient digitization will cause us to increase paper usage, reduce operational efficiency and competitiveness, and lose customers. 	11
		<ul style="list-style-type: none"> If investor concerns towards climate related issues are not appropriately responded to, it may lead to a sell-off of company stock and a drop in stock price. 	12
	Reputation risks	When a borrower or an invested party is implicated in violations against ESG such as environmental pollution, the Company's reputation may be indirectly affected when there is negative media coverage.	13
Physical Risk	Immediate risks	<ul style="list-style-type: none"> Tropical cyclone/Extreme precipitation <ol style="list-style-type: none"> Caused damage to offices, equipment, or transportation vehicles. Heavy rain or strong wind brought forth by tropic cyclones may directly impact the Company's operation sites. Employees suffer losses on their way to or from work, at the workplace, or on their way to confirm damages caused by disasters. Work being called off which resulted in the disruption of operations. Caused bodily injury to the insured of the Company which led to the increase of claim amount. The loss of personnel and property of the investment target leads to a decrease in investment profits. Borrowers suffer from interruption of operations or loss of personnel or property which leads to difficulties in repayment, and thus causes bad debt losses to the Company. 	14
			15
			16
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			18
			19
			20
		<ul style="list-style-type: none"> Short-term water shortage : The postponement of the rainy season has resulted in less than expected rainfall across Taiwan. Many reservoirs have insufficient water storage and encountered short-term water shortages. Many counties and cities have implemented water rationing measures, which may affect operational performance due to water shortages. 	
	Long-Term risks	<ul style="list-style-type: none"> Rising sea levels expose some business units to flood risk. 	21
		<ul style="list-style-type: none"> Extreme drought <ol style="list-style-type: none"> May lead to lack of electricity which results in disruption of operations May lead to fires or difficulties in obtaining water resources will increase operating costs 	22
		<ul style="list-style-type: none"> Extreme climate change 	23
		<ul style="list-style-type: none"> <ol style="list-style-type: none"> The use of electricity for air-conditioning and water has increased in recent years due to the increase in the number of days with extreme high temperature. We predict that electricity prices will gradually rise in the future as the power structure changes in Taiwan, resulting in an increase in the operating costs of the Company. If the Company has to purchase carbon credits and renewable energy certificates for its carbon reduction outcome, the operating costs of the Company will increase. 	24
		<ul style="list-style-type: none"> <ol style="list-style-type: none"> Increase of the occurrence rate of infectious diseases increases the risks to employee health and disruption of operation. 	25

Risk Mitigation Management Measures

- The Group will continue to proactively negotiate for renewable energy available in markets and sign supply agreements with renewable energy suppliers to purchase renewable energy certificates (RECs) and gradually expand locations for transfer each year.
 - In response to the lack of green electricity supply in the market and the government's requirement that the annual power saving rate of consumers with a contracted capacity of more than 800kW shall reach 1%, companies will replace and use more energy-efficient electrical equipment and try to generate electricity for their own use and reduce external purchases. They will also actively negotiate the purchase of green electricity in the market, and pay close attention to climate technology-related information, and negotiate new equipment with higher energy efficiency or carbon reduction technologies.
 - Understand the sustained impact and response measures taken by customers affected by international decarbonization or carbon neutral trends when applying for credit to evaluate the transition risk faced by the customer.
 - Set up a decarbonization policy for financing operations; promised not to undertake new project financing cases involving coal mining and coal-fired power plants; and gradually reduced financing for companies where related operations had reached a certain threshold in terms of shares of revenue.
 - In response to the implementation of the "Carbon Border Adjustment Mechanism Plan" by the European Union and the imposition of carbon fees by the government, the Group will continue to negotiate low-carbon transformation with customers with high carbon emissions, and provide customers with green preferential loans to assist in their transition, so as to reduce the impact on the quality of the Group's credit assets.
 - All domestic business locations have completed the introduction of the ISO 50001 Energy Management System and ISO 14001 Environmental Management System to continue to increase energy management performance and energy usage efficiency.
 - Organize a "carbon management and electricity conservation competition for domestic operating departments" in combination with their individual reduction targets. Quarterly announcements of the energy conservation achievements of each department and establish a ranking by achievement rate at the end of each year to reward high performance departments; operating departments that do not achieve decarbonization targets must propose decarbonization plans for execution.
 - Gather the latest environmental protection and carbon reduction trends and changes to environmental laws to organize training for the purpose of reinforcing the awareness of operating departments and relevant personnel in climate risk management frameworks and processes, and consult on domestic and foreign cases to plan response policies.
 - Provided green preferential loans to borrowers; and actively provided appropriate financial support to sectors consistent with the "Sustainable Economic Activities Guidelines", related economic activities and enterprises in need of transitioning, in order to help them achieve orderly transition and lower the impact on the Group's bottom line.
 - Joined the PCAF and SBTi initiatives; made an inventory of financial carbon emissions about the Group's investment/financing positions through the PCAF methodology, and obtained approval for the SBT we formulated on carbon reduction.
 - Incorporated climate change risks in the risk management policy; submitted risk evaluation results and the implementation status of mitigating measures to the Risk Management Committee, Audit Committee and Board of Directors; continued to participate in the Bankers Association's climate change projects on risk management and stress tests; conducted transition risk analysis on borrowers who happened to be major carbon emitters; and conducted three kinds of scenario analysis on the investment positions of our subsidiary insurance company: orderly transition, disorderly transition and too little, too late.
-
- Realize the idea of responsible investment and stewardship, continue to lower the cap on the share of investment in highly polluting (carbon-intensive) sectors, and continue to utilize our own funds to invest in companies devoted to sustainable operations.
 - Formulated plans to refrain from undertaking new cases involving coal and unconventional oil & gas companies whose related shares of revenue exceeded the caps set forth in the Group's decarbonization policy on investment/financing and those who failed to meet the exclusion criteria. The funds were diverted to invest in sectors conducive to ESG.
 - The Group requires all domestic and offshore fund companies to sign the compliance statement for the "Stewardship Principles for Institutional Investors" and the "Principles for Responsible Investment (PRI)" before the launch of a new product. Insurance companies of the launched products are also 100% prepared "Sustainability Reports" or submit a "Declaration of Sustainable Development".
 - Educate and encourage loan customers to sign the Sustainable Development Declaration for them to understand the importance of ESG values.
 - Accelerate the creation of a digital financial environment to provide customers with convenient online services such as consumer loans and account opening.
 - Reinforce the climate governance related job skills of executives from the top-down and actively respond to investor's concerns relating to climate issues.
-
- When there is reputation risk, we will investigate the truthfulness of the incident, collect evidence, evaluate its impact, draw up response measures and explain to the public by press release.
 - Faithfully follow through on the ESG audit policy to avoid lending to or investing in companies embroiled in major controversies about environmental conservation, human rights and society.
 - Grasp and mitigate the environmental and social impact of large financing projects by applying the Equator Principles, case grading, risk evaluation, and post-loan management to prevent negative impact to the Company's reputation.
-
- Analyze potential flooding risks caused by different warming scenarios for 100% of our new and existing branch locations, and implement climate adaptation measures within 5 years, such as: Strengthen our office buildings' flood control and drainage systems to guard against sudden heavy downpours, or purchase an appropriate insurance policy to shift the risk.
 - We have already established a back-up and an uninterrupted power supply system in preparation for potential damages to our power and IT equipment caused by flooding in the event of a tropical cyclone/extreme rainfall. We have also put in place disaster-mitigating measures such as flood gates and sandbags. Personnel from the General Affairs Division are asked to include them as part of their routine equipment inspections and inventory-checking, or outsource to a professional vendor for maintenance to ensure uninterrupted operations.
 - Regularly examine and verify the actual hazard incidence rate for our insurance products. In the event of a major deviation, our product pricing should reflect it, or we should change our product strategy.
 - Be closely mindful of drought, heavy downpour and power supply warnings as part of our preparations against extreme climate, rising sea levels and tropical cyclones. We have also established civil defense corps to guard against contingencies such as typhoons, flooding, earthquakes, bank runs, pandemics, fires, and explosions, as we strive to manage risks associated with climate change.
 - Work with external consultants on climate risk scenario analysis, and continue to track the impact of the real estate located in high-risk areas (Flooding and Slope Disasters) on the value of the Company's collateral calculated by the consultant, quantifying the financial impact of climate change risks on the Company to establish more effective response measures.
 - Continue to conduct employee health checks, build employee health risk maps, and regularly educate employees on the prevention and treatment of infectious diseases.
 - As part of our ESG evaluation operation prior to investing in a domestic corporation, we are required by protocols to ascertain if a listed address is located in an environmentally sensitive area. In doing so, we can avoid property damages to the invested corporation caused by climate risks such as heavy rainfall, which would invariably increase the Group's risk exposure.

© FFHC Identify the opportunities of climate change

Type	Item	Explanation of opportunities	Corresponding number
Resource use efficiency		Promote electronic account opening, electronic trading and account processing services	1
		Procurement of energy-saving and water-saving products with green mark	2
		Implement "digital content broadcast systems" at operating locations to remotely manage and deliver advertisements and campaign events in real-time, thereby decreasing paper consumption in advertising	3
Energy sources		Use green electricity and improve energy efficiency	4
Products and services		Listing products related to topics like environmental protection, climate change and green energy	5
		Help customer issue green bonds	6
		Develop new business opportunities by adding insurance products for natural disasters or injury in climate-related accidents	7
		Issue green environmental protection concept cards; apply for the Ministry of Environment's "Carbon Footprint Label" certification; and keep track of carbon reduction throughout the life cycle of a credit card	8
		Promote urban renewal financing projects, transform old buildings into energy saving, carbon reducing and Eco friendly communities	9
		Increase the volume of green financing and green consumption loans	10
		Raise green energy fund to invest in solar power plants	11
		Support the sustainable transition of IPO companies, build sustainable business models related to IPO companies to grasp business opportunities	12
		Increase brand awareness by offering low-carbon products or services to participate in public constructions or services	13
Market		Issuance of green bonds to gain new market access opportunities	14
		Raise new funds to provide investors with ESG products and win new market opportunities	15
		Continue to fulfill our commitments to the Coalition of Movers and Shakers on Financial Sustainability to stay on top of government policies and new market opportunities	16
Resilience		Improved the depth and scope of green finance products with the green financing and investment policies and guidelines planned by the Green Finance Committee	17
		Organize carbon management and electricity conservation competitions in domestic operations to reward department colleagues with outstanding performance	18
		Participated in the International CDP Climate Change Questionnaire and strove to achieve excellent results, while strengthening climate governance capabilities through the CDP process.	19
		Increase the proportion of sustainable development investments to meet global trends and reduce asset allocation risks	20
		Include green buildings and energy saving buildings as key purchasing items in real estate investment.	21
		Discuss issues related to climate change and environmental sustainability and share the circular economy concept with investment and financing partners to encourage low-carbon transformation of the investment and financing partners for them to jointly grasp sustainable business opportunities with the Company	22
		Implement energy conservation, carbon reduction, water saving and waste reduction to help reduce operating costs	23



* : Short-term opportunities: Estimated to occur within 5 year (in red); Medium-term opportunities: Estimated to occur within 5-15 years (in green); Long-term opportunities: Estimated to occur after 15 years (in black);

Damage Potential and Hazard Levels for Suppliers

Two-dimensional matrix likelihood analysis was performed on the climate-related physical risks of the Group's 37 major suppliers in 2021; the analysis involved comparing the time and scale of the potential for three climate change-related natural disasters, flooding, mudflow, and landslide (where disaster potential is classified into three levels: low [Grade 1 and 2], medium [Grade 3], and high [Grade 4 and 5]) to calculate hazard level (low [0-50], medium [51-100], and high [101-125]). Results of the analysis indicate that among 37 primary suppliers, 5.41% (2 companies) possess level 4 high risk for flooding potential, while 10.81% (4 companies) possess level 3 moderate risk for flooding potential. All suppliers possess level 1 low risk for mudflow potential and level 2 low risk or below for landslide potential. Hazard calculation results showed that all suppliers exhibited low hazard level.

◎ Suppliers disaster potential level

Unit: (%)

Physical risks	Disaster potential level				
	1	2	3	4	5
Flooding	5.4	78.4	10.8	5.4	0
Mudflows	100	0	0	0	0
Landslides	2.7	97.3	0	0	0

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

In accordance with the "Plan for Climate Change Scenario Analysis of Domestic Banks" (2024 version; abbreviated as the "Plan" hereafter) promulgated by the competent authority, the Group's climate scenarios have been developed to include two kinds of stress scenarios with different temporal scales - the long-term scenario and the short-term scenario - for conducting climate scenario analysis after taking into account the transition status in Taiwan and the level of climate risks.

In particular, the long-term scenario takes into account the temporal scales of climate change and banks' business cycles, and incorporates Phase IV scenario data from The Network for Greening the Financial System (NGFS) as well as IPCC's Sixth Assessment Report. Two points in time (2030 and 2050) and three simulated climate scenarios (orderly net zero, disorderly transition and passive transition) are drawn up for conducting scenario analysis on climate risks. The scenarios are illustrated as follows:

Scenario	Details of scenarios applied in climate change scenario analysis
Orderly net zero	Corresponding to the NGFS's "Net Zero 2050" scenario and the IPCC's "SSP1-1.9" scenario, this scenario evaluates potential risks for the bank as the world progressively moves down the path to net zero emissions in 2050.
Disorderly transition	This corresponds to the "Delay Transition" (less than 2°C) scenario of NGFS and "RCP2.6" scenario of IPCC. The scenario evaluates the necessary path to net zero 2050 despite delayed transitions and the bank's potential risks.
Passive transition	Corresponding to the NGFS's "Fragmented World" scenario and the IPCC's "SSP2-4.5" scenario, this scenario evaluates potential risks for the bank when a delayed start and failure to achieve carbon reduction goals lead to more grave global warming.

The short-term scenario uses climate incidents occurring within the next year as an evaluation scale to measure the impact on domestic investment/financing positions when a particular physical/transition impact incident occurs within that time frame. Analysis is conducted with regard to the anticipated losses in comparison with the benchmark scenario's relatively extended degree. They are divided into three scenarios as described below:

Short-term scenario	Details of scenarios applied in climate change scenario analysis
Physical risks Intensity-adjusted scenario	According to technical literature, climate change could lead to an increase in the intensity of typhoon rainfall within specific regions. Using the scale of this increase as an adjustment coefficient, this scenario applies it to the historic rainfall statistics of Typhoon Morakot, thereby simulating heavier rainfall that could be generated by the same incident in a climate change scenario. The scenario goes on and evaluates the impact such an extreme weather conditions could have on banks in terms of potential risks.
Physical risks Extreme distribution scenario	Using scenario statistics from an intensity-adjusted scenario as basis, this scenario tallies yielded results from the administrative districts in the flat and mountainous areas, respectively. It employs a 95% rainfall intensity to simulate the simultaneous rainfall in all of the flat/mountainous administrative districts, and evaluates the potential risks to banks. As the hypothesis in this scenario does not cover all the probable situations, attention should be focused on the distribution of potential losses that could occur in the hot zone where risks and risk exposure overlap in various districts under the mean extreme rainfall condition. As a result, no specific loss tallies (such as the overall anticipated loss of a position) are submitted for analysis.
Transition risk scenario	Primarily based on existing emissions intensity across different sectors and the probable carbon fee that Taiwan is expected to enforce (NT\$1,000 per ton of carbon dioxide equivalent), this scenario evaluates the influence on the financing positions of domestic corporations as well as the impact on banks within one year, under the hypothesis that a flat carbon fee is imposed on all sectors.

Referencing the FSC's "operation plan" on climate change scenario analysis, we have progressively completed the task of defining impact factors of climate hazards and identified steps such as the climate-linked financial elements of various business positions, as we conduct basic scenario analysis on climate change. We further calculate credit risks for various positions in climate change scenarios. Tally results in the long-term scenario are shown in the following table:

The gap between anticipated losses from credit risks and the benchmark scenario^{*1} in 2024 as a share of the pre-tax profits or losses in the benchmark year^{*2}

Anticipated losses from credit risks in 2024 as a share of the pre-tax profits or losses in the benchmark year

Position	Orderly net-zero scenario		Disorderly transition scenario		Passive transition scenario	
	2030	2050	2030	2050	2030	2050
Domestic credit extension	2.52%/27.24%	6.10%/30.82%	12.33%/37.05%	10.42%/35.14%	8.94%/33.66%	20.14%/44.86%
Overseas credit extension	5.09%/10.01%	8.92%/13.84%	3.44%/8.36%	12.05%/16.97%	6.88%/11.81%	19.16%/24.08%
Banking book investments	-0.07%/4.77%	0.78%/5.62%	0.87%/5.71%	1.42%/6.26%	0.78%/5.62%	2.60%/7.44%

The gap between anticipated losses from credit risks and the benchmark scenario in 2024 as a share of the net value in the benchmark year^{*3}

Anticipated losses from credit risks in 2024 as a share of the net value in the benchmark year

Position	Orderly net-zero scenario		Disorderly transition scenario		Passive transition scenario	
	2030	2050	2030	2050	2030	2050
Domestic credit extension	0.27%/2.89%	0.65%/3.27%	1.31%/3.93%	1.10%/3.72%	0.95%/3.57%	2.13%/4.75%
Overseas credit extension	0.54%/1.06%	0.95%/1.47%	0.36%/0.89%	1.28%/1.80%	0.73%/1.25%	2.03%/2.55%
Banking book investments	-0.01%/0.51%	0.08%/0.60%	0.09%/0.60%	0.15%/0.66%	0.08%/0.60%	0.28%/0.79%

◎ Tally results in the short-term scenario are shown in the following table

The gap between anticipated losses from credit risks and the benchmark scenario in 2024 as a share of the pre-tax profits or losses in the benchmark year /

Anticipated losses from credit risks in 2024 as a share of the pre-tax profits or losses in the benchmark year

Position	Intensity-adjusted scenario	Transition risk scenario	Comprehensive loss scenario*4
Domestic credit extension & investment	46.04%/75.12%	1.89%/30.96%	46.11%/75.19%

The gap between anticipated losses from credit risks and the benchmark scenario in 2024 as a share of the net value in the benchmark year /

Anticipated losses from credit risks in 2024 as a share of the net value in the benchmark year

Position	Intensity-adjusted scenario	Transition risk scenario	Comprehensive loss scenario*4
Domestic credit extension & investment	4.88%/7.96%	0.20%/3.28%	4.89%/7.97%

*1 : Base scenario refers to 2024 values without pressurization.

*2 : Pre-tax profits or losses in the benchmark year refer to a pre-tax net profit of NT\$29,243 million booked by the subsidiary bank in 2024.

*3 : Net value in the benchmark year refers to the subsidiary bank's net value of NT\$275,866 million in 2024.

*4 : The "comprehensive loss scenario" in the short-term scenario is an aggregate of losses from the "transition risk scenario" and "physical risk scenario minus intensity-adjusted scenario".

*5 : The above-mentioned positions do not include public enterprises.

◎ Financial risks caused by regulatory changes and physical climate factors

Risk Type	Evaluate the amount of financial impact caused by the risk prior to implementing mitigation measures	Please briefly describe the most important risk, the method your company employs to manage that risk, and the estimated cost for implementing that method
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01.
Financial risks caused by regulatory changes

The amount of anticipated loss for the domestic corporate credit position in 2050 under the passive transition scenario: NT\$3.24 billion

(Please refer to page 38 of the Company's 2024 TCFD Report)

- Risk description: The added climate stress in the climate change scenario analysis of domestic corporate loan portfolios was subject to the combined impact of the overall economy (GDP growth rate, bank loan interest rate, unemployment rate) and microeconomics (carbon price, physical disasters). From the perspective of case default rates, the default rate performance under the passive transition scenario in 2050 will reach the highest level amongst the three climate scenarios and across time points.
- Method for managing the risk: Conduct education training on ESG risk management with respect to credit cases; upgrade IT equipment for credit checking to facilitate management of climate-related risk factors; and join the Equator Principles Association to obtain the latest international information. The related personnel cost, equipment cost and association fee total NT\$49.48 million.

How soon is it projected to occur in terms of years on average?

25 years

02.
Financial risks caused by physical climate factors

The amount of anticipated loss for the domestic mortgage position in 2050 under the passive transition scenario: NT\$510 million

(Please refer to page 39 of the Company's 2024 TCFD Report)

- Risk description: The domestic mortgage position is predominantly influenced by climate change through physical risks (floods and tsunamis). When the value of collaterals diminishes, customers' default rates would rise and recovery rates would decline simultaneously, which in turn would drive up credit risks and result in financial impact on the Group.
- Method for managing the risk: Conduct climate-related transition and TCFD-related manpower plans in order to enhance mortgage division personnel's ability to identify and manage related risks. The related personnel cost amounts to NT\$49.74 million.

How soon is it projected to occur in terms of years on average?

25 years

1-4 ESG Sustainable Application Map Inquiry Tool

First Financial Holding has created the industry's first "ESG Sustainable Application Map Inquiry Platform" incorporating geographic information system (GIS) and data application, which links up API data on the government open data platform, and compiles & includes government data relating to climate change, ecology, water, environmentally sensitive areas and green life. Through approaches such as address matching, coordinate positioning or click-to-map points positioning, we have utilized big data analysis to provide a range of simulated information about environmental changes, so that users understand disaster and risk potential as well as information on environmentally sensitive areas. This makes ESG policy-making and risk management more efficient and scientific. Based on Google Analytics' analysis, the platform had recorded 29,400 pageviews as of the end of 2024.



Link to the ESG Sustainable Application Map Inquiry Platform

Green Operations and Net Zero Initiative

GRI : 302-1~5 、 305-1~5 、 305-7 、 FS4

To cooperate with the nation's 2050 net-zero emissions goals, FFHC has formulated near-term carbon emissions goals in accordance with SBTi approaches, which were reviewed and approved in June 2024. These goals stipulate that the Group's carbon emissions pathway for Scope 1 and Scope 2 of its own operations conforms to the goal of controlling global warming to under 1.5°C. By 2035, the annual carbon emissions are expected to be reduced by 63% from the baseline year (2022). Compared with the baseline year (2022), the amount of carbon reduction from Scope 1 and Scope 2 in 2024 totaled 3,105.45 MT CO₂e, or down by 14.43%. The amount of carbon reduction achieved by adopting paper-less operation measures reached 14,977.82 MT CO₂e. Overall, the total amount of carbon reduction reached 18,083.27 MT CO₂e. The related measures and their results are described as follows:

2-1 Reduce GHG emissions

To implement our environmental sustainability initiatives, FFHC formed the "Green Building Certification Program" team in 2010, having revamped and converted its privately-owned branches and buildings into green buildings. As of the end of 2024, 38 buildings had been completed, including the revamp of 35 old buildings, which were subsequently awarded the Green Building Label from the Ministry of the Interior (including diamond grade for 29 buildings, gold grade for one building, silver grade for one building, bronze grade for one building, and qualified grade for three buildings). In addition, two new buildings have also been awarded with the gold grade Green Building Label. Our London Branch Building obtained the "PASS" grade green building certification from Britain's Building Research Establishment (BRE) in 2021, marking the first accolade for our overseas locations. We expect a total of 50 buildings to be awarded with green building certifications by 2030. Furthermore, First Bank's Headquarters Building has been certified as Level 1+ (Nearly Zero Carbon Building) for energy efficiency among existing buildings by the Ministry of the Interior. In 2024, we partnered with the Ministry of the Interior to hold the "Observation, Demonstrations and Visitation of Intelligent Net-Zero Building Benchmark Cases" event, and attendees included members of the Architecture and Building Research Institute, Ministry of the Interior and Taiwan Intelligent Zero Carbon Building Alliance. There were a total of 47 people in attendance, as the Group shared its experiences in energy conservation and carbon reduction while setting a paradigm for green buildings in Taiwan's financial industry.

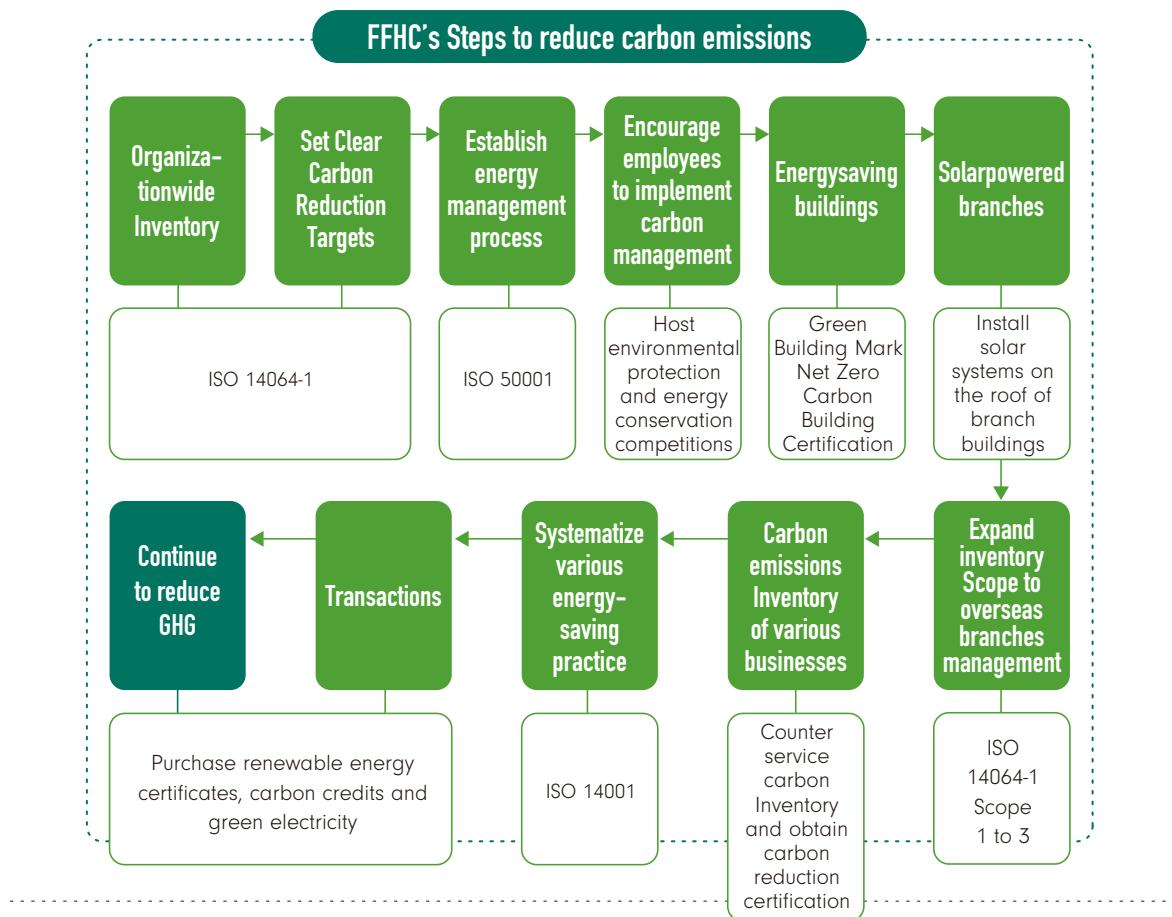
In addition to gradually revamping our own existing branches and buildings to obtain the Green Building Labels, we have included all of our domestic and overseas business locations in the scope of "ISO 14064-1 Greenhouse Gas Inventory" for verification since 2017, in an attempt to have an overall grasp of the status of carbon emissions at the Group's various business locations. Since 2020, we have held carbon management and energy conservation contests among domestic business units for 5 straight years, as we strive to attain the goal of reducing our GHG emissions.



| First Bank's Headquarters Building is certified as a Level 1+ Nearly Zero Carbon Building by the Ministry of the Interior



| We partner with the Ministry of the Interior to hold the "Observation, Demonstrations and Visitation of Intelligent Net-Zero Building Benchmark Cases" event

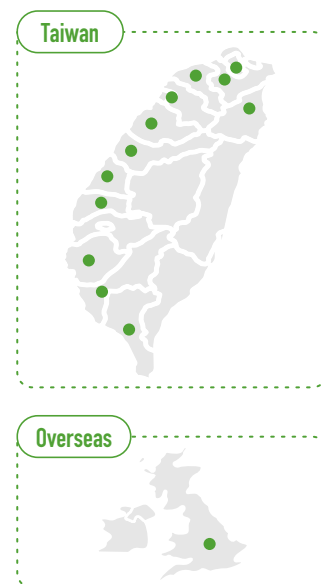


◎ Obtain Green Building Mark for 38 of the Group's buildings and the carbon emissions

New Taipei City	Yilan County	Tainan City
Changtai Branch building	Luodong Branch building	Zhuxi Branch building
Taipei City	Yilan Branch building	Xinhua Branch building
Headquarters building	Taoyuan City	Chih-Kan Branch building
IT building	● Zhongli Branch building	Dawan Branch building
Zhongxiao Road Branch building	Daxi Branch building	● Tainan Beimen Branch Building
Guangfu Branch building	Longtan Branch building	Changhua County
Wanhua Branch building	Taoyuan Branch building	Lugang Branch building
Huashan Branch Building	Hsinchu City	Yuanlin Branch Building
Zhongshan Branch building	Hsinchu Branch building	Yunlin County
● Yanping building	Taichung City	Douliu Branch building
● Dadaocheng Branch Building	● Bei Taichung Branch Building	Beigang Branch Building
● Nanjing East Road Branch Building	Taichung Branch building	Kaohsiung City
Miaoli County	Taiping Branch building	Gangshan Branch building
Zhunan Branch building	● Fengyuan Branch Building	Luzhu Branch building
Toufen Branch building	● Shalu Branch Building	U.K.
	Pingtung County	● London branch building
	Donggang Branch building	

Obtained the "Diamond-class" Green Building Mark for 29 existing commercial buildings

● Obtained the "Gold-class" Green Building Mark for 3 commercial buildings



- 1 existing building obtained the "silver-class" green building mark
- 1 existing building obtained the "bronze-class" green building mark
- 3 existing building obtained the "qualified-class" green building mark
- 1 existing building obtained the "pass-class" green building mark

Carbon reduction result		Carbon reduction area	
(kWh/yr) *1	tonsCO ₂ e*2/ year		
5,656,742 20,364GJ (1kWh=0.0036GJ)	2,963	<ul style="list-style-type: none"> • Enthalpy control • Replacement with more efficient chilled water and cooling water pumps or addition of variable speed drive • Addition of variable speed drive to air conditioning unit • Replacement of T8 with LED lamps • Implement self-management in electricity usage • Replacement with more efficient DC inverter air-conditioning unit or multi-split inverter air-conditioning 	<ul style="list-style-type: none"> • Implement Energy Management System • Replacement of Closed Loop Water Pump and addition of variable speed drive • Implement total heat exchanger system • Installation of additional air-conditioning units and small ventilators • Installation of additional solar power generating systems • Addition of independent smart electric meter

*1 : The difference in performance between improved air-conditioning and lighting equipment and the usage time are used as main factors to estimate the carbon emissions reduction.

*2 : Data provided in the evaluation statement (EEWH-RN Green Building Mark Application Evaluation Summary Table) approved by the Taiwan Architecture & Building Center.

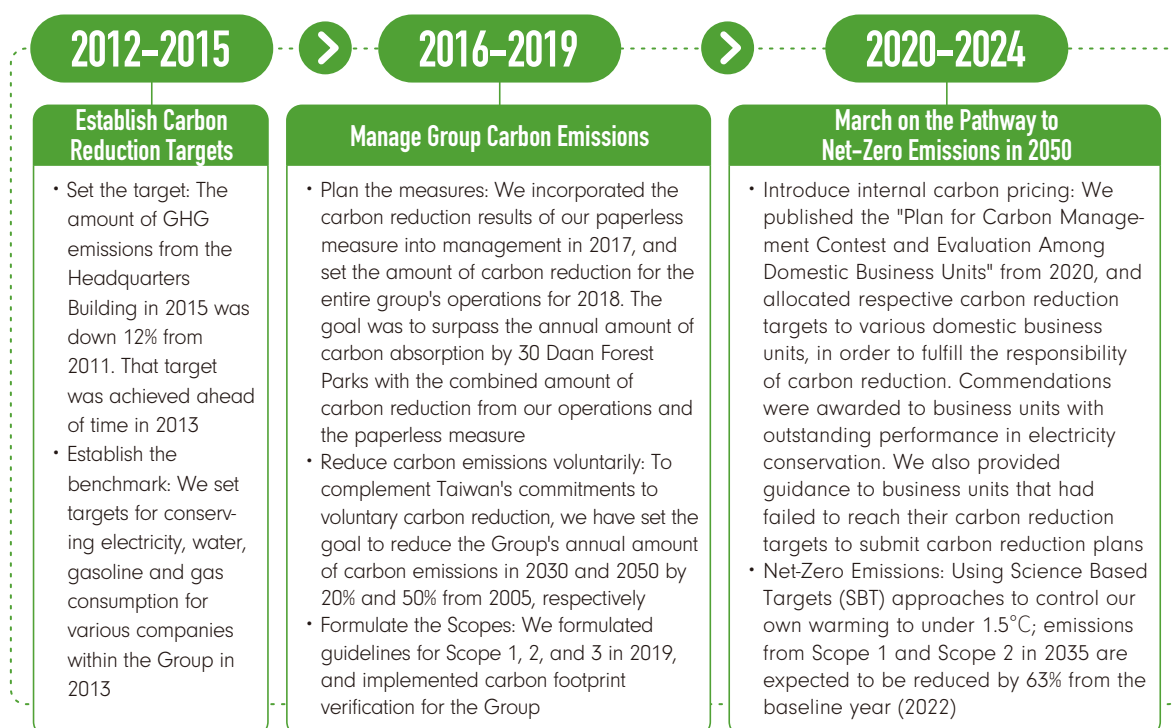
◎ Obtained certifications relating to environmental management or energy administration

Item / Certified sites in 2024	
"Diamond-class" green Building / 29	Indoor air quality autonomous management / 184
"Gold-class" Green Building / 3	Office CO ₂ level measurement / 245
"Silver" green building mark / 1	Implement Real-time Indoor Air Quality Monitoring System / 41
"Bronze-class" green building mark / 1	Environmental educator certification / 6 employees
"Qualified-class" green building mark / 3	Net-Zero Green Life Lecturer Certification / 1 employee
"Pass-class" green building mark / 1	"Product Carbon Footprint Reduction Label" certification / First Bank Yung-Ho Branch and Wanhua Branch
Net Zero Carbon Building Certification / Headquarters Building	
ISO 14064-1 Greenhouse Gas Inventory (Scope1 and Scope 2) / All domestic and foreign company locations	"Product Carbon Footprint Label" certification / First Bank Head Office Business Department Wanhua Branch
ISO 50001 Energy Management System / All domestic company locations	"Environmental Education Site" certification / First Bank Wanhua Branch
ISO 14001 Environmental Management System / All domestic company locations	
ISO 14046 Water Footprint / 1	"Green Office" certification / 201
ISO 20400 Sustainable Procurement-Guidance / First Bank	"Eco-Friendly Restaurant" certification / Employee Restaurant at the Headquarters of First Commercial Bank



| Yilan Branch

2-2 Set Clear Carbon Reduction Targets



◎ 2025 Carbon reduction targets for various companies of the FFHC Group are as follows:

Formulation of the entire Group's carbon emissions goals remains consistent with the SBTi pathway specifying that global warming be controlled to under 1.5°C. In other words, emissions from Scope 1 and Scope 2 in 2025 must be reduced by 14.54% from the baseline year (2022), or a reduction of 3,128.21MT CO₂e.

Unit: MT CO₂e

Company	Carbon reduction targets for 2025, compared with the baseline year (2022)
First Bank	2,750.63
First Securities	272.96
First Securities Investment Trust	42.45
First Life Insurance	45.68
First Financial AMC	13.94
First Venture Capital/ First Financial Management Consulting	2.55

* : Compared with the baseline year (2022), the target is 3,128.21 MT CO₂e in total carbon reduction

◎ FFHC's Near-Term Emissions Goals

Scope covered by the target	Target Timeframe	Baseline year emissions covered and as a % of total base year emissions	% reduction target from base year	Has it been authenticated by the "Science Based Targets Initiative (SBTi)" ?
Scope 1 + Scope 2	Baseline year: 2022 Target year: 2035	Emissions in the baseline year: 21,515 MT CO ₂ e Coverage rate: 100%	63%	Yes
Scope 3 Fuel- & energy-related activities (excluding Scope 1 and Scope 2)	Baseline year: 2023 Target year: 2035	Emissions in the baseline year: 3,373 MT CO ₂ e Coverage rate: 92% (excluding overseas business units)	48%	No

© FFHC's Total Amount of Carbon Emissions

Item	Year	2021	2022	2023	2024	2024 target	2024 compared with 2023 (%)
Scope 1 ISO-14064 inventory amount (MT CO ₂ e)* ¹		2,470	2,657	2,809	2,829	2,840	1
Scope 2 ISO-14064 inventory amount (MT CO ₂ e)* ¹		19,409* ⁵	18,858* ⁵	16,431* ⁵	15,580* ⁵	16,590 18,707 for location-based	-5
Total amount of carbon emissions (MT CO ₂ e)		21,897	21,515	19,240	18,409	19,430	-4
Share of locations taking inventory (%)						100	
Scope 1 and Scope 2	Amount of energy consumption (GJ)* ²	159,942.29	154,245.58	141,329.44	135,489.90		-4
	Amount of energy consumption (MWh)* ³	40,756.20	39,525.96	39,274.86	37,652.01	38,498	-4
	Average carbon emissions per capita (MT CO ₂ e/per person)* ⁴	2.195	2.131	1.867	1.784		-4
	Average energy consumption per capita (GJ/per person)* ⁴	16.04	15.28	13.71	13.13		-4
	Energy intensity (GJ/Net revenue in NT\$1 million)	2.55	2.28	2.10	1.88		-10
	Emission intensity (MT CO ₂ e / Net revenue in NT\$1 million)	0.35	0.32	0.29	0.26		-10
The Group's scope 3 carbon emissions from financing and investments	Carbon emissions (tons CO ₂ e)	9,645,699	13,849,382	12,878,864	14,333,285		11
	Emissions intensity (tons CO ₂ e/asset balance in NT\$ million)* ⁹	6.99	21.00	15.6	19.7		26
	Proportion of covered assets (%) ^{*10}	64.82%	73.52%	74.25	75.96%		2
Scope 3 (Categories 1-15)		9,692,203	13,906,981	12,925,535	14,359,418	14,380,000	11

*1 : Scope 1 emissions consist mainly of fuel used by company cars, generator diesel and natural gas. Scope 2 emissions consist mainly of electricity consumption. The emission factors used are based on the EPA's published greenhouse gas emission coefficient management table version 6.0.4; inventory conducted in 2021 was based on the global warming potential provided in the 2013 IPCC Fifth Assessment Report; inventory conducted from 2022 to 2024 was based on the global warming potential provided in the 2021 IPCC 6th Assessment Report; the method used to consolidate greenhouse gas volume is Operated Control Method; the inventory standard is based on ISO 14064-1.

*2 : The scope of total energy consumption (GJ) mainly includes diesel used for the generators, gas, natural gas, diesel used for official vehicles, gasoline used for official vehicles, and electricity. The statistics are filed by each unit in accordance with related forms, compiled by the Sustainable Environment Work Group of the Corporate Sustainable Development committee, and verified by SGS. The coefficient from 2021 to 2024 is based on the parameters in the Heat Content of Energy Products in the Energy Statistics Handbook 2021.

*3 : Amount of energy consumed in MWh (Megawatt Hour)

*4 : The number of employees investigated was 9,969 in 2021, 10,095 in 2022, 10,305 in 2023, and 10,317 in 2024.

*5 : The Scope 2 inventory was market-based. The local -based inventory was 19,422 metric tons of CO₂e in 2021 ; 19,442 metric tons of CO₂e in 2022, and ; 18,980 metric tons of CO₂e in 2023; 18,672 metric tons of CO₂e in 2024.

*6 : For 2024, we adopted the absolute contraction approach, using Science Based Targets (SBT) to control warming to under 1.5°C. We set the carbon reduction target that the Group's combined annual carbon emissions from Scope 1 and Scope 2 must be 9.69% lower than that in the baseline year (2022); The MWh target requires that the aggregate of official business vehicles' fuel consumption, diesel consumption of generators, and gas and electricity consumption be 2.6% lower than that in 2022.

*7 : In 2024, we received no complaints over environmental impact or penalties for environmental violations.

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

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

*10 : The assets are estimated based on the investment and financing balance of carbon emissions in the relevant accounting accounts of the financial report.

◎ **Scope 3 in 2024** (Categories 1-15)

ISO 14064-1: 2018 Categories	Categories in Scope 3 of GHG Protocol	Amount of GHG Emissions (MT CO ₂ e)	Statistical Methodology
Category 3: Indirect GHG emissions from transport	C4 Upstream transportation and distribution	36	Greenhouse gas emissions resulting from the transportation and delivery of goods provided by suppliers under procurement projects.
	C6 Business trips	444	ISO 14064 inventory outcome
	C7 Employee commuting	3,561	ISO 14064 inventory outcome
	C9 Downstream transportation and distribution	2	The outcome of GHG emissions from the mailing of credit card bills and credit cards is adopted and verified to the ISO 14064 standard
Category 4: Indirect GHG emissions from products used by an organization	C1 Emissions from purchased goods	4,834	Greenhouse gas emissions resulting from the use of ten categories of goods and services in 2024, including office water consumption, office supplies (such as chip financial cards and tote bags), printed materials (routine printing and holiday promotional materials), textiles (clothing), landscaping, manpower services, vehicle rental, public relations and advertising, gifts and souvenirs, and insurance premiums.
	C2 Capital goods	6,653	Greenhouse gas emissions resulting from the acquisition of real estate (land and buildings) and capital goods in 2024, including office equipment, financial-specific equipment, communication and network equipment, customer service equipment, security and surveillance equipment, and transportation-related equipment.
	C3 Activities relating to fuel and energy (excluding Scope 1 and Scope 2)	3,222	ISO 14064 inventory outcome
	C5 Waste generated in operations	98	ISO 14064 inventory outcome
	C8 Upstream leased assets	0	The outcome of the Group's GHG emissions from Scope 1 and Scope 2 has been incorporated
	C10 Processing of sold products	593	The outcome of GHG emissions generated during the course of credit card production is adopted
Category 5: Indirect GHG emissions from using products from an organization	C11 Use of sold products	260	The outcome of GHG emissions generated by the Bank' customers from using Internet services (14 services, including the official website, dedicated zone for credit cards, Personal e-Bank, e-mobile, and iLEO app) is adopted
	C12 End-of-life treatment of sold products	14	The outcome of GHG emissions from credit card disposal is adopted and verified to the ISO 14064 standard
	C13 Downstream leased assets	6,416	The outcome of GHG emissions generated from rental cars and real estate is adopted
	C14 Franchises	0	FFHC's operations do not involve any related emissions
	C15 Investments	14,333,285	The PCAF methodology is adopted, and the scope encompasses "equity investment", "corporate bonds", "commercial loans", "project financing", "commercial real estate", "single person mortgage", and "sovereign debt"

◎ **Greenhouse gas emissions from 2021 to 2024**

Year	Greenhouse Gas	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total emissions of 7 Greenhouse gas
2024	Emissions (t-CO ₂ e/year)	20,029	447	37	956	0	0	0	21,469
2023		17,856	454	41	889	0	0	0	19,240
2022		20,826	465	40	768	0	0	0	22,099

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

2-3 Green transportation

To reduce carbon emissions generated from official business transport, FFHC has introduced green transport to internal implementation, encouraging employees to use public transportation to commute to work. It has also established a public EasyCard system for employees, making it easier for them to take public transportation when they go out on a business trip. EVs, hybrid vehicles or vehicles with higher energy conversion efficiency are prioritized for evaluation when existing official business vehicles are up for replacement. As of the end of 2024, the Group had operated 196 hybrid official business vehicles, which accounted for 45% of all of our official business vehicles. We signed a corporate carbon reduction program with Uber in 2024, which prioritizes the use of vehicles with less emissions while reducing the fuel consumption and carbon emissions of our official business vehicles. We have also set up EV charging stations at our Zhongli Branch and Yanping Building for our employees and customers.

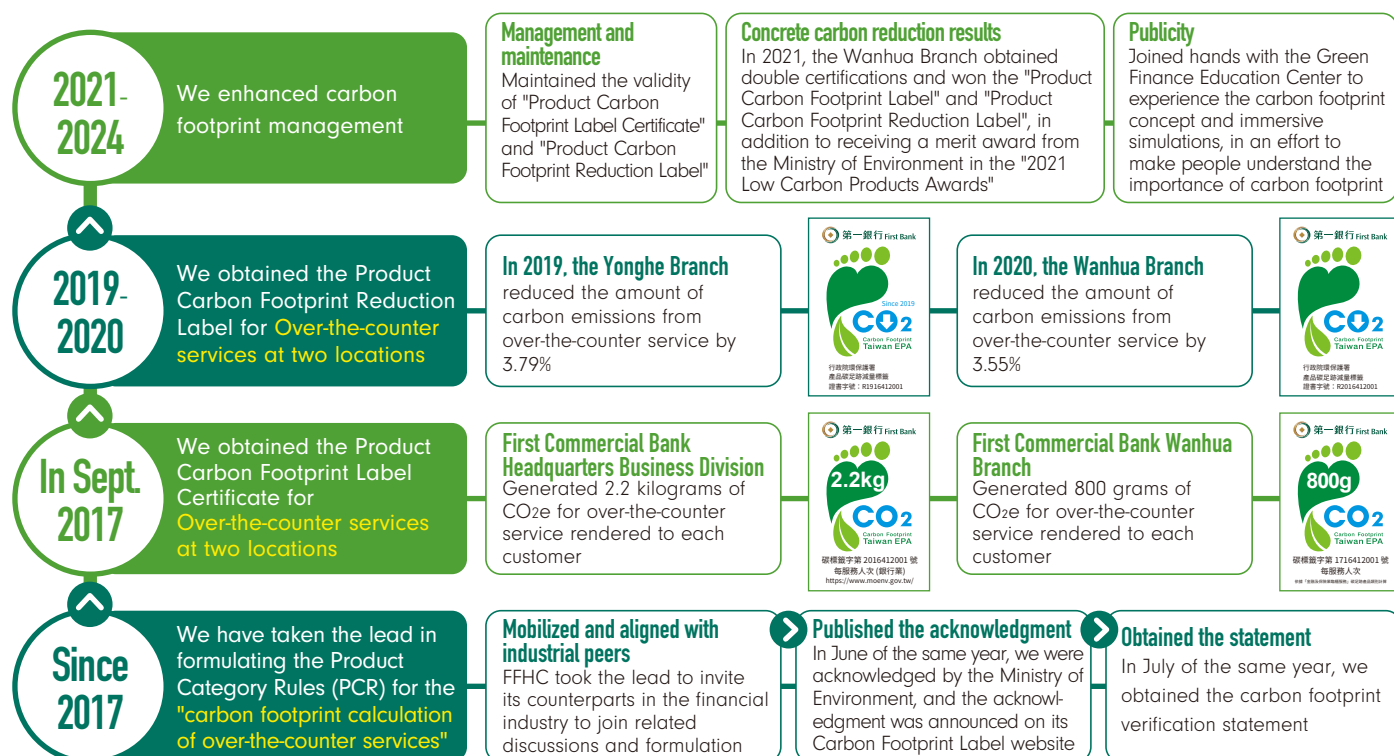
We have also progressively replaced motorcycles with traditional internal combustion engines that are nearing the end of their life cycle with electric scooters. 121 electric scooters had been introduced by the end of 2024, contributing to an annual reduction of around 45 MT CO₂e*¹. We have also installed battery swapping kiosks for electric scooters at vacant lots near seven of our locations, including our Zhongshan, Dadaocheng, Beitou, Xinxing, and Caotun Branch, as well as the Yanji Dormitory and Information Building, as part of our efforts to promote low-pollution, energy-efficient and smart scooters. In addition, we have set up 15 employees dormitories at company sites located in high population density areas as well as rural regions and remote areas, which help reduce carbon emissions of employees commuting to and from work.

* : The carbon reduction is based on Gogoro's 2016 report that the replacement with electric scooters can save 1.9175 kilograms of CO₂e per liter of gasoline, and calculated according to the Ministry of Transportation and Communication's 2021 "Report on Motorcycle Usage Survey" that each motorcycle can travel an average of 23.2 kilometers per liter of gasoline based on the average annual motorcycle travel distance of 4,500 kilometers on the "Auto Energy Website". Calculation: 121 scooter*1.9175 kg CO₂e*(4,500 km/23.2 km)/1,000=45 MT CO₂e.



First Bank has set up a battery swapping station for electric motorcycles on an empty lot at its Zhongshan Branch Building to promote low-pollution motorcycles. |

2-4 Carbon Footprint Management



2-5 Use of Renewed Energy

Installation of Rooftop Solar Power Generation Systems

To respond to the green energy policy, the FFHC has used the renewable energy. Between 2015 and 2024, the Company purchased a total of 14.867 million kWh worth of green power, carbon credits and Taiwan Renewable Energy Certificates. In addition, after assessing the sunshine conditions of the operating sites, rooftop solar power generation systems were built in 2016. As of the end of 2024, 25 rooftop solar generation systems have been completed and the total annual carbon reduction amounted to 148.76 metric tons CO_{2e}. FFHC set goals for producing and using 250 MWh of renewable energy for 2025 and will continue to increase the proportion of the Group's use of renewable energy, so that we may implement environmental sustainability policies.

◎ Renewable energy consumption & green power purchases in the past years

Item \ Year	Year	2021	2022	2023	2024		2025 Goals
					Actual Results	Goals	
Energy consumed (MWh)		215.12	256.74	246.53	301.13	220	250
kWh purchased* ¹		1,039,558	1,793,994	3,546,787	6,258,821	3,843,000	5,076,000
Total kWh of purchased and used renewable energy		1,254,678	2,050,738	3,793,325	6,559,957	4,063,000	5,326,000
Energy consumption (GJ)* ²		4,514.63	7,379.05	13,649.29	23,615.85		
Electricity Carbon Emission Factor* ³		0.502	0.509	0.495	0.494		
Carbon reduction result (MT of CO _{2e})		629.85	1,043.83	1,877.70	3,240.62		

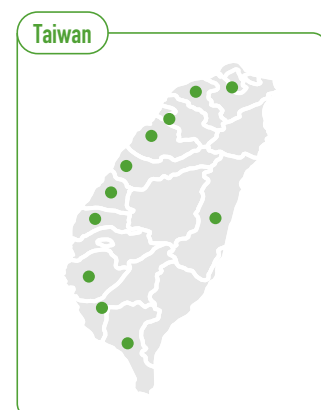
*1 : In 2021, we purchased 181 metric tons of carbon credits (which equaled 360,558 kWh in the use of renewable energy), 27,000 kWh of renewable energy certificates and 652,000 kWh of green electricity ; In 2022, we purchased 85 metric tons of carbon credits (which equaled 166,994 kWh in the use of renewable energy), 110,000 kWh of renewable energy certificates and 1,517,000 kWh of green electricity; In 2023, we purchased 138 metric tons of carbon credits (which equaled 278,787 kWh in the use of renewable energy), 93,000 kWh of renewable energy certificates and 3,175,000 kWh of green electricity; In 2024, we purchased 228,000 kWh of renewable energy certificates and 6,030,821 kWh of green electricity.

*2 : The coefficient for 2021~2024 is based on the parameters in the Heat Content of Energy Products in the Energy Statistics Handbook 2020.

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

◎ 25 Rooftop Solar Power Generation Systems until 2024

Taipei City	Yunlin County	Tainan City
Yanping building	Beigang Branch	Madou Branch
Huashan Branch	Pingtung County	Zhuxi Branch
Hsinchu County	Donggang Branch	Dawan Branch
Dongmen Branch	Hengchun Branch	Beimen Building
Guanxi Branch	Taoyuan City	Xinhua Branch
Miaoli County	Taoyuan Branch	Kaohsiung City
Zhunan Branch	Hualien County	Luzhu Branch
Toufen Branch	Hualien Branch	Sanmin Branch
Taichung City	Changhua County	Xinxing Branch
Dongshi Branch	Lugang Branch	Qianzhen Branch
Taiping Branch		
Fengyuan Branch		
Shalu Branch		



◎ Carbon Emissions Reduction of Rooftop Solar Power Generation Systems

Item \ Year	2022	2023	2024
Energy consumed (MWh)	256.74	246.53	301.13
Electricity Carbon Emission Factor*	0.509	0.495	0.494
Carbon reduction result (MT of CO _{2e})	130.68	122.04	148.76

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

Green power wheeling intended to promote the use of renewable energy

To promote the practice of transporting renewable energy to our branches, the Group has signed green power wheeling agreements with renewable energy vendors and purchased green power compatible with the "Bundled REC System", which allows for direct deduction of electricity consumption from our Taipower bills while substantially reducing the amount of carbon emissions. From December 2021 to the end of 2024, 22 of the Group's business locations had utilized green power. 11,327,821 kWh in green power has been used cumulatively so far, and we expect to increase the share of green power year by year.

Solar power generation & hydroponic green roof with rainwater harvesting

FFHC is devoted to promoting its green building policy, as well as reducing the effects of urban heat islands. The Group has built three "zero carbon green roofs" at its Wanhua, Huashan and Chang'an Buildings so far, which incorporate the concept of ecological hydroponics, aquaponics and landscape gardens. A rainwater harvesting system has been designed to replenish the aquaponic system with water. We use solar voltaic panels to generate electricity to power system circulation, including decontamination, filtration and water purification. With the aquaponic system, we can grow vegetables and fruits on the water while farming fish in the water. Fish excreta serves as a source of nutrients for the vegetables and fruits that we grow. The roofs also provide employees with a multi-function green space for resting, showcasing the "trifecta" idea incorporating production, life and ecology. Bilingual self-guided interpretive signs and audio tour systems have also been installed at the green rooftops of the Wanhua and Huashan branches, offering diverse environmental education learning models.



| Officials from the Yilan County Government Education Department visit the green roof of the Green Finance Education Center



| Bilingual self-introductory exhibition sign and audio guide

Played the role of the green landlord to support tenants to use green electricity

To engage tenants at our own buildings in converting to green electricity, we have responded to the "Demonstration & Guidance Program for Multiple Users Sharing One Customer Number" pushed forward by the Ministry of Economic Affairs since 2024. This program, also known as the green landlord policy, allows the Group to help its tenants in need of green electricity to purchase green electricity, which is transferred to our privately-owned buildings, before it is distributed to the tenants. As of the end of 2024, we had successfully engaged two tenants in adopting green electricity. The amount of green electricity used annually is around 13,000 kWh.

2-6 Reducing Water Use and Conserving Water Resources

In 2012, FFHC realized the idea of rainwater harvesting and reuse by installing a 1.3 million-liter rainwater recycling tank in the basement of our Headquarters Building, which is used for watering gardens and flushing toilets. Apart from the Headquarters Building, the Company also duplicated that experience at other branch office buildings. We installed rainwater recycling tanks at our Yanping Building and Zhongli Branch in 2020. A rainwater harvesting system was installed at the Wanhua Branch, which is used to water the green roof to take full advantage of water resources.

In 2024, the Group's total water consumption was 235.45 million liters. Tap water therefore made up 99.98% of the water consumption and 0.02% came from the Headquarters building basement's overflow and rainwater. FFHC investigated water consumption at each company including operating sites. Apart from First Bank's existing domestic locations of operations, securities firms, securities investment trust enterprises, life insurance companies and the AMC Head Office, units included in calculating the total amount of water consumption also expanded to encompass securities firms, securities investment trust enterprises, life insurance companies and AMC's domestic locations of operations in 2022.

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

◎ FFHC's Consumption of Municipal Water Supplies

Unit: million liters

Item \ Year	2021	2022	2023	2024		2025 Goals
				Actual Results	Goals	
Total water consumption	201.23	213.77	236.52	235.45	Less than 242.75	Less than 217.35

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

*2 : The scope of coverage in 2021 included all of First Bank's domestic locations of operations, securities firms, securities investment trust enterprises, life insurance companies and the AMC Head Office. Securities firms, securities investment trust enterprises, life insurance companies and AMC's domestic locations of operations were added in 2022. First Bank's overseas locations of operations have also been added to the pool in 2023. In 2025, overseas business locations of First Bank will be excluded.



2-7 Upgrading IT Equipment: Paperless Operations

FFHC strives to improve the performance of our IT equipment while phasing out old servers. We have implemented paperless teaching, paperless meetings, paperless service rendering, and paperless office administration. The entire credit investigation/credit extension procedure is run on the system, which automatically introduces data from the Joint Credit Information Center, as well as account consolidation for domestic and overseas group account holders. Additionally, digital services have been introduced to the process of service rendering, including nodes such as marketing, transactions, payment and accounting. First Bank even partnered with "Space4M", an AOU subsidiary, to install the WMS digital content public performance system at its 184 branches across Taiwan in 2023. Through the WMS dashboard management system, we can conduct real-time management of the displays at our branches remotely, in addition to distributing advertisements and marketing materials, as we provide more premium digital service experiences and gradually march towards paperless marketing.

Paperless credit review

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

Paperless meeting

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

Paperless administration

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

Paperless Services

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

Paperless learning

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



© Carbon reduction at FFHC from paperless initiative

Item \ Year	2021	2022	2023	2024	Growth in 2024 compared with 2023 in carbon reduction (%)
Number of official documents issued electronically/ carbon quantity reduced	284,926/ 13,012.51 MT CO ₂ e	315,284/ 14,181.47 MT CO ₂ e	382,659/ 19,153.92 MT CO ₂ e	210,429/ 9,177.58 MT CO ₂ e	-52.09*2
Number of electronic bills and DM/carbon quantity reduced*1	357,280,219/ 3,215.52 MT CO ₂ e	371,369,856/ 3,342.33 MT CO ₂ e	491,791,534/ 4,426.12 MT CO ₂ e	559,912,430/ 5,039.21 MT CO ₂ e	13.85
Hours of online teaching/carbon quantity reduced	834,072 hours/ 93.42 MT CO ₂ e	444,779 hours/ 49.82 MT CO ₂ e	406,676 hours/ 45.56 MT CO ₂ e	432,568 hours/ 48.44 MT CO ₂ e	6.32
Number of electronic automated transactions/carbon quantity reduced	92,803,648/ 519.70 MT CO ₂ e	100,478,626/ 562.68 MT CO ₂ e	113,412,193/ 635.11 MT CO ₂ e	127,248,150/ 712.59 MT CO ₂ e	12.2
Total carbon reductions from paperless initiative	16,841.15 MT CO ₂ e	18,136.30 MT CO ₂ e	24,260.71 MT CO ₂ e	14,977.82 MT CO ₂ e	-38.26

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

*2 : The reason why the number of electronic official documents dropped significantly in 2024 is because the number of related electronic official documents seized by courts reduced sharply.

◎ Carbon quantity reduced from official documents issued electronically in 2024

Company	Quantity Utilized	No. of Users	Carbon reduction result (Unit: MT of CO ₂ e)* ²
First Bank	188,429	8,641	9,118
First Securities	7,874	822	36.25
First Securities Investment Trust	3,977	148	3.30
First Life Insurance	9,962	358	19.97
First Financial AMC	187	58	0.06
Total	210,429	10,027	9,177.58

*1 : The carbon quantity reduced from electronic official documents was calculated based on the Taiwan Products Footprints Information Network on the official website of EPA, Executive Yuan: one sheet of A4-sized paper meant 0.0056 kg of CO₂e emission.
 *2 : Carbon reduction amount = the times of usage * the number of users * the amount of carbon emission per A4 paper / 1,000

◎ Carbon quantity reduced from online teaching in 2024

Company	Hours of online teaching	Carbon reduction result (Unit: MT of CO ₂ e)*
First Bank	353,225	39.56
First Securities	63,436	7.10
First Securities Investment Trust	6,007	0.67
First Life Insurance	9,071	1.02
First Financial AMC	829	0.09
Total	432,568	48.44

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

2-8 Recycled Wastes

To maximize resource sorting, recycling and reuse, FFHC makes it a rule to set its annual resource recycling target every year. In addition to strictly enforcing the policy of zero trash bins and zero personal trash bins in the office, it also installs garbage recycling and sorting cans on each floor, prompting employees to bring their trash to the cans for garbage sorting and recycling. We also continue to weigh general waste and resource garbage, demanding that domestic business locations of the Group's companies units conduct resource recycling, sorting, and garbage amount calculation.

To create a premium green office environment for our employees, we converted the recycling area on the sixth floor of the Headquarters Building into the first "Resource Circulation Experience Zone" in the financial industry in April 2024. With the help of graphics, we are able to teach employees to learn how to correctly sort kitchen waste as well as items for recycling, in order to improve the rate of sorting garbage correctly, as we concretely responded to one of the National Development Council's 12 carbon reduction goals by 2025-"zero waste through resource circulation".

◎ Recycled Waste, and Garbage removal volume of FFHC over years

Unit: Tons

Item \ Year	2021	2022	2023	2024		2025 Goals
				Actual Results	Goals	
Recycled waste* ¹	233.8	226.5	218.6	236.9	Not Less than 191.95	Not Less than 191.27
Garbage removal volume* ¹ (a+b)	279.7	279.04	315.27	314.62	Less than 337.02	Less than 286.94
Sanitary landfill volume (a)* ²	7.7	18.39	20.81	20.76		
Waste incineration volume (b)* ²	272.0	260.65	294.46	293.86		



*1 : From 2021 to 2022, the coverage included all domestic business locations of the Group's companies; in 2023, overseas business locations of First Bank were added, while in 2025, overseas business locations of First Bank will be excluded.

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

| The only "Resource Circulation Experience Zone" in the financial industry

2-9 Biodiversity Action

FFHC continues to deepen its employees' and people's sustainability ideas and actions for a green financial environment.

- Optimizing the Green Finance Education Center: The center is the only certified environmental education facility and field in the financial industry. At the invitation of the Ministry of Environment, First Bank shared its experience in obtaining outstanding evaluation results in April 2024. The Bank completed certification extension for the Ministry of Environment's environmental education facility and field in December, in addition to completing installation of the bilingual self-introductory exhibition sign and audio guide for the green roof.
- We conducted a total of 41 sessions of environmental education courses in 2024, with a total of 1,321 participants coming from corporations, government agencies and schools. We have been chosen as a designated environmental education facility for visitation by the Control Yuan's Committee on Social Welfare and Environment Hygiene Affairs as well as the Ministry of Environment.
- To enhance Group employees' competences with respect to environmental education, we have required that all Group employees attend environmental education training since 2015, with each employee receiving an average of more than two hours of training every year. Currently, the Group has six environmental education personnel certified by the Ministry of Environment and one instructor for net-zero green life, who are responsible for compiling and executing environmental education courses. As of the end of 2024, four sets of environmental education courses for green finance, certified by the Ministry of Environment, had been rolled out: "Conserve Energy and Reduce Carbon Emissions with Green Buildings", "Climate Change Risk Management", "Green Loans & Financing Review", and "Green Consumer Finance".



| The Green Finance Education Center has been optimized



| Employees of the Group receive environmental education training



| Students from the Chinese University of Hong Kong experience an environmental education course for green finance



| The center has been chosen as a designated visitation venue by the Control Yuan's Committee on Social Welfare and Environment Hygiene Affairs as well as the Ministry of Environment



2-10 Encourage Employees to Submit Proposals; Environmental Competitions; and Internal Carbon Pricing Efforts

To complement the drive for the internal carbon pricing policy and to reduce carbon emissions from scope 2 electricity consumption, First Commercial Bank has conducted the "Carbon Management and Energy Conservation Contest Among Domestic Business Units" since 2020, and allocated carbon reduction targets to various domestic business units. The target achievement status of each unit on energy conservation would be published on a quarterly basis. Their target achievement rates are tallied and published by the end of each year. These contests awarded 73 commendations to individuals credited with outstanding performance in energy conservation between 2021 and 2024, and awardees included bank clerks and deputy supervisors. Business units failing to achieve their energy conservation targets were given carbon pricing reports so that they understood the cost of carbon emissions they should have paid for exceeding the target limits. They were also required to submit their carbon reduction improvement plans. Implicit prices have been adopted with respect to the types of internal carbon pricing, and the related price setting is based on the cost of reducing one metric ton of carbon calculated from the actual carbon reduction measures as well as the amount invested in carbon reduction (including green electricity wheeling, green building improvements, and the construction cost of installing rooftop solar panels, etc), which is in turn used for analyzing the cost-effectiveness of equipment. After calculation, the cost of reducing one metric ton of carbon was NT\$4,725 in 2024. Compared with the baseline year (2022), domestic business units conserved around 736,000 kWh of electricity in 2024 cumulatively, or a reduction of around 363.7 metric tons of carbon. Potential external carbon cost reduced as a result of carbon reduction through investments in carbon reduction measures and various units' own electricity consumption management was NT\$1.718 million. These competition results, converted into internal carbon pricing and energy conservation performances, are also incorporated into assessments on all office building renovation projects as well as considerations for external electricity procurements and conservation reviews, which serve as the reference and foundation for the Group's overall resource deployment and decision-making for operational strategies. Additionally, the "FCB Living Green e-Newsletter" would also share the experiences of business units with outstanding performance in order to increase the effectiveness of carbon reduction. Since 2024, First Securities and First Financial AMC have also held energy conservation contests in order to reinforce the Group's carbon reduction effectiveness. Furthermore, all employees have been encouraged to submit proposals for environmental protection and energy conservation measures since 2014. The Group received a total of 10 submissions in 2024, and two of them were eventually adopted.



2-11 Eco-Friendly Restaurants

The Company has installed an eco-friendly employee restaurant in its Headquarters Building, which has received the Eco-Friendly Restaurant certification from the Ministry of Environment. In the meantime, we also echo the Ministry of Environment's "Ten Moves to Cherish Food" campaign, and purchase our daily food ingredients from nearly organic farms, which not only supports small local farmers, but also ensures the freshness of our food ingredients while reducing the carbon footprint of food; Reusable utensils are provided for repeated use, and we also use environment-friendly detergents to clean them. The first Wednesday in the first week of each month is designated as the "Meatless Day", and wholesome and low-carbon menus are designed by professional dietitians to encourage employees to reduce carbon emissions and love our Earth through their daily diet.

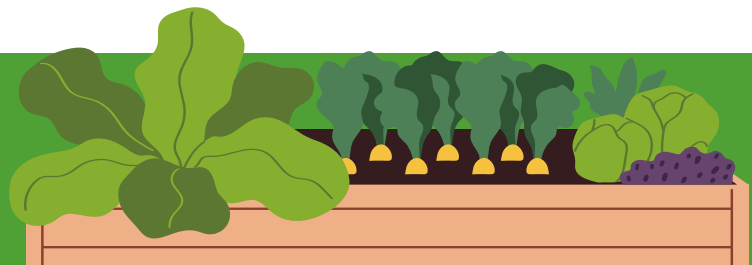
To echo circular economy, we have been converting food waste into compost via sorting, collection and resourceization since 2023, using the fractal accelerated fermentation approach to turn kitchen waste generated by the eco-friendly restaurant into fertilizers. So far we have collected more than six metric tons of kitchen waste, and produced around two metric tons of organic soil mixture. We have also received the "Green Gold Manure" fertilizer registration certificate issued by the Ministry of Agriculture. The "Green Gold Manure" has seen application at the First Bank Green Finance Education Center, First Financial & Economic Office Building and the green roof of our Chang'an Building, providing plants with necessary nutrients while promoting resource circulation and reuse.



| Fertilizers converted from kitchen waste are provided to our environmental education facility partners



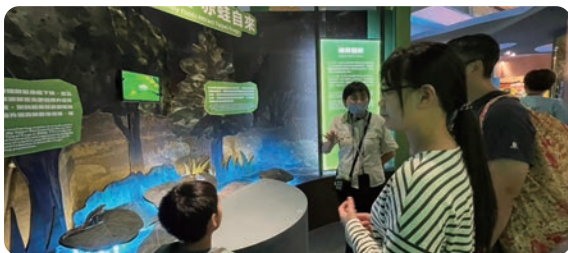
| Our fertilizer (Green Gold Manure) has been certified by the Ministry of Agriculture



2-12 Biodiversity Action

The Group utilizes systemic approaches to demonstrate our conservation resolve to achieve biodiversity and environmental sustainability:

- We have partnered with the Kuroshio Ocean Education Foundation to drive the "Ocean Oasis—Ecological Conservation Project for Whales Along the East Coast", and put forth a science-based conservation strategy. Since 2022, we have been advancing the "Carbon Sink Research Program for Whales & Dolphins" through installing underwater hydrophones and the individual photo identification (Photo-ID) of sperm whales, in an attempt to analyze nearshore sperm whales' and Risso's dolphins' contribution to ocean carbon sink near Hualien. The ultimate goal is to obtain the United Nations' Important Marine Mammal Areas (IMMAs) certification. We also hosted the "Ocean Oasis—Special Exhibition for the Ecological Conservation of Whales off Hualien" at our Headquarters Building in December 2024.
- We lent our support to the Taipei Zoo's "Story House for Endangered Animals", and co-organized and conducted exhibitions and activities. We also adopted a rare and precious protected animal species in Taiwan—the "Taipei grass frog", responding to related environmental issues through actual action. We also incorporated it into our employee family event—"First Bank Family Day—Take It Easy and Have Fun". Furthermore, we also collaborated to produce a Podcast program so that the general public could better understand the importance of conserving endangered animals.
- We also pioneered the "Forest Home" green roof biodiversity action plan. In partnership with the Zhishan Cultural and Ecological Garden, our environmental education partner, we have jointly created the first demonstration site for urban stepping stones in the financial industry at two of the Group's zero-carbon green roofs (Green Finance Education Center and First Financial & Economic Office Building). We organized two sessions of Green Action Summer Camp for Sustainable Finance and one session of competence enhancement training for newly recruited management associates (MA). We facilitated our employees' and community folks' participation, as they used materials such as abandoned tree branches, wood trimmings and wire shelves to produce various animal habitats.
- We were the first to echo the Ministry of the Interior's "Forum for Promoting and Building the Sustainability Belt in Formosa", and took part in the pep rally in November 2024 to respond to the "30 x 30" biodiversity consensus with action, as we strive to realize the target of conserving 30% of global biodiversity by 2030.



| We adopt a rare and precious protected animal species in Taiwan—the "Taipei grass frog"



| We lend our support to the Taipei Zoo's "Story House for Endangered Animals"



| We are the first to respond to and participate in the Ministry of the Interior's "Forum for Promoting and Building the Sustainability Belt in Formosa"



| We pioneer the "Forest Home" green roof biodiversity action plan



| We hold the "Ocean Oasis—Special Exhibition for the Ecological Conservation of Whales off Hualien"

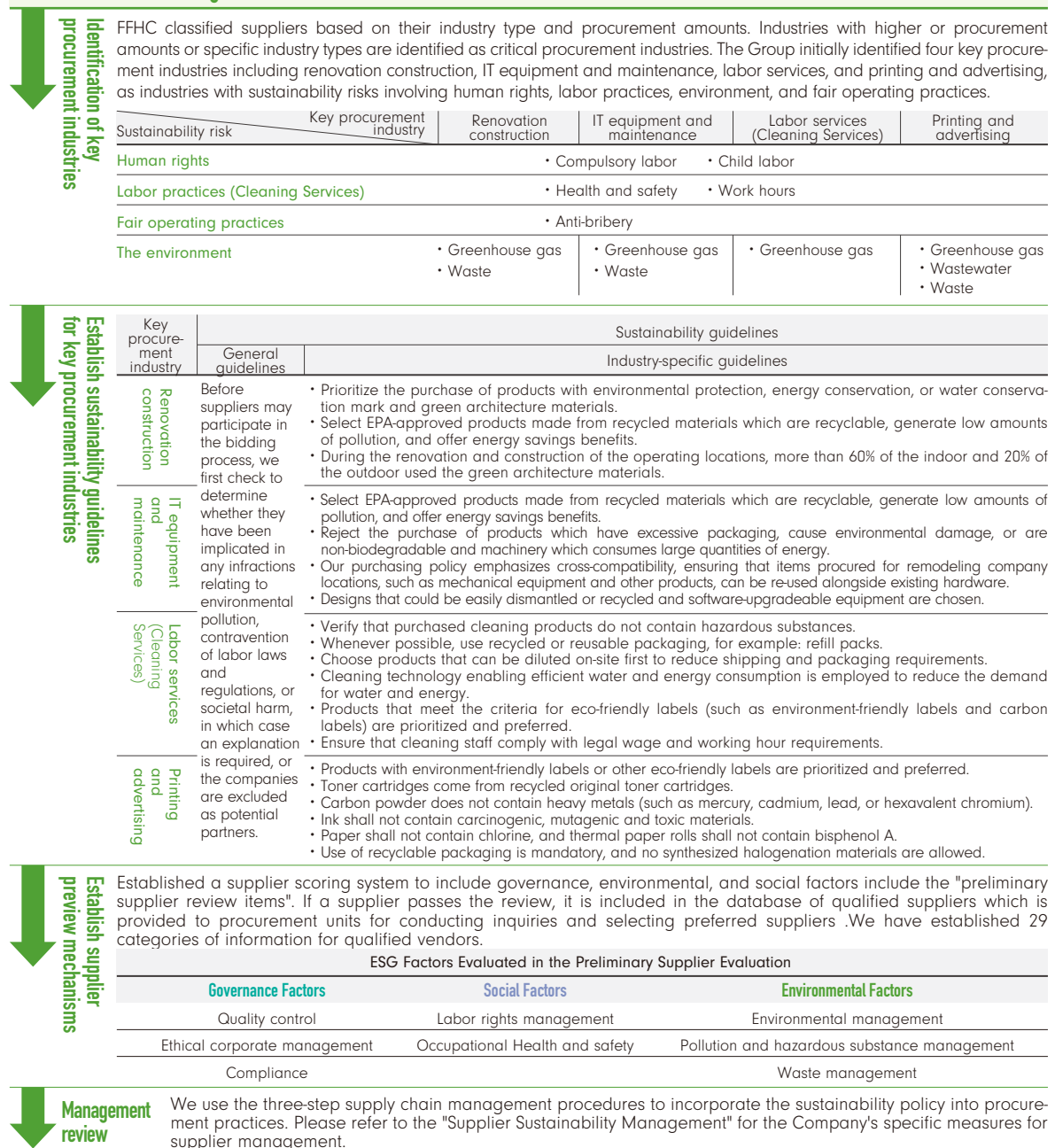
Sustainable Procurement and Supplier Management

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

3-1 Sustainable Procurement

To deeply entrench the concept of sustainability in our procurement practice and to work with suppliers to take advantage of the opportunity to create more value together, FFHC has introduced the "ISO 20400:2017 Sustainable Procurement-Guidance" since 2020, in addition to implementing the seven core themes in our procurement practice. In 2024, we continued to complete the "Performance Assessment for ISO 20400 Sustainable Procurement-Guidance", and received an SGS certificate as well as a highly acclaimed Level 4 rating. The green procurement target for 2024 was NT\$84.41 million, and the actual procurement amount was NT\$101.514 million. We have been verified as a benchmark organization for "green procurement by private enterprises and organizations" by the Taipei City Government for 10 consecutive years. We also delivered on our green procurement commitment to the Coalition of Movers and Shakers on Sustainable Finance.

Process for Introducing the ISO 20400 : 2017 Sustainable Procurement Guidance



3-2 Supplier Sustainability Management

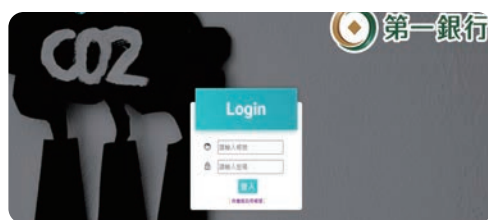
FFHC established the "Supplier Management Guidelines" as the policy and guiding principles for the management of suppliers of the Group. We require suppliers to comply with the Guidelines when signing contracts and we require suppliers to sign the "Human Rights and Environmental Sustainability Clauses"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

When formulating our procurement and tendering guidelines, FFHC valued fairness and openness throughout the procurement process, and has established three steps for supply chain management. Through supplier management, we have sieved out qualified vendors who are aligned with the spirit of sustainable development as our long-term partners in 29 categories, including: purchasing and maintenance of energy-saving & IT equipment, construction and furnishing engineering, business-related OA equipment, landscaping, and environmental greening. As a principle, the main procurement regions include suppliers from the country in which our operations are based and those close to our business locations. In 2024, 100%*¹ of all purchases came from local*² suppliers to ensure the stability and localization of the supply chain, as we reduced carbon emissions in the transportation process while creating local employment opportunities.

To realize an environmentally responsible business model and to actively build up green supply chains, FFHC has strengthened our supplier ESG risk management since 2022. ESG risk factors have been added to our audit items, and we also conduct investigations into suppliers from whom we spend large sums of money purchasing goods. In July 2024, we conducted supplier GHG inventories and engagement meetings for climate risk management, as we guided suppliers to gradually complete their carbon inventories. A total of 120 IT equipment, maintenance, printing and publicity vendors with more than NT\$1 million in procurement amount as well as business dealings with the Company within the previous two years were chosen to complete their filing of carbon inventory data on the "Supplier GHG Inventory Platform", which serves as the basis for grading. Vendors graded A or B are entitled to performance bond discounts when they take part in procurement tendering cases in 2025, as part of our efforts to encourage our suppliers to adopt low carbon management measures.

*1 : Calculation was done based on the database list of qualified suppliers in 2024.

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



| Interface of the Supplier GHG Inventory Platform



| We conduct supplier GHG inventories and the negotiating meeting for climate risk management

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

Item	Year	2024
(a) Percentage of no. of current vendors based on assessments (%)		100
(b) Ratio of identified risks to items (a) that have been assessed		43* ¹
(c) Ratio of mitigation procedures that have been implemented to items with identified risks among (b)		100

*1 : We compiled statistics using the number of suppliers in 2024. Among 507 suppliers, we identified 220 suppliers with human rights violation risks, including 5 suppliers in the clothing category prone to occupational hazards such as muscle and bone injuries, 3 suppliers in the moving company category, 100 suppliers in the renovation category, 25 suppliers in the air conditioning category, 59 suppliers in the plumbing engineering category, 18 suppliers in the fire protection engineering category, 6 suppliers in the landscape engineering category, and 4 suppliers in the solar power generation engineering category.

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

3-step Supply Chain Management Process

Management Strategy	Tangible Actions Taken	Implementation Results
Preliminary Screening	<ul style="list-style-type: none"> Active Inquiries: Before a vendor may participate in the bidding process, we first check to determine whether they have been implicated in any infractions relating to environmental pollution, contravention of labor laws and regulations, or societal harm, in which case an explanation is required, or the company is excluded as a potential partner. If a supplier passes the review, it is included in the database of qualified suppliers which is provided to procurement units for conducting inquiries and selecting preferred suppliers. Provisions requiring suppliers to abide by the Occupational Safety and Health Act have also been stipulated in construction contracts. Overseas locations: Before a procurement is made, the "Human Rights and Environmental Sustainability Evaluation" must be completed to check whether the vendor has been implicated in any infractions relating to environmental pollution, damages to labor or human rights protections, or harm to society. Providing guidance to vendors: The Company's Sustainability report is provided in electronic format and vendors are asked to observe the Company's Sustainable Development policies. 	<p>Completed 3,441 vendor inquiries. (accounting for 100% of all vendors) The Group added 439 suppliers to the database of qualified suppliers in 2024.</p> <p>FFHC's overseas locations completed "Human Rights and Environmental Sustainability Evaluations" for 1,204 vendors.</p> <p>4,455 vendors made an effort to observe the Company's Sustainable Development policies.</p>
	<ul style="list-style-type: none"> Education and Compliance Declaration: When entering into an agreement, we request vendors to sign a "Declaration on Human Rights and Environmental Sustainability Clauses" and to agree to comply with the "Directions for Supplier Management of FFHC and its Subsidiaries." We advocate to suppliers and request them to pledge to comply with fundamental labor and human rights protections stipulated in the Universal Declaration of Human Rights and Regulations related to occupational safety and health, promise to implement human resources policies which are fair and equitable, protect the environment, and seek to achieve environmental sustainability. Declaration to Use Green Materials: When entering into a real estate agreement, the prospective tenant must sign a declaration to use green building materials. Negotiated Procurement: During negotiated procurement with vendors of equipment requiring large amounts of electricity, energy efficiency (using Chinese National Standards as a standard reference for compliance) is listed as a required criterion. 	<p>The "Declaration on Human Rights and Environmental Sustainability Clauses" has been signed by 3,441 suppliers and we have advocated ideas of human rights protection. In addition, 1,924 suppliers have agreed to comply with the "Directions for Supplier Management of FFHC and its Subsidiaries" and implementation of environmental sustainability in accordance with the Directions.</p> <p>100% of new vendors signed the declaration.</p> <p>100% tenants pledged to use green building materials.</p> <p>38 pieces of high-energy consumption equipment were purchased with high EER value.</p>
Post hoc management	<ul style="list-style-type: none"> Employee Qualifications: FFHC has certain qualifications in place for third-party maintenance personnel involved in the operation, maintenance, repair, or management of facilities, equipment, or systems involving high electricity consumption, and we also provide energy management awareness training. Education and training: Promote the concept of social sustainability and environmental protection through supplier meetings, and explain "Contractors' Safety and Health Management Precautions" and "Directions for Supplier Management of FFHC and its Subsidiaries" to ensure that suppliers clearly understand relevant requirements and jointly implement the sustainable development. Regular Audits: Audits of qualified suppliers are regularly conducted to check for environmental issues, occupational hazards, and labor rights violations (including freedom of association, forced labor, child labor, occupational safety and health). In the event that a compliance violation is identified, the supplier is requested to provide an improvement plan, otherwise their contract is terminated and the supplier is added to the monitoring list. 	<p>Held sessions of energy management awareness training to train a total of 15 employees.</p> <p>We conducted a supplier GHG inventories & engagement meeting for climate risk management on July 23, with a total of 56 participants.</p> <p>Spot checks are conducted every quarter and records are kept; in addition, each year we make a random selection to conduct an on-site inspection. FFHC conducted onsite inspections on 10 suppliers in 2024 and found no violations of environmental protection or labor regulations.</p>

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

Prior to tender opening in 2024, the Company had evaluated 211 key suppliers (with over NT\$1 million in procurement) with respect to their potential environmental and social impacts.

We looked into the suppliers that had been identified as having materially substantial or potentially negative impact on environment and society. We found that none of them had violated regulations pertaining to environmental protection, labor protection, or occupational safety and health.

After our evaluation and investigation, the above-mentioned suppliers were not involved in any regulatory violations in 2024. Therefore, no contracts were terminated.



03 SOCIAL FACTORS

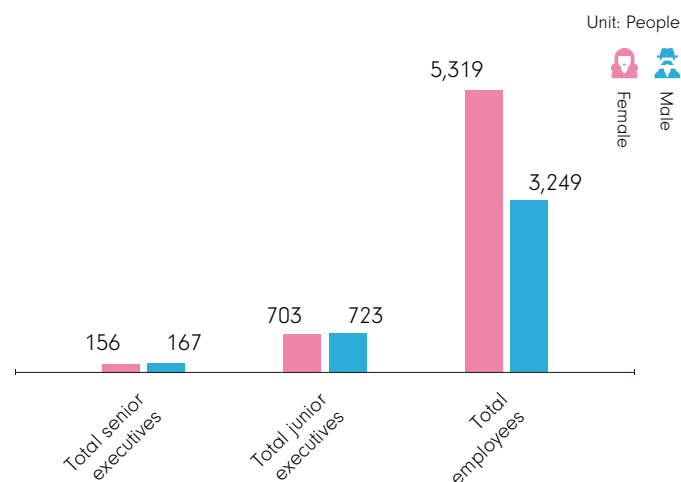
Diverse Talent Recruitment and Skill Cultivation

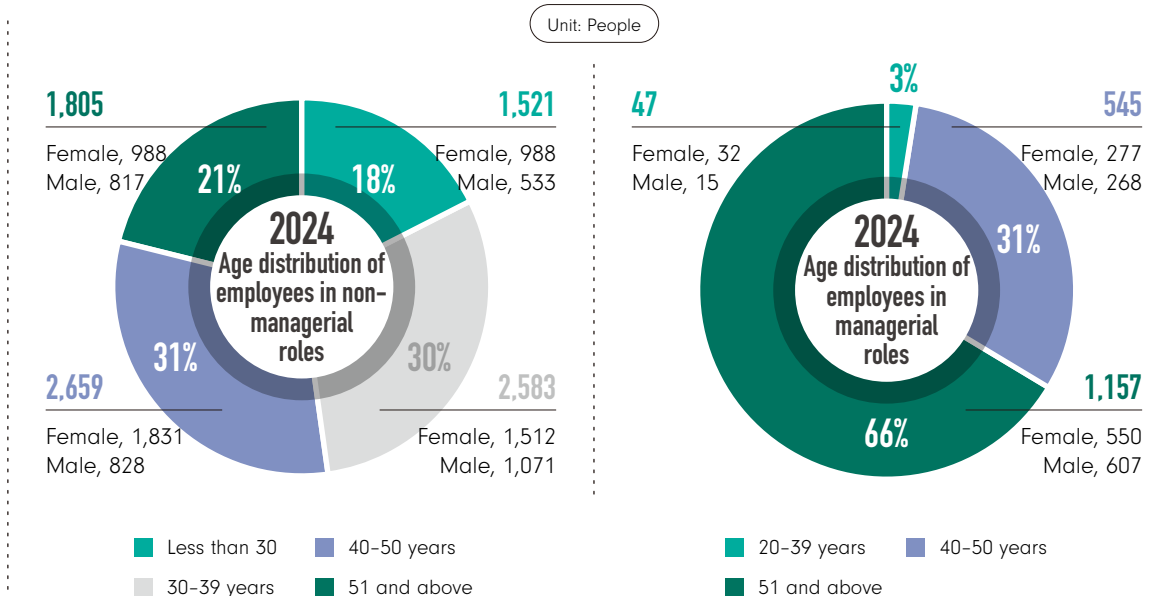
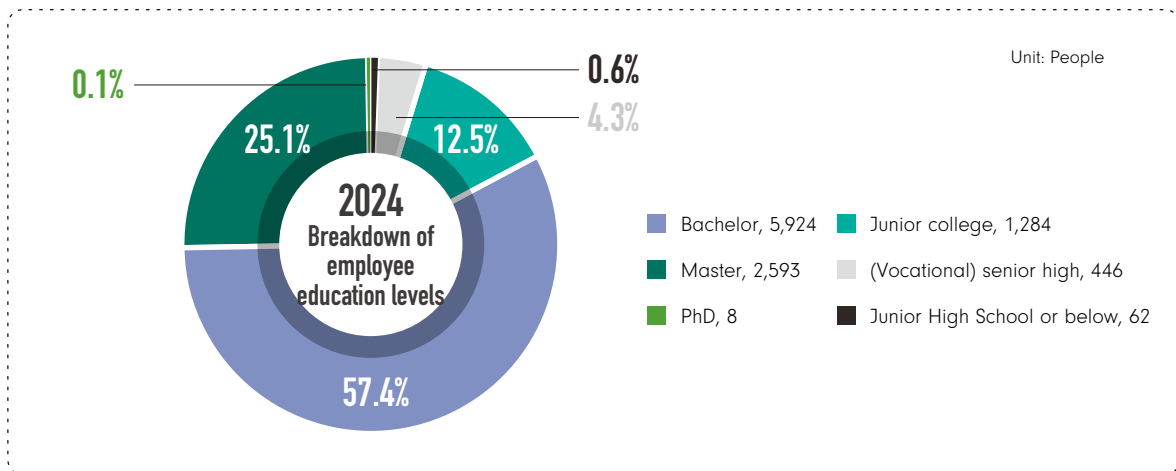
GRI : 2-7 、 2-8 、 202-2 、 401-1 、 404-1 、 404-2 、 404-3 、 405-1

1-1 Employee composition and diversity

Employees form the core of the financial service industry. FFHC has not only established a brand image of sound management in the minds of the general public but is also working actively to build a "happy workplace." We have long adhered to our philosophy of "employees are the company's most valuable asset." We are committed to creating an ethical, transparent, caring and cooperative working environment for employees. Employees are also encouraged to realize their full potential and create value. As of 2024, the number of full-time employees in the group is 10,317 (591 foreign personnel (including 89 new employees), 6,178 female employees, 4,139 male employees, female to male ratio of approximately 6:4, managerial personnel account for 17.0%, female managerial personnel account for 49.11%, the proportion of female managers and employees is higher than their male counterparts; The proportion of senior management hired from domestic residents was 100%. Additionally, there were a total of 492 non-employee workers (includes staffers, security, maintenance, and cleaning personnel) at the Group in 2024.

© 2024 Total employee headcount - by job positions





© 2024 Statistics of Non-Employee Workers

Unit: People

Type	Staffers	Security	Maintenance	Cleaning
Sub-Total	168	224	82	18
Ratio	34.1%	45.5%	16.7%	3.7%
Total	492			

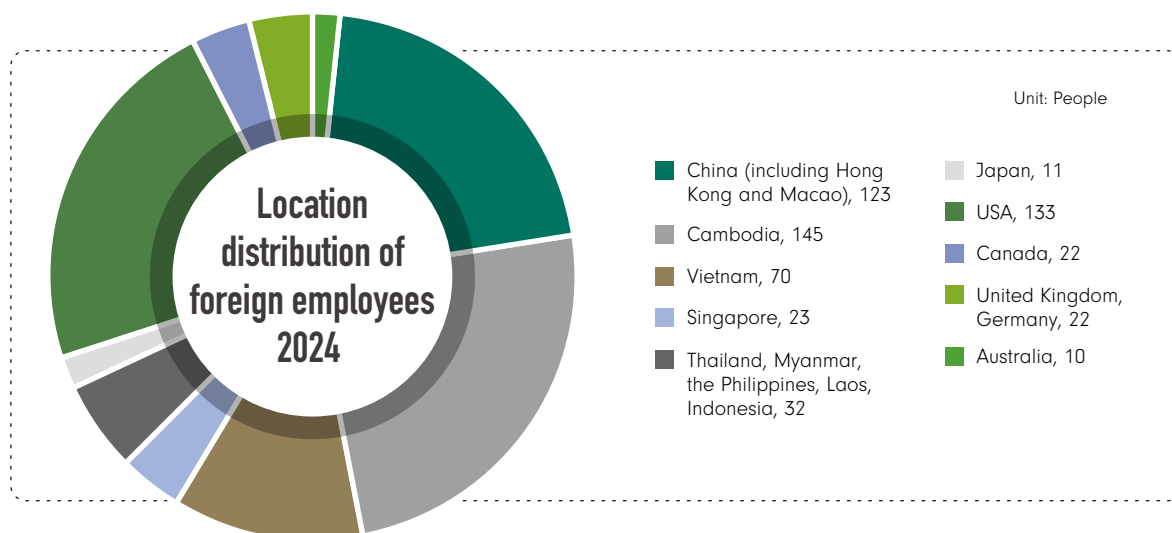
* : This statistic refers to the personnel dispatched from Headquarters who are non-employee workers covered by the occupational health and safety management system.

© 2024 Foreign Employees by Nationality and Percentage

Unit: Person

Nationality	Non-management personnel	Management personnel	Sub-Total	Number of employees as a percentage of the entire workforce (%)	Ratio of supervisors to the total number of Group supervisors (%)
U.S.	106	27	133	1.03	1.54
Canada	19	3	22	0.18	0.17
Singapore	19	4	23	0.18	0.23
Thailand	1	0	1	0.01	0
Indonesia	1	0	1	0.01	0
Vietnam	67	3	70	0.65	0.17
Myanmar	1	0	1	0.01	0
Cambodia	145	0	145	1.4	0
U.K.	10	2	12	0.1	0.11
Germany	7	3	10	0.07	0.17
the Philippines	14	2	16	0.14	0.11
Laos	12	1	13	0.12	0.06
China (including Hong Kong and Macau)	113	10	123	1.09	0.57
Japan	10	1	11	0.1	0.06
Australia	8	2	10	0.08	0.11
Total	533	58	591	5.17	3.32

- There are 533 foreign non-management personnel, accounting for 5.17% of the total workforce.
- There are 58 foreign management personnel (including junior and senior managers), accounting for 3.32% of all management personnel of the Group.



◎ Employee Composition Statistics of the Group

Unit: People

Region	Level of employee		
Taiwan	Permanent employees	5,699	4,001
	Temporary employees	18	8
	Full-time employees	5,699	4,001
	Part-time employees	0	0
Overseas	Permanent employees	457	130
	Temporary employees	0	0
	Full-time employees	457	130
	Part-time employees	4	0

* : There are 0 employee without guaranteed hours. This refers to how there are no employees with guaranteed minimum or fixed work hours such as employees on zero hour contracts and standby.



1-2 Human Capital and Recruitment

To catalyze the development of innovative financial products and services, we recruit top professionals with a background in business management, information science, science and engineering, law or psychology. Since 2014, we have recruited more than 400 professional personnel and high-level managers with related digital technology expertise such as information safety management, big data analysis, social media management, and Internet marketing management. In coordination with the global strategy of dedicating recruitment efforts in the ASEAN region, the search for talent also continues in overseas locations across the U.S. and Europe. The addition of an overseas group when hiring reserve managers has resulted in the active recruitment of talent with language skills such as English, French, German, and Spanish into the operations team to implement an elite talent cultivation policy based in diversity.

On the other hand, the Company focuses on the observable professional capabilities of employees as well as their internal personality traits to predict the future job performance of employees. As such, a variety of digital tools have been introduced for this purpose, such as: AI video interviews and talent assessment systems to improve the efficiency of talent selection and act as a basis for refining human resource development. In order to understand the leadership potential of employees, the bank introduced the Career Personality Aptitude System (CPAS) for the selection of deputy manager reserves in 2014. The result of aptitude tests provides an objective assessment of managerial capabilities and were given to interviewers for reference and improving the identification of professional ability as managers. Starting in 2016, the test was also implemented into the selection process of core reserve talent (MA).

◎ Status of diverse talent recruitment in 2024



Target	Goals	Planning	Execution Results
Finance talents	We use work-study and internship programs to quickly connect outstanding students with real experience in the financial industry.	<ul style="list-style-type: none"> • "Work-Study Program for Youths for Economic Independence" of the Youth Development Administration of the Ministry of Education • "Youth Employment Pilot Program" of the Workforce Development Agency, Ministry of Labor 	<ul style="list-style-type: none"> • In 2024, we continued to recruit 29 summer interns. We have provided part-time employment opportunities to 566 young students since 2011. • We hired 15 people in 2024. Since 2017, we have provided 32 job vacancies cumulatively for the "Youth Employment Navigation Program".
Cross-border talents	As the subsidiary First Bank expands their overseas presence, the demand for outstanding expatriate talent is increasing, leading to the continuous development of international talent.	<ul style="list-style-type: none"> • Strengthen training mechanisms for overseas trainees • Overseas Trainee Program Briefing Session • Recruitment of Management Associates (MA) for the "Overseas Team" 	<ul style="list-style-type: none"> • We have been implementing the "Reserve Overseas Executive Management Talent" training program, which was formulated in 2009. As of today, we have cultivated 430 overseas reserve talent. • Since 2023, we have held the "Orientation for Overseas Talent Development Plan". In 2024, a total of 166 employees signed up to join the potential overseas talent pool. • An "Overseas Division" has been added to the MA training program. A compensation and benefits system ranked in the top tier among the financial industry is also provided to motivate our employees to accept overseas assignments.
Digital talents	To understand digital finance development, help our employees improve their digital skills, and actively recruit skilled employees with scientific, mathematical, and information backgrounds.	<ul style="list-style-type: none"> • Financial technology and other professional talent recruitment • Assign MAs to participate in digital projects 	<ul style="list-style-type: none"> • In 2024, the Bank recruited a total of 40 FinTech talent, including program developers, database management and analysis personnel, and information security technicians. • Assign MAs to digital account promotion, collaboration with different industries on open banking innovation, analysis of customer behaviors in digital channels and marketing activities, and digital recreation to strengthen digital talent cultivation.
Industrial-academic and cross-industry cooperation talents	The Company has established a presence on campus and identifies talented students to cultivate talents with potential for research and development in the financial industry and enhance management services and added value of its products.	<ul style="list-style-type: none"> • Industry-academia partnerships with universities • Financial Practices Lecture 	<ul style="list-style-type: none"> • We partner with 14 universities and colleges to conduct talent cultivation programs as part of our industry-academia collaboration. Between 2019 and 2024, we recruited 525 interns to participate in financial practices, and 352 of them have been retained as full-time employees. Since 2022, we have progressively added intern recruitment to the digital information, customer service and online marketing divisions, in an attempt to expand and diversify our talent recruitment channels. • We cooperated with National Taipei University of Business, China University of Technology and Chihlee University of Technology to establish the "Project-based Curriculum for Financial Practices", in which our employees with professional experiences serve as lecturers to help young students to familiarize themselves with financial practices as early as possible.

The Group recruits new employees each year, embracing multicultural diversity without restrictions on school, major, age, class, or gender. In 2024, we recruited a total of 687 new employees, with a female-to-male ratio of approximately 6:4. Our overseas operations also prioritize providing employment opportunities to local residents, highlighting our group's commitment to cultural diversity and inclusion. In 2024, all subsidiaries employed people with disabilities at rates that met or exceeded the standards set by regulatory authorities, and they received the same salary and benefits as regular employees.

◎ Overview of employee diversity in the past years





Year	Item	Persons with physical and mental disabilities (persons)	Indigenous People (persons)	No. of Nationalities (nations)
2020		99	7	14
2021		95	6	14
2022		87	7	14
2023		94	7	14
2024		103	15	15

◎ Statistics of new recruits and total number of employees in 2024

End of 2024	Total no. of employees	Female			Male			Total	
		30-50 years old	30-50 years old	51 and above	30-50 years old	30-50 years old	51 and above		
Number of employees in Taiwan	9,726	177	124	24	136	117	20	325	273
Percentage of all employees (%)	94.3%	1.72	1.19	0.23	1.32	1.13	0.19	3.14	2.65
Number of employees overseas	591	38	22	8	12	5	4	68	21
Percentage of all employees (%)	5.7%	0.37	0.21	0.08	0.12	0.05	0.04	0.66	0.2
Total	10,317	215	146	32	148	122	24	393	294
Percentage of all employees (%)	100	2.09	1.4	0.31	1.44	1.18	0.23	3.8	2.85
Total number of colleagues with the same gender/age out of total employees	-	990	3,650	1,538	534	2,181	1,424	6,178	4,139
Percentage of employees of the same gender/age (%)	-	21.7	4.0	2.09	27.7	5.6	1.69	6.35	7.10

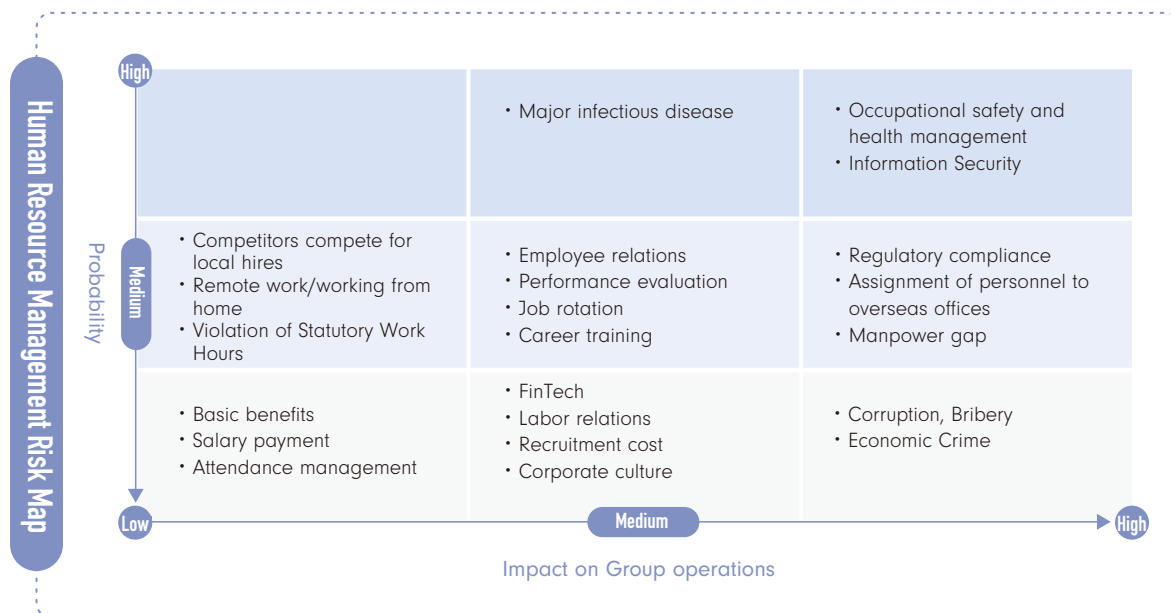
◎ Statistics of new recruits in past years

Unit : persons

Years	Taiwan		Overseas		Total
					
2021	489	319	79	31	918
2022	441	354	102	47	944
2023	433	373	88	35	929
2024	325	273	68	21	687

1-3 Human Resource Management Risk Map

FFHC evaluates the impact of ESG risk factors on the Group's operations in the establishment of business locations, new business development, loan investments, procurements, planning of business strategies, and human resource development. The human resource management risk graph drawn up based on the 22 selected evaluated factors in 2024, with the vertical axis as incidence probability and horizontal axis as the impact on company operations, is as follows. The 10 factors designated as medium to high probability incidence were categorized as those requiring risk management.



In 2024, due diligence investigations were conducted to identify the occurrence rate and impact level of major issues such as "occupational safety and health management", "information security", and "major infectious diseases" to establish and implement plans that can mitigate relevant risks and their impact on this Group, such as: In response to natural disasters such as earthquakes and fires and geopolitical risks of overseas operating locations, the task group method is used to form crisis management teams that seek solutions to prevent the risk of interruption to operations in the event of a crisis or disaster.



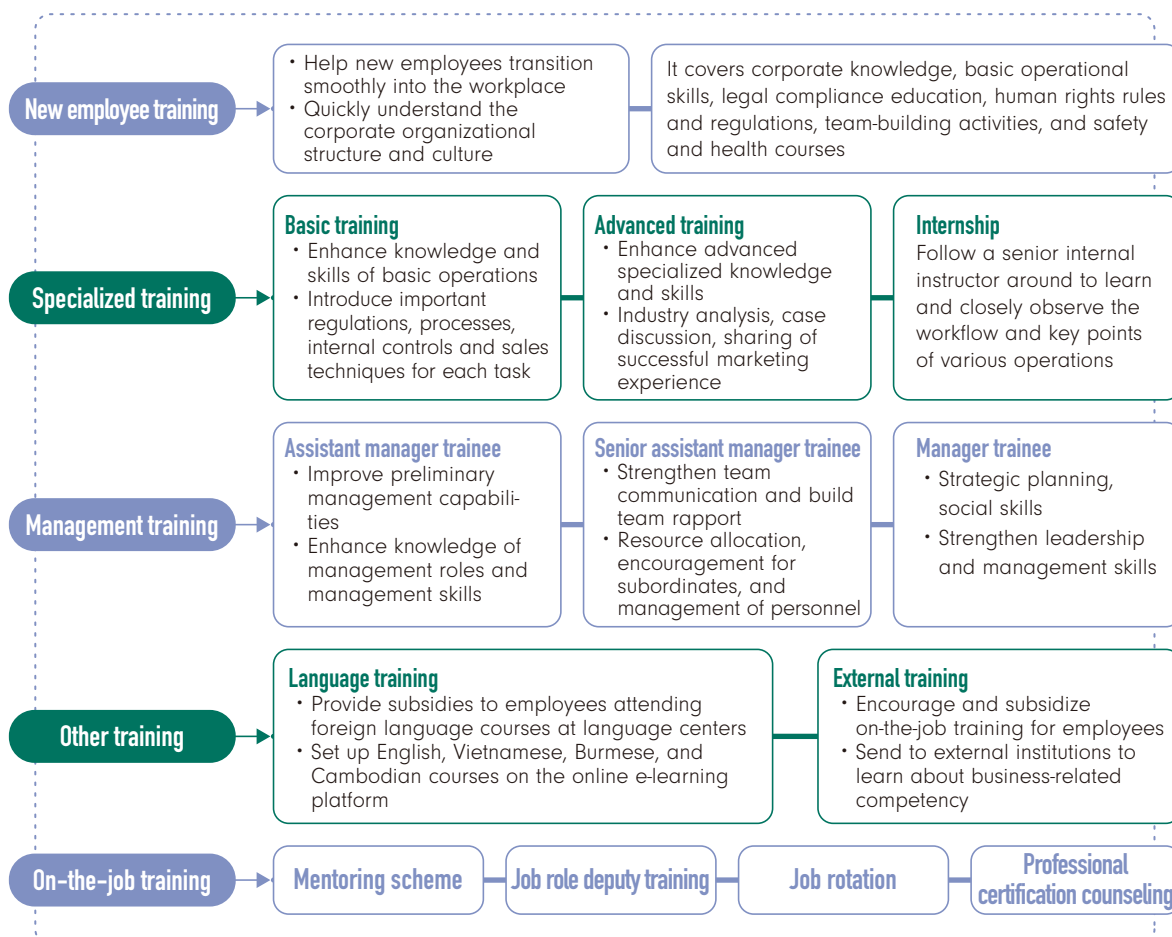
1-4 Complete development system

First Financial Holding has established a comprehensive employee training program, covering onboarding for new hires, foundational and advanced professional development, and leadership pipeline cultivation. For the selection of managerial personnel, the process includes relevant training courses and assessments, as well as one to two rounds of interviews and 270-degree evaluations involving supervisors, peers, and subordinates, to comprehensively assess candidates' management and leadership competencies.

To further enhance managerial capabilities, targeted training programs are provided based on different management levels, focusing on communication skills, problem-solving in managerial contexts, and overall improvement in management quality.

Regarding employee training, active participation in training courses and obtaining certifications required for relevant business operations are encouraged, as well as the submission of innovative work proposals. Professional certifications are considered a bonus item in the annual performance evaluations, and adopted innovative proposals are rewarded with bonuses. The Group also organizes a variety of professional training, online training, internships, language training, internal certification testing and management competency training. To acquire new financial knowledge and understand the latest industry developments, personnel are frequently sent to attend training courses organized by professional training bodies.

◎ Career training system



◎ Bonuses awarded for innovative employee proposals over the years

Unit: case/NTD

Employee proposals	2021	2022	2023	2024	Total
Total proposals	147	322	463	271	1,203
Number of awards and prizes	74 / 23,000	126 / 40,400	114 / 34,200	82 / 24,000	396 / 121,600

1-5 Talent training program

Employee Transition & Advancement Program

Utilizing a 3 by 3 grid matrix approach factoring in things such as talent appraisal and performance potential, we are able to discover talented people with high performance or high potential within the Bank. We have customized the "Individual Development Program" which caters to different professional backgrounds, language proficiency levels and competency analysis. We also continue to work with external professional training organizations to enhance various professional financial competency in order to facilitate job rotations and help employees with their transition and growth. For example, we have cooperated with the Taiwan Academy of Banking and Finance and Taipei Foundation of Finance to conduct professional competency training on overseas reserve personnel in areas such as foreign exchange derivatives, trust, compliance and AML. We have also purchased and installed online courses and learning platforms focusing on diverse management and soft power at the workplace, providing a variety of courses and learning channels. Furthermore, we have also conducted various professional training and foreign language courses independently, as we strive to enhance our language, business and diverse management capabilities while grooming reserve professional talent for our overseas operations. To enhance our employees' digital banking literacy, we would arrange for our employees to take part in external FinTech training courses and seminars. As of the end of 2024, we had conducted a total of 15,659 hours of FinTech-related courses internally, with 9,233 attendees in total. First Securities and First Securities Investment Trust arrange professional training courses such as pre-service training, on-the-job training, and business seminars through related business associations and the Securities and Futures Institute.

Culture Education

Courses arranged for our new recruits include the Group's history, ESG policies, our group development strategy, and corporate image, as part of our efforts to increase corporate culture alignment. For professional courses targeting overseas reserve personnel, we would invite external lecturers to teach cross-cultural communication and management, disagreement situation identification and relevant responses and communications, in order to improve their adaptability and work efficiency. We would also arrange our overseas branch employees to return to Taiwan for training, so that they understand the latest business regulations and policy directions.

Mentor-protégé guidance system & team-based learning

To enhance our employees' professional capabilities and organizational cohesiveness, we have incorporated the mentor-protégé guidance system and team-based learning into our training courses for new recruits, business personnel and executives, in addition to arranging senior employees or executives to act as mentors to help their students familiarize themselves with business activities as soon as possible, develop professional skills, and pass on hands-on experiences and corporate culture. Since 2022, we have promoted the "First Good Buddy" guidance system, where employees with positive characteristics are arranged to act as new hires' guidance counselors, in an effort to strengthen their workplace adaptability and interpersonal connections. Allowances for dining out are also provided to promote exchanges. Based on our survey of new recruits in 2024, their level of satisfaction with the First Good Buddy system reached 92 points (out of 100). A team-based learning system has also been adopted into our courses on executive leadership and the transition to digital banking. Through approaches such as panel discussions, project rehearsals and experience exchanges, we seek to promote knowledge co-learning and practical connections, in addition to improving team cohesiveness.

To assess the effectiveness of training, the Group's subsidiaries use the Kirkpatrick Model and Human Capital ROI to evaluate changes in employee behavior, attitudes, and job performance after completing training programs.

Evaluation level	Evaluation method	Description
Response level (Level 1)	Questionnaire	Ask students to fill out the course satisfaction survey after training, and encourage them to suggest improvements to the course
	After course evaluation	Arrange a test immediately after the course to evaluate learning results.
Learning level (Level 2)	Mock exercise	Conduct case and situational exercise, and enhance effectiveness through simulation practice
	Project presentation	Arrange students to conduct presentation and analysis of actual cases to enhance their application capabilities
Behavior level (Level 3)	360-degree evaluation	Evaluate the performance of new employees through daily work performance, manager's review, as well as feedback from colleagues and customers.
	Practical Assessment	Evaluation of student's work quality and professional knowhow
Results level (Level 4)	Performance evaluation	Evaluate training effectiveness through operating performance growth.
Remuneration level (Level 5)	Return on investment evaluation	Evaluate training effectiveness through return on investment (ROI = (financial benefit - training cost)/training cost).

◎ Training effectiveness statistics table of the Kirkpatrick Model over the years

▼ Training program to link ESG and operations

Objective: Implement ESG concepts in core financial operations to exert sustainable impact.

Benefits: Enhance employees' knowledge of sustainable finance and business capabilities, increase social participation, and boost the proportion of green financing business.

Training methods: Culture training & mentor-protégé guidance system

Individuals required to attend the courses: All employees

Courses attended: 25,283 people, accounting for 100% of employees

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Number of personnel trained in ESG program	1,853	1,616	20,648	25,283
Learning level L2: Number of participating volunteers at events	1,559	1,312	1,484	2,118
Behavior level L3: Satisfaction level of volunteer services (%)	89.53	90.06	91.82	89.44
Results level L4: Green financing balance (NT\$100 million)*	5,291.16	6,880.73	7,707.07	9,499.62
Rewards level L5: Balance of green financing loans as a percentage of the balance of enterprise financing loans (%)	54.36	61.92	68.24	78.77

* : The green financing balance refers to the (sum of renewable energy sustainable loans + green industry and green enterprise preferential financing projects + ESG infrastructure financing + sustainability-linked credit projects + preferential financing for the six core strategic industries).

▼ Management Trainee Succession and Training Program

Objective: Improve the leadership and management functions of managers to achieve business goals.

Benefits: Arrange courses to strengthen leadership skills to enhance talent retention and reduce operational risks.

Training methods: Mentor-protégé guidance system & team-based learning

Individuals required to attend the courses: Management personnel

Courses attended: 516 people, accounting for 5.97%

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Average satisfaction score for training courses (%)	94.1	94.2	95.8	94.3
Learning level L2: Examination pass rate (%)	100	100	100	100
Behavior level L3: Key talent retention rate (%)	100	100	99.81	98.71
Results level L4: Operational risk ratio (%)	4.57	4.23	4.67	4.67
Rewards level L5: Estimated return on investment (ROI) from training	109.5	109.9	181.2	325.4

* : Operational risk ratio = (Operational risks/Total risk-weighted assets) *100%

* : Estimated return on investment (ROI) from training = Revenue - (operating expenses - (salary cost + benefit cost)) ÷ (salary cost + benefit cost)

▼ Digital Finance Talent Transformation Program

Objective: Strengthen employees' expertise in digital finance products and services, as well as marketing capability.

Benefits: We acquired 189 patents on FinTech inventions and new models and 3,983 employees passed the "FinTech knowledge certification". Transaction fee earnings and enhanced digital marketing effects by improving the smart customer service system, digital welcome system and new functions in the mobile sales platform app.

Training methods: Mentor-protégé guidance system, team-based learning, and employee transformation & advancement program

Individuals required to attend the courses: All employees

Courses attended: 6,660 people, accounting for 77.1%

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Average satisfaction score for training courses (%)	87.8	91.8	91.2	91.2
Learning level L2: Examination pass rate (%)	100	100	100	100
Behavior level L3: Digital channel utilization rate (%)	87.29	88.33	89.75	90.82
Results level L4: Percentage of income from digital transactions (%)	8.12	6.99	7.03	7.18
Rewards level L5: Estimated return on investment (ROI) from training	2,044	1,275	1,534	2,221

* : Digital transaction income = Processing fees and interest income from electronic transactions.

▼ Overseas Reserve Talent Program

Objective: Accelerate the cultivation of necessary business expertise for overseas talent.

Benefits: Improve the business capabilities of overseas personnel, reduce their turnover rate, and increase overseas profits.

Training methods: Culture training & mentor-protégé guidance system

Individuals required to attend the courses: Overseas reserve talent

Courses attended: 171 people, accounting for 1.98%

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Average satisfaction score for training courses (%)	91.7	92.6	95.0	96.1
Learning level L2: Examination pass rate (%)	100	100	100	100
Behavior level L3: Turnover rate of overseas reserve personnel (%)	4.8	2.5	3.1	2.7
Results level L4: Target achievement rate for new borrowers (%)	58.1	54.2	94.86	108.66
Rewards level L5: Gross profit growth rate of overseas units (%)	14.72	0.52	-18.85	-5.84

* : The growth rate of our overseas gross profit (including offshore banking units, or OBU) amounted to -5.84% in 2024, which was mainly due to a decrease of US\$23 million in interest revenue resulting from D acting on behalf of O (DBU was commissioned by OBU to handle its offshore foreign currency credit business).

▼ Securities Salesperson Transformation Program

Objective: Guide salespeople in their transformation into all-rounded financial advisors in response to digital developments.

Benefits: To enhance marketing synergy and to improve insurance sales capabilities, we saw a total of 174 securities brokers obtain investment-type insurance licenses in 2024, resulting in a 63% growth in the return on investment for co-marketing insurance products.

Training methods: Employee transformation & advancement program; mentor-protégé guidance system

Individuals required to attend the courses: Salespersons

Number of participants: 226 people, accounting for 27.5%

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Average satisfaction score for training courses (%)	86	84	84	85.2
Learning level L2: Examination pass rate (%)	100	99	100	100
Behavior level L3: Salespersons' acquisition rate of investment-type insurance license (%)	70.95	77.57	77.06	76.99
Results level L4: Percentage of income of insurance products (%)	0.20	0.30	0.21	0.3
Rewards level L5: Return on investment (ROI) evaluation for insurance products through co-marketing (%)	473.76	478.91	490.63	553.86

* : Insurance product income = Service fee income for sales of insurance products.

▼ Professional Insurance Talent Training Program

Objective: Strengthen our professionalism in insurance to enhance marketing momentum.

Benefits: The subsidiary life insurance company saw a bump of 1.08% in customer satisfaction in 2024.

Training methods: Employee transformation & advancement program, mentor-protégé guidance system, and team-based learning

Individuals required to attend the courses: Salespersons

Number of participants: 358 people, accounting for 100%

Kirkpatrick Evaluation Level	2021	2022	2023	2024
Reaction level L1: Recovery rate of after-course satisfaction questionnaire (%)	91.5	93.82	94.0	90.75
Learning level L2: Examination pass rate (%)	100	100	100	100
Behavior level L3: Customer satisfaction survey (%)	79.3	81.3	82.6	83.68
Results level L4: Growth rate of the number of policyholders (%)	12	10.7	6.3	6.2
Rewards level L5: First Life Insurance EPS (NT\$)	1.3	0.12	0.81	1.03

* : Operational risk ratio = (Operational risks/Total risk-weighted assets) *100%

* : Estimated return on investment (ROI) from training = Revenue - (operating expenses - (salary cost + benefit cost)) ÷ (salary cost + benefit cost)

1-6 Employee Training and Development

To enhance employee learning efficiency, 494,715 employees participated in internal and external training courses in 2024, with an average training time of 62 hours. Among these,

- In response to the FSC's bilingual policy as well as the objective to build bilingual branches, we would conduct foreign language training programs. As of the end of 2024, a total of 3,455 people had passed English proficiency tests such as LTTC, IELTS, TOEFL, TOEIC, BULATS and GEPT. Moreover, 386 people passed Japanese, Spanish, Korean and German proficiency tests at institutions like JLPT and LTTC.
- To increase AML and CFT knowledge and sensitivity, we encourage our employees to obtain the certificates for CAMS and AML & CFT professionals. As of the end of February 2025, a total of 1,448 people within the entire group had obtained CAMS certificates, while 3,602 people had obtained professional AML and CFT certificates. Additionally, to encourage employees to obtain sustainable development certificates, the Group's subsidiaries also provide registration fee subsidies or rewards for certification. As of the end of February 2025, 204 people and one individual had obtained certificates for basic capabilities and advanced capabilities, respectively.
- To raise our practitioners' awareness of professional ethics and to enhance their understanding about and alertness for regulatory compliance and AML, we would conduct education training related to compliance (including anti-corruption and anti-bribery) and AML. A total of 110 sessions were conducted in 2024. Total training duration amounted to 64,465 hours, and a total of 32,470 people participated in the training.











For the professional certificates/ licenses and number of licensed FFHC employees, please refer to pages 184-186 of the Company's 2024 Annual Report.

◎ Bilingual Talent Development Program

Training Recipients	All employees
Training Content	In 2024, a total of 1,152 subsidies amounting to NT\$4.37 million were provided for online English learning platforms, English proficiency improvement competitions, English tutoring for managers, and practical conversation training for bilingual branches.
Incentive Measures	<ul style="list-style-type: none"> • In 2022, the "Reclassification Guideline for the Promotion of Bilingual Personnel" was added, allowing staff at level 6 positions to be promoted directly if their language score is above TOEIC 840. • We continue to conduct industry-academia cooperation internship programs with 14 schools, including National Taipei University of Business. Interns who are accepted and achieve a TOEIC score of 650 or higher can be employed at level 6 positions.
Operating Performance	Starting in 2021, 25 bilingual branches are established each year, with the goal of making all domestic branches bilingual by 2028 to provide friendly, comprehensive, and efficient financial services.
Quantitative Indicator	<ul style="list-style-type: none"> • As of the end of 2024, 111 bilingual branches (including 12 branches offering Chinese, English, and Japanese services) have been established. • The ratio of employees who have completed English proficiency testing increased from 30.87% at the end of 2020 to 43.14% at the end of 2024.

◎ Average employee training hours and training expenses in past years

Item \ Year	2021			2022			2023			2024		
			Total			Total			Total			Total
Total attendances in training for managers	22,880	20,831	43,711	26,159	23,699	49,858	25,145	24,337	49,482	25,531	24,856	50,387
Total training hours for managers	61,117	54,265	115,382	70,006	64,769	134,775	70,728	72,709	143,437	69,445	70,956	140,401
Average training hours per manager	70.01	64.91	67.51	80.10	75.23	77.68	81.77	81.79	81.78	82.18	80.27	81.02
Total attendances in training for non-managers	98,881	57,315	156,196	124,178	71,509	195,687	113,849	66,565	180,414	120,711	70,237	190,948
Total training hours for non-managers	260,043	157,798	417,841	326,115	190,059	516,174	291,306	173,299	464,604	311,998	182,717	494,715
Average training hours per non-manager	50.56	50.63	50.59	62.86	59.92	61.74	54.94	53.34	54.33	58.99	56.46	58.03
Average employee training hours	53.49			64.48			59.00			61.94		
Average employee training cost (NT\$)	5,610			6,014			7,577			6,402		
Total training expenses (NT\$10,000)	5,593			6,071			7,808			6,565		

*1 : Managers refer to employees who assume managerial roles and administrative duties.

*2 : Training include physical and online courses.

◎ Return on human capital investment of First Financial Holding in the past 4 years

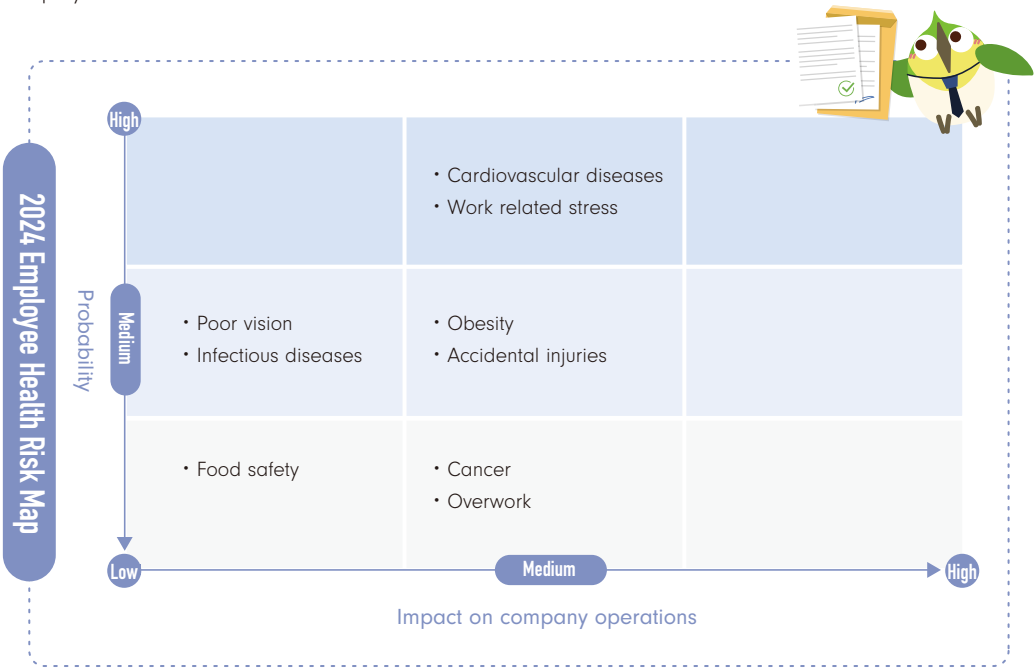
Item \ Year	2021	2022	2023	2024
Consolidated net income (a) (NT\$1,000)	23,433,444	24,486,604	28,262,256	31,237,709
Operating expenditure (b) (NT\$1,000)	26,274,683	27,787,186	30,381,928	32,504,823
Employee benefits expenditure (c) (NT\$1,000)	17,331,619	17,818,913	18,730,480	20,080,525
Human Capital ROI (a-(b-c))/c	0.84	0.81	0.89	0.94
Total no. of employees	9,969	10,095	10,305	10,317

Occupational safety and health

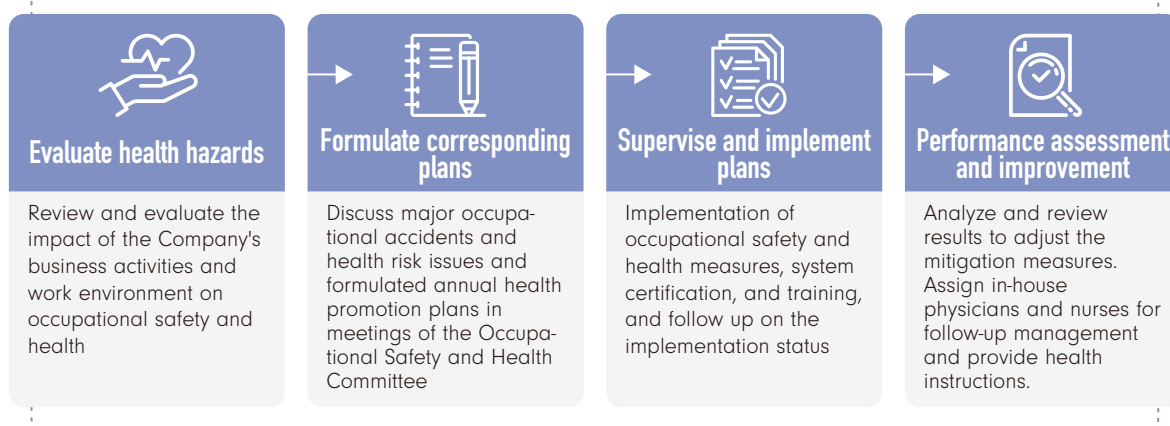
GRI：403-1、403-2、403-3、403-4、403-5、403-6、403-8、403-9、403-10

2-1 Occupational Safety and Health Risk Management Map

To effectively safeguard employees' safety and health, FFHC builds on the foundation of the Occupational Safety and Health Act and PDCA management cycle to identify safety hazards that may arise from various operating procedures, content and environments in accordance with important indicators such as job types, operating environments, automatic inspection plans, health examination results, age, and gender. An employee health risk map was produced based on their incidence rates and the level of impact on company operations. The map indicates that obesity, accidental injuries, cardiovascular diseases and work-related stress were the four major high and moderate risk factors in 2024. Based on these findings, we have formulated various mitigating and prevention plans targeting health risks, in order to effectively reduce the incidence of occupational hazards and health risks among our employees.



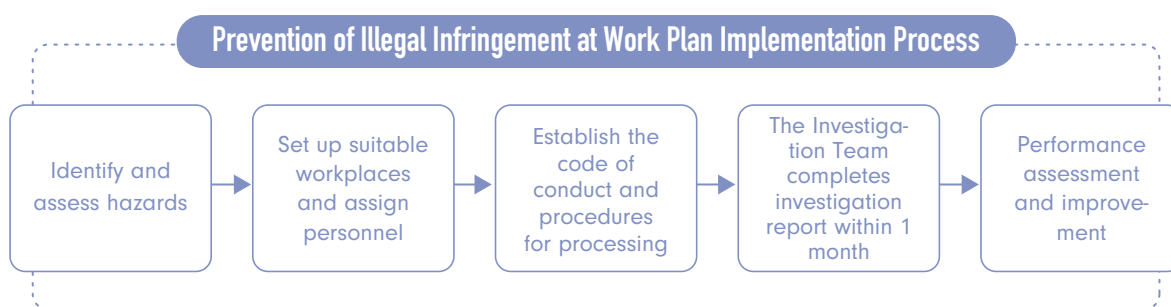
Management procedures to identify employee health hazards and occupational health and safety



The employee health risk prevention plans in 2024 are as follows

- **Health Examinations:** The Company provides regular health examinations that are above and beyond regulatory requirements. Each year, we provide subsidies for health examinations to senior executives, overseas staff, personnel on rotation for night shifts, and food catering personnel. Our partnered hospitals would visit various business units to conduct health examinations on the rest of our employees once every two years. Their medical and nursing staff would proactively ask those employees who have been notified of abnormal results to undergo re-examinations and continue to follow up on improvements. In 2024, apart from the biannual employee health examination, 133 senior executives also completed their health examinations. The Group's annual health examination cost totaled NT\$32.9 million.
- **Abnormal Workload-triggered Diseases Prevention Plan:** Each month, the employee risk identification and assessment forms for abnormal workload are filled out and submitted. Caretakers and resident physicians would reach out and follow up on medium- and high-risk employees. Related health education information is provided to low-risk employees via email. In 2024, we sieved out a total of 106 medium- and high-risk employees, while 63 employees were identified as having low risk.
- **Human-factor Hazard Prevention Plan:** Questionnaires for muscle and bone anomalies (for suspected hazards) are filled out by employees themselves for evaluation every year. Physicians stationed in-house would try to understand the details about each case and provide suggestions for improvement, in addition to following up on their improvements. In 2024, the number of employees suspected of suffering human-factor hazards totaled 234 people. Among them, 221 people's conditions improved after receiving reach-out phone calls from healthcare professionals, who were able to offer suggestions after identifying the causes of their symptoms.
- **Maternal Employee Health Protection Plan:** Pregnant employees, female employees who have returned to their posts within one year of childbirth and their supervisors are required to fill out the "Initial Assessment Form for Post-Pregnancy & Postpartum Workplace Hazards" and "Self-Evaluation Form for Employee Health", in order to assess the impact of work on maternal health. In 2024, 213 female employees joined the Maternal Employee Health Protection Plan. All told, healthcare professionals completed and confirmed 400 risk hazard assessments, as information on health education and maternity benefits and allowances was provided.
- **Prevention of Illegal Infringement at Work Plan:** Our senior management have all signed the "Written Declaration for the Prevention of Illegal Infringement at Work". Courses relating to the prevention of illegal infringement at work have been incorporated into employee educational training. We seek to reduce the incidence of illegal infringement at work both internally and externally through providing a safe workplace, information on pressure alleviation and complementary psychological counseling, as well as through appropriate manpower allocations. Moreover, an "Illegal Infringement Complaint Investigation Team" has been established by representatives of the employer and employees to conduct investigations into related grievances.

If the Company receives a report of illegal infringement, the Company shall assist employees in addressing the issue immediately and actively provide psychological counseling and legal assistance in accordance with the Company's internal rules and regulations based on the physical and mental state of the employees. Perpetrators in such cases shall be penalized in accordance with related regulations and they shall be transferred from their original positions to prevent further contact with the victims. The Company shall provide the victims with the necessary assistance and support, and arrange psychological counseling services, peer support, rehabilitation or leave, or adjustments in work to provide support and encouragement. The Company's medical staff shall provide follow-up care and we hire lawyers to provide assistance for civil cases to claim compensation for damages and process related litigation. In 2024, we received a total of 16 illegal infringement grievances. Among them, three cases were confirmed to be legitimate after investigation, and have all been dealt with properly.



© **Statistical table on related illegal infringement complaints in past years**

Item	Year	2021	2022	2023	2024
Illegal infringement (number of cases)		2	0	1	3

© **2024 employee health risk mitigation measures and effectiveness**

Health Risks	Mitigation/ Prevention Measures	Effectiveness
Work-related stress	We have commissioned the "Teacher Chang Foundation" to conduct "psychological counseling service" for employees	In 2024, group employees took advantage of Teacher Chang's counseling service for a total of 225 times. They could also search for related information in the "dedicated area for psychological counseling service" on the intranet.
	Physical and mental health lectures	We invited the "Teacher Chang Foundation" to organize seminars on mental health, in addition to inviting professionals to hold seminars to help relieve stress.
Cardiovascular diseases	Medical & healthcare information	Related medical & healthcare information is distributed to employees via email, which is also posted in the dedicated area for medical & healthcare information on the company intranet for review and reference.
	Deployment of AEDs (automated external defibrillators)	AEDs have been installed across 61 business locations, which have received the "CPR/AED Venue Certification".
Obesity	Conduct activities to promote health	<ul style="list-style-type: none"> We held the "Enjoy Being Slim & Exercise to Become First in Health" campaign that lasted eight months. A total of 1,572 employees signed up for it to lose 2,755.9 kilograms in total. The highest weight loss recorded by an individual was 23.6 kilograms. We conducted six health-promoting lectures (focusing on the three main aspects of diet, knowledge and exercise), and invited dietitians, physicians and fitness trainers to speak in the lectures. There were a total of 1,163 attendees.
	Nutrition management	Professional dietitians have been hired to design recipes for our employee restaurants. Less oil and salt is used in the cooking process, and we also partner with organic vegetable farms to provide fresh and traceable food ingredients to take care of our employees' dietary wellbeing. In 2024, an average of 846 employees patronized these restaurants every day.
Accidental Injuries	<ul style="list-style-type: none"> Raise the awareness with official internal documents Enhance notification of occupational hazards 	Employees are regularly reminded to look out for traffic safety when they come to and return from work, or go out on a business trip. They should be mindful of traffic conditions and the condition of their vehicles. They should walk carefully and slowly, and refrain from running at the workplace. They should bear in mind not to use mobile phones when they are on the move in order to prevent accidents.

2-2 Workplace Safety

Implementation of OSH-related Activities and Training

The Company has established an "Occupational Safety and Health Committee" (OSH Committee) in accordance with the related workplace safety laws. The committee will have 7 members comprising of the employer, labor representative and department manager, with 3 members, or 43% coming from the labor union. Conduct quarterly meetings to review various health related issues, prevention of illness and health promotion matters, occupational hazards reports and others. Pay attention to employee health and workplace safety issues, in addition to the regular tracking of the progress of implementing items agreed upon in the meeting such as: safeguarding public safety in the workplace, tracking and management of employee health, supervision of safety and hygiene, and other measures beneficial to improving workplace safety and hygiene management.

◎ Statistics on Occupational Safety and Health Committee meetings in the past years

Item \ Year	2021	2022	2023	2024
No. of meetings	4	4	4	4
Proposals	8	6	10	4

All business units have appointed an OSH supervisor, first-aid personnel and fire-prevention manager to protect the safety and health of business units. Certified personnel are also dispatched to receive on-the-job training in accordance with the frequency specified in regulations to keep their OSH knowledge up to date. A continuous workplace safety and health inspection plan is also practiced to build an accident-free workplace.

◎ Statistical Compilations of Occupational Safety and Hygiene Related Training for the past years

Item \ Year	2021	2022	2023	2024
Number of Trainees and Training Hours for Workplace Safety and Hygiene Managers	702 / 5,205*	35 / 1,087	700 / 5,048*	35 / 1,116
Number of Trainees and Training Hours for Fire Hazard Prevention Management	9 / 108	50 / 582	636 / 4,002*	28 / 330
Number of Trainees and Training Hours for Emergency Rescue	19 / 342	640 / 2,375*	32 / 512	32 / 512
Number of Trainees and Training Hours for ISO 45001 Management Systems	44 / 66	22 / 33	62 / 115	59 / 156
General employee	3 hours of OSH in-service training over 3 years			

* : Supervisor training for occupational health and safety is conducted once every two years, on-the-job training for fire prevention managers and first responders is conducted once every three years.

Improvement of the "ISO 45001 Safety and Health Management System"

In 2024, 65 business location obtained healthy workplace certification (Health Initiation Badge and Health Promotion Badge) from the Health Promotion Administration, Ministry of Health and Welfare. We also introduced the "ISO 45001 Occupational Safety and Health Management System" to our Headquarters Building. The President committed to and signed the occupational safety and health policy, which has been promulgated on the internal corporate website. We strive to enhance various management measures through the Plan-Do-Check-Act (PDCA) management principles. We also seek to find out safety concerns and opportunities for improvement through mechanisms such as management reviews, internal audits, automatic inspections, and safety and health inspections, in order to ensure that the system's spirits have been effectively implemented on the management level. We continued to obtain verification from the British Standards Institution (BSI) in 2024, and the scope of application has been expanded to cover all domestic business units. Verification targets now include the entire staff at our Headquarters Building as well as contractors.

© The Company's occupational health and safety management system

Item	Description															
Organization	<ul style="list-style-type: none">For the Occupational Safety and Health Committee, the President appoints the Vice President of a business group to oversee committee operationsType of meeting: One face-to-face meeting every quarterMeeting agenda: Review, coordinate, and give advice on safety and health-related mattersParticipants: Committee members (including supervisors of business units and labor representatives), occupational safety and health management personnel, and medical and nursing staff															
Risk Identification	Obesity, accidental injuries, cardiovascular diseases and work-related stress were identified as high and moderate risk factors in 2024.															
Target setting	<ul style="list-style-type: none">We set the target that 100% of the employees who had been notified of major abnormalities in health examinations would be concerned by medical staffs by phone.We obtained healthy workplace certification for 65 business locationsTo educate employees and raise their awareness on occupational safety and health from time to time															
Supervision Mechanisms	The Occupational Safety and Health Committee monitors the effectiveness of the implementation of related issues on a quarterly basis															
Internal/ External Audit	Including compliance audits and ISO 45001 internal audits.															
	<table><tr><th></th><th>Audit content</th><th>Auditors</th><th>Audit month</th><th>Audit results in 2024</th></tr><tr><td>Compliance audit</td><td>Compliance to regulatory and other requirements</td><td>Department heads, deputy heads not appointed as managers of occupational safety and health businesses</td><td>June and December of each year</td><td>No improvements were necessary</td></tr><tr><td>ISO 45001 Internal audit</td><td>Operating procedures, policy guidelines, and the execution of ISO management systems</td><td>Auditors with ISO 45001 internal audit licenses</td><td>Completed in Q3 of each year (prior to external audits)</td><td>No improvements were necessary</td></tr></table>		Audit content	Auditors	Audit month	Audit results in 2024	Compliance audit	Compliance to regulatory and other requirements	Department heads, deputy heads not appointed as managers of occupational safety and health businesses	June and December of each year	No improvements were necessary	ISO 45001 Internal audit	Operating procedures, policy guidelines, and the execution of ISO management systems	Auditors with ISO 45001 internal audit licenses	Completed in Q3 of each year (prior to external audits)	No improvements were necessary
		Audit content	Auditors	Audit month	Audit results in 2024											
Compliance audit	Compliance to regulatory and other requirements	Department heads, deputy heads not appointed as managers of occupational safety and health businesses	June and December of each year	No improvements were necessary												
ISO 45001 Internal audit	Operating procedures, policy guidelines, and the execution of ISO management systems	Auditors with ISO 45001 internal audit licenses	Completed in Q3 of each year (prior to external audits)	No improvements were necessary												
Performance-linked Remuneration	The performance assessment of occupational safety and health supervisors is correlated to their supervisory results, which are incorporated as one of the items in their annual reviews. There is a high level of correlation between remuneration and business results. Its grading standards are as follows:															
	<table><tr><th>Grading</th><th>Indicators</th></tr><tr><td>Unsatisfactory (≤60%)</td><td>Half of the KPIs in the semi-annual evaluation have not been completed or there are major deficiencies that cannot be corrected immediately, thus posing risk of immediate labor inspection and punishment.</td></tr><tr><td>Improvements needed (61%-74%)</td><td>Half of the KPIs in the semi-annual evaluation have not been completed but can be corrected immediately before labor inspections.</td></tr><tr><td>On par with expectations (75%-84%)</td><td>All of the KPIs in the semi-annual evaluation have been completed and although there are minor deficiencies but they can be corrected immediately.</td></tr><tr><td>Exceeding expectations (85%-94%)</td><td>All of the KPIs in the semi-annual evaluation have been completed and were almost faultless.</td></tr><tr><td>Extraordinary performance (≥95%)</td><td>All of the KPIs in the semi-annual evaluation have been completed and were completely faultless, and the individual is able to actively provide suggestions on corrections.</td></tr></table>	Grading	Indicators	Unsatisfactory (≤60%)	Half of the KPIs in the semi-annual evaluation have not been completed or there are major deficiencies that cannot be corrected immediately, thus posing risk of immediate labor inspection and punishment.	Improvements needed (61%-74%)	Half of the KPIs in the semi-annual evaluation have not been completed but can be corrected immediately before labor inspections.	On par with expectations (75%-84%)	All of the KPIs in the semi-annual evaluation have been completed and although there are minor deficiencies but they can be corrected immediately.	Exceeding expectations (85%-94%)	All of the KPIs in the semi-annual evaluation have been completed and were almost faultless.	Extraordinary performance (≥95%)	All of the KPIs in the semi-annual evaluation have been completed and were completely faultless, and the individual is able to actively provide suggestions on corrections.			
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Extraordinary performance (≥95%)	All of the KPIs in the semi-annual evaluation have been completed and were completely faultless, and the individual is able to actively provide suggestions on corrections.															



Safety Protection

The FFHC Headquarters building has a defense corps and emergency SOP in place. A vice president serves as the corps commander while the heads of the Human Resource Division and General Administration serve as deputy commanders. There is also one chief director and one director, who oversee the Control Center and five teams, these being the Engineering Team, Protection Team, Supply Team, Medical Team and Firefighting Team. Each team has a team captain, a deputy captain and several team members (assigned as necessary). In the event of an emergency, they can take the necessary response measures at any time to protect the safety of employees and property in the FFHC headquarters building. Two fire drills were conducted in 2024.



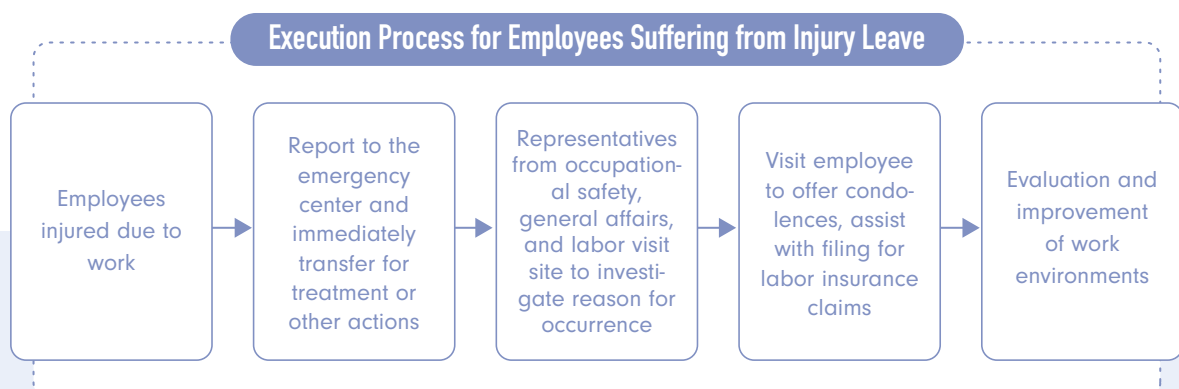
Comprehensive Insurance Plan

Apart from administering labor insurance and National Health Insurance as required by law, First Commercial Bank and First Financial AMC also assist their employees in securing group insurance policies with preferential premium, including accident insurance, personal injury protection insurance, daily hospitalization allowances, and cancer insurance, etc. These policies are available to employees, their dependents, and retirees. Moreover, First Securities, First Life Insurance and FSITC all provide employee group insurance. First Bank personnel stationed overseas are not only covered by local group medical insurance but can also enroll in the International SOS for emergency medical assistance. Half of the cost is borne by the company to meet emergency medical needs.



Occupational Injuries

Aside from complying with the "Incident Reporting Guidelines" to immediately report employees who have suffered accidental injury due to work or in the workplace, follow-up for accidents in the workplace must be conducted by the supervising department of occupational health and safety, the general affairs maintenance and repair department, the department supervisor of where the incident occurred, and a labor representative who must visit the incident site together to investigate, understand, and analyze the reason for disaster to plan preventative measures; once rectification is complete, records should be maintained for future follow-up. Support and assistance should be provided to employees as soon as possible to minimize injuries and apply for labor insurance claims or provide injury leave based on actual conditions. A total of 54 employees applied for injury leave in 2024; 0 employee suffered from occupational diseases; a total of 16 employees (including dispatch and security personnel) suffered from occupational accidents.









* : The occupational accidents include falling incidents, inappropriate actions, and traffic accidents.



© Overview of occupational injuries in 2024

Gender	Number of people on occupational injury leave	Number of days of occupational injury leave	Occupational injury rate %*1	Lost day rate %*2	Disabling injury frequency rate % (FR)*4	Severity of disabling injuries rate % (SR)*5	Number of days absent (excluding leave)	Absenteeism rate %*6
	26	274	0.42	22.18	2.10	22	15,420.60	0.71
	28	309	0.86	37.27	3.38	37	5,325.40	0.45
Total	54	583	0.52	28.23	2.62	28	20,746	0.61

© Occupational Injuries and absences in past years

Year	2021			2022			2023			2024		
Gender			Total			Total			Total			Total
Occupational injury rate (%)	0.62	0.73	0.66	0.70	0.30	0.53	0.58	0.46	0.53	0.42	0.86	0.52
Absenteeism rate	0.41	0.31	0.37	0.59	0.35	0.49	0.68	0.41	0.58	0.71	0.45	0.61
The rate of increase in absence rate compared with the previous year*9				32%			18%			5%		

*1 : Occupational injury rate: Number of people on occupational injury leave

*2 : Lost day rate: Days of occupational injury leave/ Work hours * 1,000,000

*3 : Total work hours: : 20,634,000 hours

*4 : Disabling Injury Frequency Rate (FR): Based on the total number of disabling injuries during the period in question. Disabling Injury Frequency Rate is calculated as the total number of disabling injuries for every million work hours (to two decimal places). The formula is as follows:

$$\text{Disabling Injury Frequency Rate (FR)} = \frac{\text{Frequency of disabling injuries (persons)} \times 10^6}{\text{Total hours worked}}$$

*5 : Disabling Injury Severity Rate (SR): Based on the total number of days lost due to disabling injuries during the period in question. Disabling Injury Severity Rate is calculated as on the total number of days lost due to disabling injury for every million work hours (to nearest integer). The formula is as follows:

$$\text{Disabling Injury Severity Rate (SR)} = \frac{\text{Total number of days lost} \times 10^6}{\text{Total hours worked}}$$

*6 : Absence Rate: Number of absence days (injury + sick (not including extended sick leave and menstrual leave))/total number of working days.

*7 : Atypical employees (including temporary workers and security staff) are excluded because the nature of their work is different from that of full-time employees.

*8 : Recordable occupational injury rate = 16 employees recorded with occupational injuries/total number of working hours 20,634,000 hours *1,000,000 = 0.78.

*9 : Even though the absence rates have increased gradually over the past four years, the rate of increase has dropped.



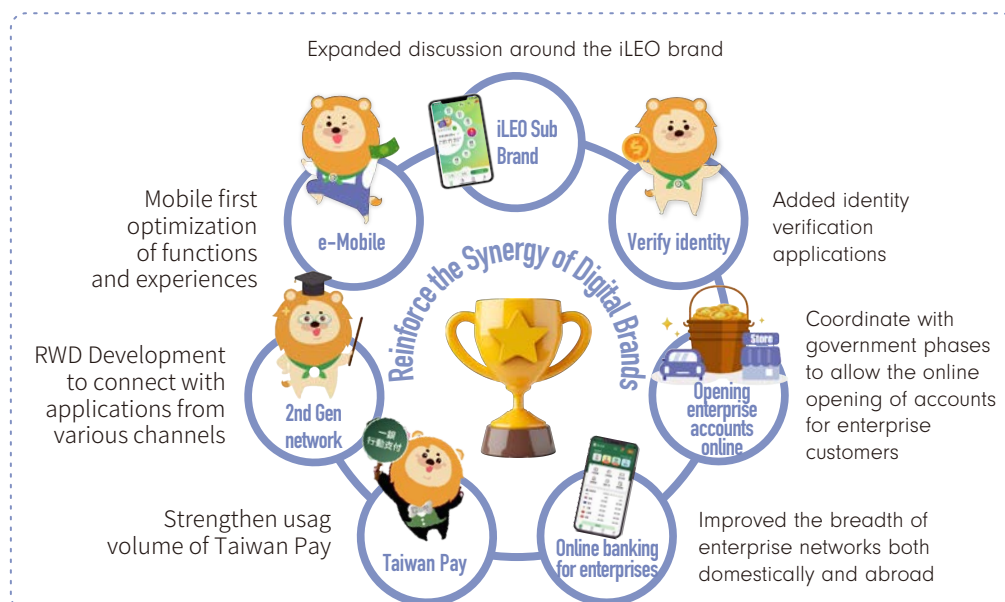
Digital innovation and inclusiveness

GRI : FS7 、 FS8

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

3-1 Optimize Digital Channel Platforms and User Experiences

First Financial Holding has been dedicated to the digital native market through a variety of channels, especially the core values of "simple, fast, innovative, and most knowledgeable of customers" promoted by the digital account sub brand iLEO. Since launch, iLEO has generated more than 1.91 million users, and recorded an increase of 22.6% in new accounts in 2024, making it the 4th largest digital account on the domestic market. The iLEO app was downloaded 1.49 million times for a YOY growth rate of 35.5%. In order to continue to heed our customers' voice, First Commercial Bank introduced Net Promoter Score - a real-time questionnaire mechanism - to the iLEO app in September 2022. The Bank also tries to stay on top of customers' needs instantaneously, and continues to strive for swift iterative optimization of each product and service through various feedback channels, such as face-to-face interviews with users and comments left at the app store.



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

Utilization of e-channels has grown by 6.97% in the last five years

83.85%
2020



90.82%
2024

3-2 Smart Applications and FinTech Innovation

Smart Customer Services

In response to the digital transformation of traditional finance, First Commercial Bank launched smart robot "Little E" to the customer service center. AI technologies such as natural language analysis and machine learning were applied to create a virtual teller capable of comprehensive services, allowing customers to utilize official LINE account, website, and APP device to submit professional inquiries online, by text or voice 24-hours a day, and immediately receive responses through the simple interface and life-like interactions. Furthermore, as part of our effort to echo the drive for bilingual financial services, the Bank has also added an English version to its smart customer services, which meet foreign nationals' need for digital banking services. A cumulative total of 1,825,018 people utilized "smart customer service" by the end of 2024 and received an accurate response rate of 98%.

Smart wealth management

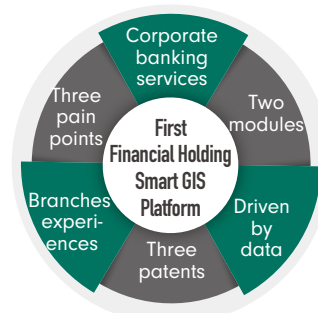
In response to the high demand for retirement planning in Taiwan's aging society, First Bank launched the "e-First smart wealth management" service in October 2020. It is the first such service that makes use of algorithms of the international investment research institute Morning Star. With the knowledge of more than 300 experts, the service offers a "human-machine collaboration" model to assist investors in allocating assets and selecting suitable investment targets. The service is distinct from other robo wealth management advisory services on the market because it caters to the investment requirements of customers with limited capital, office workers, and the general public. It also features the unique "elderly monthly pension plan" to provide customers with fixed monthly cash income upon retirement to make up for the deficiencies in personal savings and investments in the three major pillars of pension (social security, occupational pension, and personal savings and investments), and increase the income replacement ratio. We have accumulated nearly 40,000 investors by the end of 2024. The investment balance is nearly NT\$1.801 billion

Implementation of blockchain technology in supply chain financing

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

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

To continue to promote digital development, First Commercial Bank has introduced and applied the Geographic Information System (GIS) technology to the corporate loans domain. The Bank has launched "intelligent GIS work assignment" and "customer intelligence collection and management platform", two modules that link patented big data analysis model to internal and external data. A new corporate banking account model has also been developed, which visually presents customers' locations and business intelligence on mobile devices. Combining the 3 patents on the ability to calculate the best visiting route, marketing resource deployment and assistance in reaching out to enterprises and developing new customers, they not only address the three pain points of existing business process, i.e., lacking real-time lists, lacking dispatch tools and lacking information integration, but also increase front-line salespersons' ability in and success rate of developing and exploring surrounding corporate customers independently. As of the end of 2024, the project had established 815 preferred lists, consisting of 34,179 corporate customers. Big data models have also been used to help set up two marketing activities, in addition to adding 126 active corporate customer accounts. In particular, 79 customers have been granted credit lines. As a result, the Bank won the nation's top accolade in the "Best Product Category" of the 21st National Brand Yushan Award, as well as the recognition of the 12th Taiwan Elite Financial Institution Awards, where it was presented with the Excellence Award in the "Best Digital Finance" category.



3-3 Building an Environment for Digital and Innovative Finance

Artificial intelligence applications

- First Bank promoted the "e-speed loan" which provides online calculation of loan limits and application services. It also used AI appraisal models for customers to immediately calculate mortgage limits and interest rate by entering the address of the real estate in the mortgage and basic personal information online. In addition, in order to enhance the efficiency of microfinance loan approval, the "single loan application access" has been established, actively inviting payroll transfer clients of the bank to apply for credit loans; also, the automatic review mechanism has been introduced to reduce manual work processes. In 2024, a total of 40,878 credit loan and mortgage limit calculations were conducted through digital channel and 55,502 applications were filed.
- To cooperate with government policies for supporting the development of small and micro enterprises, First Bank actively promoted "Micro Enterprise e-Services" and used smart AI models to provide small and medium enterprises with online loan limit calculation services. First Bank processed a total of 5,621 loan applications on "Micro Enterprise e-Services" in 2024.

Robotic Process Automation, RPA

RPA is applied to various operating procedures. For example, it can help collect regular and highly repetitive customer data for analysis or review during the credit investigation process. As of the end of 2024, as many as 187 RPA operating procedures had officially gone online, reducing 1.06 million man hours cumulatively. That is equivalent to the workload of 530.11 full-time employees.

Mobile and online insurance

We provide consumers with diverse channels to purchase insurance products. Customers can purchase mobile insurance policies via First Commercial Bank's financial consultants, or they can go to First Commercial Bank's digital channels to purchase mobile or online insurance policies. 750 insurance products were purchased via the mobile channel in 2024, while 3,787 insurance products were sold online.

One-stop opening of accounts

First Securities and First Commercial Bank collaborated to allow new customers to simultaneously open securities and digital banking accounts online while also completing setup of the securities delivery account. In 2024, a total of 735 accounts were opened.

First Securities' ESG Smart Sustainability Index Data Platform

The platform provides ESG grading information to investors with the help of AI algorithms, including inquiries about individual stocks, compiled data for select sectors, ESG sub-categories, and account inventory. ETF can also be linked to constituent stocks for inquiries about the grades of individual stocks. Inquiries about such information can be made by accessing the two transaction platforms of "FCB e-Winner" and "First Gold Securities-Mobile Winner". It can also be directly linked to the area for placing an order, where the user can access the transaction page to inquire about the real-time quotes of individual stocks and place an order to buy or sell stocks.



3-4 Digital Money Transfers

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

Digital Financial Services Provided by the Phnom Penh Branch

In addition to providing traditional brick-and-mortar financial services to the local population, our Phnom Penh Branch also provides e-banking and apps for mobile banking services, including functions such as "money transfer/remittance to non-designated accounts and eSecure push notification and verification service", uploading the remittance slips of large sums of money via mobile banking apps, and interbank fund transfer. The Branch joined the local Bakong blockchain system in 2023, which improves receipt and payment efficiency as well as security for our customers while facilitating inclusive finance; In 2024, National Bank of Cambodia approved our Phnom Penh Branch's application to add the Account Link feature, making it easier for individual customers to manage their bank accounts. It also provides businesses with a solution for cross-bank cash management, which improves operating efficiency financially while optimizing the flow of funds.

Mobile Payment

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

Credit Card Mobile Payments

To provide credit card holders with swift and convenient payment tools, credit cards issued by First Commercial Bank can be used on various payment platforms, such as Taiwan Pay, Google Pay, Apple Pay, and Samsung Pay. Customers can choose appropriate payment methods based on their mobile devices. A range of marketing campaigns have been held to guide customers to gravitate toward mobile payment tools, reduce cash usage, and increase the amount of mobile payment transactions in Taiwan. To motivate card holders to use mobile payments, we activated the feature to rapidly link our credit cards to Apple Pay and LINE Pay in December 2024. As of the end of 2024, the number of our credit cards linked to mobile payments had reached 1,249,423 cards, up 17.6% from 2023.

Payment Facilitated by Pre-arranged Deposit Account Link

To expand mobile payment applications of deposit accounts, First Bank continues to work with 9 electronic payment operators such as "JKOS (JKOPAY)", "iPass (iPass MONEY)", "EasyCard (Easy Wallet)", "PX Mart (PXPay)". First Bank ranked first among partner banks in the "Payment Facilitated by Pre-arranged Deposit Account Link" by satisfying customers' demands for day-to-day payments. First Bank implemented the "integrated account binding for digital account opening" in collaboration with iPASS and launched the "iPass MONEY" direct connection to digital account opening service, becoming the first government-owned bank to launch the service. The system automatically connects the account after it is opened to optimize the mobile payment experience. Also, collaboration with iPASS is currently underway for "reverse linking", which allows customers to utilize their iLEO app to link their account with "iPASS MONEY", thereby accelerating the linking process and expanding the content of mobile banking services.

3-5 Accessible Digital Banking Services for Persons with Disabilities

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

<p>First Commercial Bank - Friendly Financial Service Network (services related to accessible e-banking)</p>		<ul style="list-style-type: none"> • Our Friendly Financial Service Network provides service items such as simplified e-Banking (including features such as TWD/foreign currency account service, wealth management KYC evaluation, changing login username/password for e-Banking), financial information inquiries, simplified eATM, and discount applications for persons with disabilities. In addition, information relating to accessible services is also promulgated and published on this network. • First Commercial Bank's simplified eATM, simplified e-Banking and Friendly Financial Service Network have obtained A, AA and AAA emblems respectively from the National Communications Commission based on the "Web Content Accessibility Guidelines 2.0", as we strive to provide premium and barrier-free Internet services.
<p>First Securities - Accessible Financial Services Zone</p>		<ul style="list-style-type: none"> • It provides 24-7 search for online market updates, opening accounts online, placing online orders, securities trading app, and other accessible investment services • The interface allows adjustment of text size, graphical instructions, and discloses a dedicated phone number for detailed explanatory services • The voice quotation and transaction service over the telephone is available online, so that customers with auditory or physical disabilities can also participate in investments and transactions. An audio guide service was added in 2023, offering text-to-speech functionality. • We received the AA-class emblem from the National Communications Commission in accordance with the "Web Content Accessibility Guidelines 2.0"
<p>First Life Insurance - Accessible Services Zone</p>		<ul style="list-style-type: none"> • The zone provides information on micro insurance products, accessible services and measures, and company introduction • The "A + Life" section on the official website analyzes customers' policy needs and offers insurance planning services • Platforms such as "First Life Insurance Online Insurance" and FundRich's "Protection Type Insurance Product Platform" offer accessible channels for obtaining insurance • We received the AA-class emblem from the National Communications Commission in accordance with the "Web Content Accessibility Guidelines 2.0"
<p>FSITC - Accessible Financial Services & Measures</p>		<ul style="list-style-type: none"> • FSITC provides accessible facilities, with a "wheelchair ramp" installed at the business hall on the first floor. Elevators in the building are also fitted with hand rails. • Personalized service with respect to financial products on offer is available to persons with disabilities.

First Commercial Bank continues to make it more convenient for persons with disabilities and foreign customers to use ATMs. As of the end of 2024, 543 of our ATMs had been wheelchair-friendly. In particular, 523 ATMs conform to accessibility requirements (such as ramps), (including 5 accessible ATMs with an auxiliary screen); furthermore, 232 of them are talking ATMs made available to people with visual impairment, and the cash deposit feature has been added. People with visual impairment can plug their headsets in the headphone jack to access the speech mode. Braille instructions are deployed at various operating positions for clear tactile identification. With the aid of speech instructions, people with visual impairment can be walked through the whole process step by step, and do not need help from others to independently complete his intended ATM transaction or inquiry. Multi-lingual service was deployed on existing ATMs in 2023, offering new interfaces in Japanese, Vietnamese, Indonesian and Thai to improve the inclusiveness of financial services.

3-6 Cross-Industry Alliance

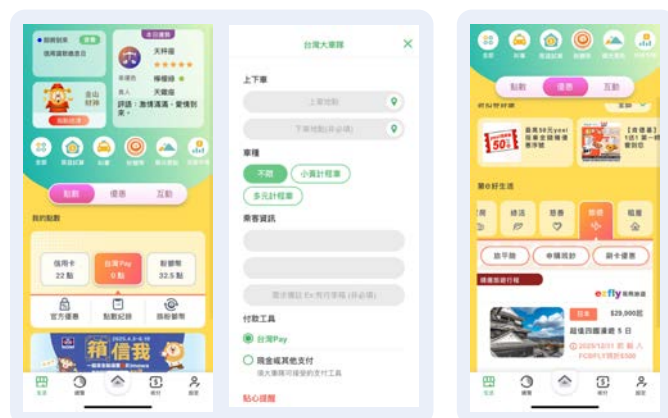
The Group continues to embed its financial services into various fields including food, clothing, housing, transportation, education and entertainment through strategic alliances. We seek to create application scenarios closer to consumer needs by teaming up with partners from other industries. Since 2020, we have accumulated 110 collaboration cases, as we employ the twin core strategies of the "Bank as a Service (BaaS) model" and "Bank as a Platform (BaaP) model" to expand digital channels and implement customer management, in order to create a synergistic cross-industry ecosystem.



In terms of the BaaS model, we continue to guide customers through packaged exclusive benefits, expand and create synergy, and cultivate customer stickiness. For example, we have collaborated with "Internet shopping" company Yahoo Shopping and gaming company "Soft-World International Corporation" on digital account opening and promoting diverse business operations. Thanks to these collaborations, we are able to embed our financial services into different fields, and serve more diverse demographics from various age brackets.

Development of the Bank as a Platform (BaaP) model has gradually matured. For example, we have rolled out the dedicated one-stop shopping "First Good Life" zone on the iLEO app, covering four scenarios including travel, home rentals, green consumption and charity. Since going online in November 2023, the service had accumulated more than 200,000 visits as of the end of 2024. Moreover, we have also partnered with the 55688 Group's Taiwan Taxi, the largest taxi fleet operator in Taiwan. Through cross-industry alliance and API integration, customers can hail a taxi and pay for the fare simultaneously with the iLEO app, as part of our efforts to provide a convenient, friendly and safe service platform.

In addition, cross-industry alliance can also realize inclusive finance and the concept of ESG sustainable life. We have partnered with FET Intelligent Technology's uTagGo to provide customers the opportunity to convert their iLEO coins into "decarbonization automotive coins", which can be used for deducting highway tolls and parking fees and can also reduce printing of paper bills. Moreover, we have aligned our offerings with "cloud invoice app" companies' services, such as utilities payment, checking the winning numbers with three simple digits, and LINE invoice winning notification. We would also conduct marketing and promotional events to respond to the call for environmental protection with concrete actions.

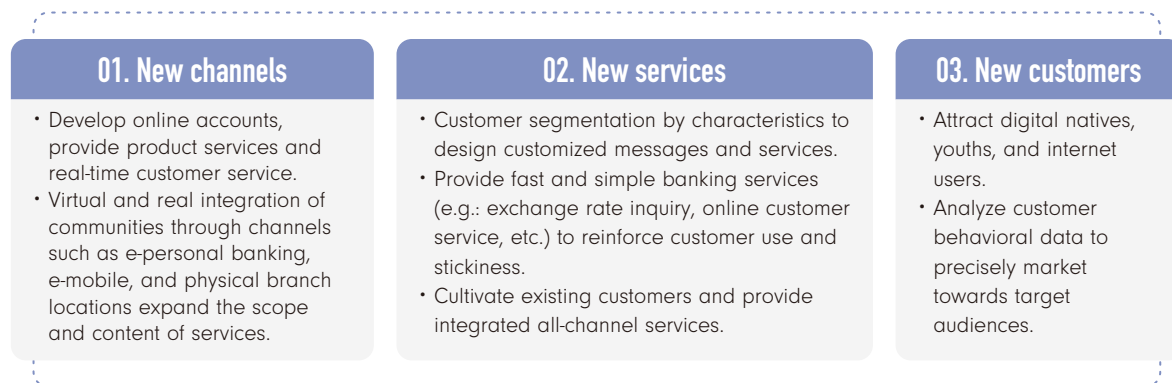
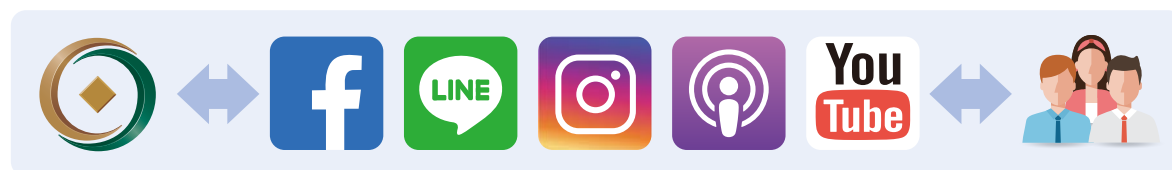


| Customers can hail a taxi and pay for the fare simultaneously with the iLEO app

| Link ezTravel (travel) features to iLEO app; we devote ourselves to developing everyday life, payments, travel and home rentals scenarios

3-7 Social Media

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



The First Bank Facebook fan page combines the products with current affairs and issues in daily life to compose posts, enhancing the communication and stickiness of customers of all ages



742,000
Number
of fans

299
Marketing
promotion cases

7,595,000
Reach

First Bank's Instagram account attracts the attention of young people with rich and lively content such as lucky draws, stories and short reels.



37,000
Number
of fans

Aside from programs such as "FCB Hot Topics", "FCB Radio", and "Almighty Bank Teller", First Commercial Bank's YouTube channel also cooperates with Internet influencers' channels to reach out to different audiences and introduce the Banks' financial products.



31,000
Number of
subscriptions

First Commercial Bank's official LINE account launched a wide variety of iLEO point collection, exchange services, iLEO stickers, and interactive tagging events in order to achieve precision marketing.



6,734,000
Accumulated
number of
friends

813,000
Personalized
services
bound

167
Business
cases
promoted

281.5
million
reach

The "Chitchat with FCB on New Stuff" podcast has been launched to delve into sustainability issues such as climate action, health and welfare, quality education, and gender equality.



Total 115,000 downloads of 2024 was far more than the total 44,000 downloads of 2023

First Securities Investment Trust's Facebook fan page communicates with fans by providing topics such as market trends, fund information, technology news, event information and good books on financial management



40,000
Number
of fans

176
posts

3.55
million
Reach

FSITC's official LINE account provided information such as fund promotions, the latest market trends, and industry news for customers to grasp the latest investment trends



15,000
Accumulated
number of friends

199
messages

1.26
million
Reach

FSITC's YouTube channel shared online videos investment information being focused on by markets and hosted livestreams to help fans grasp the pulse of investment



3,512
Number
of subscriptions

29
clips

0.33
million
Watch

Talent retention and accessibility benefits

GRI : GRI 2-19 、 201-3 、 401-1 、 401-2 、 401-3 、 404-2

SASB : FN-CF-270a.1

4-1 Competitive remuneration and performance evaluation system

FFHC regularly references professional institutions' survey reports on market remuneration and benefit levels. Our employees' full salary is on par with the P70 level (i.e. better than 70% of our financial market peers). In 2024, a pay raise of around 4.6% was implemented across the board. After promotion and full seniority bonuses were factored in, the overall rate of pay hike exceeded 8%. The average salary of our full-time employees in non-supervisory positions was NT\$1,539 thousand, up 10.16% from NT\$1,397 thousand in 2023. The total employee benefit expenses amounted to NT\$20.08 billion in 2024, up 7.21% from NT\$18.73 billion in 2023.

For employee compensation at overseas units, we take into account the remuneration survey results of international management consultants as well as local economic data, compensation trend forecasts and information exchanged with local competitors. The pay grade principle was used to gradually adjust the remuneration standards of local employees overseas. We are also focusing on global human resources issues to better look after the livelihoods of local employees and compliance with labor laws.

The average monthly salary of FFHC's employees at our overseas business locations, regardless of whether they are of Taiwanese nationality or local hires, is higher than or close to living wages. We adopt the Anker Methodology for Estimating a Living Wage. Using Numbeo's database and the monthly necessary living expense promulgated by Taiwan's Ministry of Health and Welfare, we have established FFHC's living wage database for our business locations around the world, which is used to evaluate the gap between employees' salaries and living wages. By doing so, we are able to realize a workplace that respects labor based on FFHC's fair compensation framework.

◎ Information on salary of full-time non-supervisory employees

Item \ Year	2021	2022	2023	2024	Percentage of change (%)
Number of people	8,171	8,360	8,473	8,543	0.83
Average salary (Thousands NTD)	1,294	1,337	1,397	1,539	10.16
Median salary (Thousands NTD)	1,180	1,245	1,293	1,402	8.43

* : Calculated in accordance with Article 3, Paragraph 1, Subparagraph 31 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Fund.

◎ Chart for Comparing Salaries at FFHC's Domestic Business Locations (Six Major Metropolises) and Living Wages

Unit: NT\$/dollar

Region	Average Monthly Salary (A)	Monthly Necessary Living Expense Promulgated by the Ministry of Health and Welfare in 2024 (B)	Ratio (A/B) (%)
Taipei City	71,657	19,649	365
New Taipei City	64,814	16,400	395
Taoyuan City	69,705	15,977	436
Taichung City	70,528	15,518	455
Tainan City	69,567	14,230	489
Kaohsiung City	72,083	14,419	500

◎ Chart for Comparing Salaries at FFHC's Overseas Business Locations and Living Wages

Unit: NT\$/dollar

Country	City	Average Monthly Salary (Taiwanese employees)	Average Monthly Salary (local hires)	Local Living Wage*	Extent of Correspondence
USA	New York	262,558	247,458	152,200	Better than local living wages
	Los Angeles	254,946	198,319	136,362	
	Houston	242,684	176,861	137,795	
	Guam	261,253	102,757	98,853	
Canada	Vancouver	328,305	130,325	93,779	
	Toronto	285,981	133,496	94,251	
Singapore	Singapore	281,206	155,325	119,590	
Vietnam	Hanoi	276,759	29,610	12,917	
	Ho Chi Minh City	252,285	29,147	14,786	
Cambodia	Phnom Penh	256,710	23,341	12,568	
United Kingdom	London	272,954	178,588	120,558	
Germany	Frankfurt	288,599	251,473	123,998	
Australia	Brisbane	258,140	192,623	110,612	
The Philippines	Manila	242,728	31,825	15,914	
Japan	Tokyo	253,171	104,338	73,123	
Laos	Vientiane	276,893	35,104	6,836	
China (including Hong Kong and Macao)	Shanghai	251,226	53,674	45,348	Close to local living wages
	Xiamen	252,558	47,438	24,785	
	Chengdu	246,250	36,659	26,506	
	Macao	285,972	79,113	61,512	
	Hong Kong	254,833	101,585	109,947	

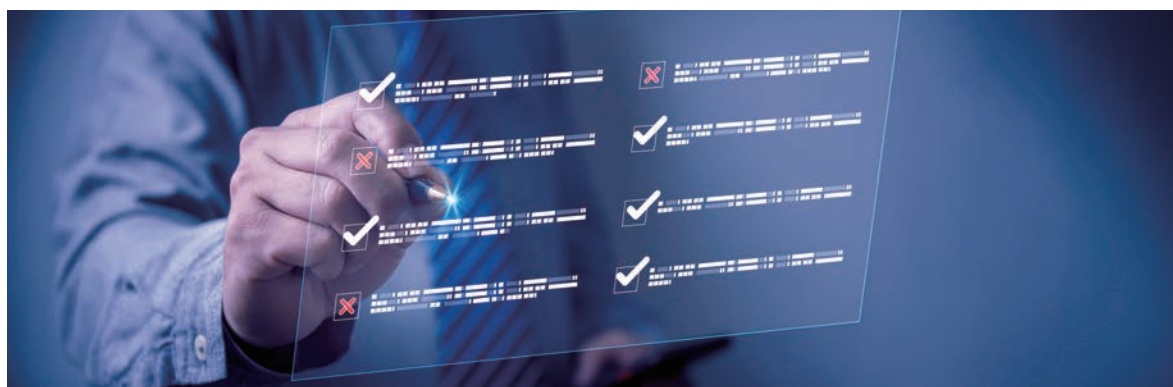
* : Living wages refer to salary levels provided to employees and their families in order to maintain a reasonable living standard, with country-specific situations taken into account and the amount of work completed within normal working hours calculated. Local living wages listed in this chart are sourced from Numbeo, the world's largest living wage database, <https://www.numbeo.com/cost-of-living/>.

The Company provides a fair and reasonable employee performance assessment system., in an effort to build a consensus on personal goals imposed by the Company on each employee. The Company would reference each employee's mid-year assessment results to evaluate his/her annual performance at the end of each year. 35% of our employees' year-end bonuses are based on their long-term performance and special contributions. Each subsidiary has also set up its reward systems for the promotion and sales of sustainable financial products and services. ESG educational training accounts for around 5% to 6% in performance assessments. In 2024, 30.2% of group employees' compensation was related to their performance regarding sustainable financial products. The Company has also formulated the "Employees Stock Options Purchase Plan". When the Company conducts a round of cash capital increase, we would allocate shares to each company's employees at prices more favorable than market subscription prices, in commensurate with their pay grades, tenure periods and performance. Tenure and pay grades are also factored in when calculating employee compensation. When evaluating employee promotions, we would also take into account their assessments and award/punishment records from the past nine years. When selecting and promoting management trainees, we would also consider their assessment results from the past five years, in addition to making participation in volunteering events a prerequisite. It is evident that the Group's employee compensation is highly correlated to their long-term performance and our sustainable development strategies. Additionally, we strive to promptly respond to market trends and changes by shaping a culture of agile communications that values teamwork.

© Method of Employee Performance Assessment

Applicable to	Implementation frequency	Implementation details	Results
Senior executives* (3.1%)	When necessary	Conduct reviews and assessments based on each company's key indicators; and the reviews include finance-oriented and non-finance-oriented indicators	They would serve as the basis for year-end performance assessments, compensation, and the adjustment and distribution of performance bonuses
Management by Objectives System			
All employees excluding senior executives* (96.9%)	During the first half and second half of each year as well as the end of each year	Performance assessment results serve as the basis for decisions on talent selection, pay increases, and the distribution of performance bonuses	Depending on employees' actual performance, supervisors may help them refine or improve their work through the performance assessment program. Approximately 35% of the annual bonus is rewarded in commensurate with each employee's long-term performance as well as their special contributions
Multi-Dimensional Assessment			
Supervisors* (17%)	When necessary	Assessment angles encompass direct supervisors, subordinates and self-assessment in order to evaluate an employee's management performance and leadership potential	The assessment would serve as the basis of reference for the career development of supervisors
Teamwork Performance Assessment			
Salespersons	During motivational activities and at year's end	It correlates a department's operational performance with the assessments of salespersons so that there is a high level of correlation among individual sales ability, compensation and bonuses, and departmental performance	Departmental performance in a given year would serve as an important basis for the distribution of annual performance bonuses in that year
Agile Communications			
Salespersons	When necessary	Business target assessments are conducted on employees in sales departments, and professional know-how such as product sales techniques are also shared with them. Supervisors would also offer their feedback in accordance with colleagues' individual performance in order to help them achieve the annual sales target.	Review salespersons' performance based on the team sales target; adjust compensation and bonuses in accordance with performance; or provide assistance in refinement or improvement in order to achieve the team goal.

* : Share of employees who have taken performance evaluation



4-2 Talent Retention Measures

FFHC retains talent through forward-looking benefit packages, and encourages our employees to make long-term savings plans and plan for retirement. Since 2019, First Commercial Bank has been providing the "Establish Employee Savings and Stock Ownership Trust", offering full-time employees who have worked for the Company for more than half a year the choice of participating in this savings or stock ownership trust program. After that, various companies within the Group have conducted their employee stock ownership trust programs across the board since 2024, in which the companies subsidize and contribute a fixed amount of funds to invest in and hold FFHC stocks for long-term ownership in order to enhance cohesion. The participation rate was 94.98% till the end of 2024. Employee return ratios from the investment balance of the mandatory pension contribution account are formulated in accordance with the duration of their participation:

Years of enrollment	Value of the policy account with company contribution of insurance premiums and contribution ratio (%)
< 3 years	0
3-6 years	50; Calculated based on the accumulated policy account value of the insurance policy at the time
6 years or more	100; Calculated based on the accumulated policy account value of the insurance policy at the time

FSITC has formulated the "Investment Researcher's Compensation and Penalty Plan", in which fund managers who have consistently met two-year or three-year standards for their performance in fund operations are eligible for long-term performance bonuses distributed in installments. The plan is meant to urge them to pay attention to long-term performance.

Additionally, First Life Insurance also contributes to the employee job retention benefit fund every month, in addition to repurchasing group annuity insurance policies in accordance with their own wishes, as part of the company's efforts to boost its employees' economic autonomy after they retire. As of the end of 2024, 153 employees had signed up for the plan, and NT\$57.28 million had been contributed cumulatively.

FFHC is devoted to promoting the workplace vibe of a happy company, providing a comprehensive system for benefit packages and compensation/bonuses. It encourages employees to vie for better performance through an incentive reward distribution mechanism. Furthermore, we have also established a smooth channel for promotion, and regularly conduct talent selection, assessment and promotion-oriented training exercises for manager trainees at various levels as well as for overseas management. We have built a database for the purpose of compiling data for analysis in accordance with employees' attributes, experiences and characteristics, which serves as an important reference for employees' career development and planning. Except for ordinary new hires who replenish retiring and departing employees, all professional and management talent are mostly cultivated in-house. We also encourage employees to use their off-duty time to pursue on-the-job training and learning. We also subsidize related tuitions in accordance with courses and grades. Employees pursuing a master's degree both at home or abroad can apply for unpaid leave for up to three years. This measure is intended to develop lifelong employment capabilities for employees in order to increase corporate sustainability.

To promote internal talent flows and plan for employee career development, we value employees' on-the-job training, in addition to enhancing the disclosure of information pertaining to internal job openings. We also enforce systemic job rotations in hopes of reducing employee turnover rates. At the end of 2024, the Group's turnover rate stood at 5.52%. However, the turnover rate was 4.54% after deducting those forced to retire in compliance with the Labor Standards Act. As of the end of 2024, 76.67% of our internal job vacancies had been filled.

The Company has raised the starting pay for new hires on multiple occasions in recent years. The 6.5% pay raise is higher than half of our industrial peers. The ratio between our starting pay for entry-level employees and the nation's minimum wage is 1.5:1. We strive to establish a differential bonus system through a transparent and fair mechanism for promotions and performance assessments. The retention rate of new hires was 86.61% in 2024. Pensions are disbursed to retirees in accordance with the "Employee Pension Rules". In 2024, approximately NT\$682 million was contributed to the retirement pension.

◎ Employee Resignations in 2024

End of 2024	Total no. of employees	Female				Male				Total	
		Less than 30	30-50 years old	Over 51 years old	Retirement at 65 years	Less than 30	30-50 years old	Over 51 years old	Retirement at 65 years		
Number of employees in Taiwan	9,726	62	103	33	64	63	96	23	37	262	219
Percentage of total employees (%)	94.27	0.6	1.0	0.32	0.62	0.61	0.93	0.22	0.36	2.54	2.12
Number of employees overseas	591	23	20	11	0	16	14	4	0	54	34
Percentage of total employees (%)	5.73	0.22	0.19	0.11	0	0.16	0.14	0.04	0	0.52	0.33
Total	10,317	85	123	44	64	79	110	27	37	316	253
Percentage (%)	100	0.82	1.19	0.43	0.62	0.77	1.07	0.26	0.36	3.06	2.45
Percentage of employees of the same gender/age (%)	-	8.6	3.37	2.86	-	14.8	5.04	1.9	-	5.11	6.11

◎ Overview of employee resignation rate and recruitment cost over the past years

Item \ Year	2021	2022	2023	2024
Resignation rate (%)	6.96	7.08	5.65	5.52
Resignation rate (%) – Excluding retirees	5.81	6.03	4.79	4.54
Voluntary resignation rate (%)	5.67	5.92	4.70	4.36
Average recruitment cost (NT\$)*	11,708	12,875	9,287	16,742
Total no. of employees	9,969	10,095	10,305	10,317

* : Average recruitment cost = (recruitment expenses for the entire year/number of new employees) + training expenses; The Company hired more new employees in 2024 to lower down the cost.

◎ Ratio of open positions filled by internal candidates in past years

Category \ Year	2021	2022	2023	2024
Ratio of open positions filled by internal candidates (%) *1	79.53	70.07	74.73	76.67
Ratio of management positions filled by internal candidates (%)	99.29	99.40	100	100
Ratio of non-management positions filled by internal candidates (%)	42.67	32.03	43.37	25.41 *2

*1 : Ratio of open positions filled by internal candidates = number of internal candidates accepted / open positions

*2 : Due to the fact that more professional job openings related to IT and compliance became available in 2024 and that they were difficult to be filled via internal transfer, the openings were mostly taken up by external hires. Hence, there was a decline in the fill rate of non-supervisory positions.

◎ Information on the Group's Pension Contributions over the Years

Unit: Thousand NTD

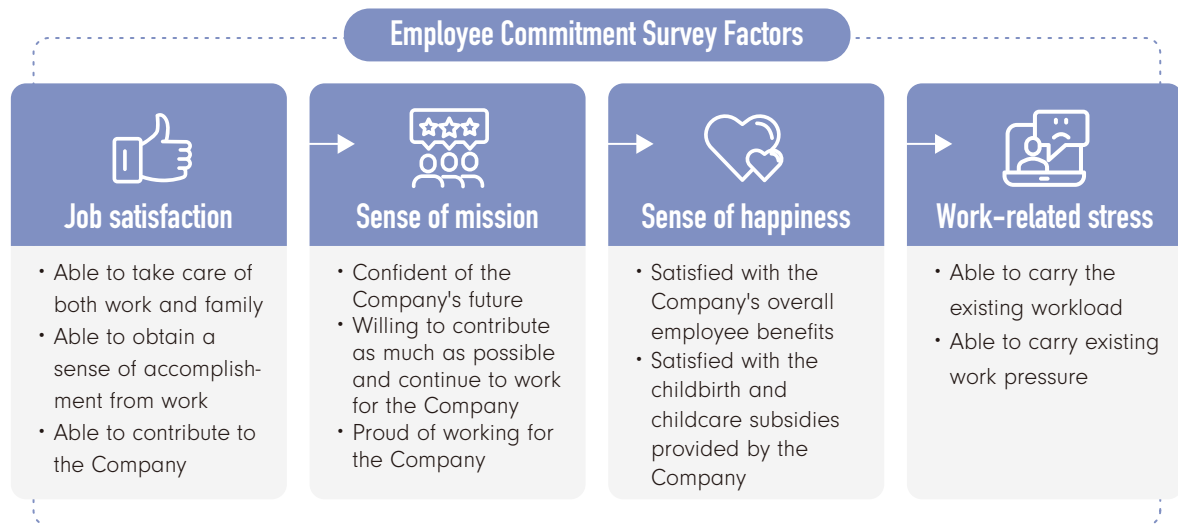
Type \ Year	2021	2022	2023	2024
New Pension System	290,930	331,939	347,283	378,830
Old Pension System	334,556	306,310	280,610	274,224
Overseas Staff	17,883	19,576	24,844	29,302

For more details about the contribution plan and related status, please refer to page 87 of the Company's 2024 Annual Report



4-3 Employee Commitment Survey

Through the employee commitment survey, the Group has been listening to our employees' feedback on their level of job satisfaction and company recognition as well as suggestions on training and development since 2017, in an attempt to improve and optimize related operational and management systems. The overall level of employee commitment was 90.54% in 2024, setting a new high in three years while indicating that the Group's employees are actively committed to their jobs and willing to contribute to delivering on the Group's objectives and missions. It is also indicative of the fact that, in the face of an ever-changing financial environment, agile communications and an agile management model are effective in solidifying team cohesion, enhancing structural resilience, and creating a successful corporate culture.



◎ Employee Commitment Survey Results of the Group from the Past Three Years

Item \ Year	2022	2023	2024
Number of questionnaires	9,375	9,557	9,638
Number of returned questionnaires	9,201 (Male:3,759/Female:5,442)	9,319 (Male:3,913/Female:5,406)	9,421 (Male:3,889/Female:5,532)
Recovery rate (%)	98.14	97.58	97.75
Overall commitment (%)	91.74	91.88	90.54
Level of commitment of male employees (%)	92.77	92.98	92.11
Level of commitment of female employees (%)	91.04	91.16	89.43

* : >90% represents a high degree of professionalism, 80-90% represents a medium degree of professionalism, <80% represents a low degree of professionalism.

Improvement Mechanism

- Our senior colleagues would lead and guide new hires to help them familiarize themselves with their job descriptions and the corporate culture as quickly as possible. Supervisors would reach out to provide additional care to increase talent retention rates.
- Enhance educational training in competency, and ensure the transparency of job assignments
- Designate employees with high performance and high potential to participate in professional training courses
- Enhance employee benefit packages, and increase employee benefit expenses
- Conduct monthly labor-management meetings, and maintain good channels of communications

Improvement Results

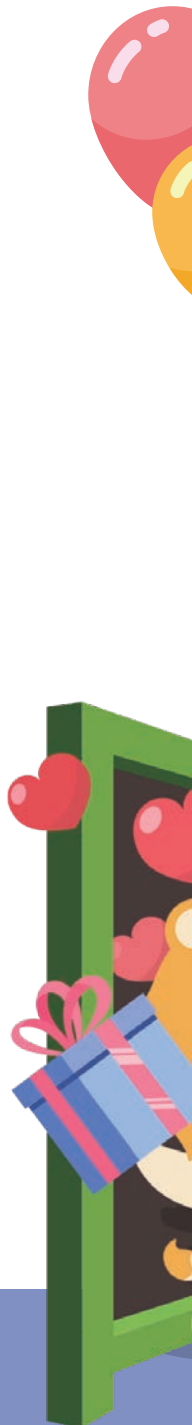
- In 2024, the turnover rates for employees under 30, aged 30-50, over 51, and overall all declined compared to 2023.
- The average employee training cost and the total cost in 2024 were up from 2023.
- The Group's total employee benefit expenses amounted to NT\$20.08 billion in 2024, up 7.21% from NT\$18.73 billion in 2023.
- Both the number of labor-management meetings and the number of meeting agenda items in 2024 were up from 2023.

With regard to the shortest company notice for important job changes, the Company complies with related labor regulations, including the "ILO Forced Labor Convention Indicators", Taiwan's "Labor Standards Act", "Employment Service Act", "Act of Gender Equality in Employment", and "Middle-aged and Elderly Employment Promotion Act", to stipulate them in work regulations and related personnel management regulations, which encompass: A week's notice for all manpower deployments necessitated by business needs; For overseas employee assignments, a reasonable notice would be provided to allow for understanding of the regulations, culture, and daily needs of a particular foreign country, as well as business handover details; A forenotice for labor contract termination may be given due to business closure, transfer of ownership, losses, business contraction, changes in the nature of business, or employees' inability to assume their job responsibilities. The period of the forenotice is as follows: (1) A 10 days' forenotice shall be provided to employees who have worked for the Company for more than three months but less than one year. (2) A 20 days' forenotice shall be provided to employees who have worked for the Company for more than one year but less than three years. (3) A 30 days' forenotice shall be provided to employees who have worked for the Company for more than three years.

To maintain good communications and interactions, each company provides a variety of channels for employee communications and whistle-blowing, in addition to protecting whistle-blowers from inappropriate handling for stepping forward. Employees may use the following channels of communications, complaints and whistleblowing.

Employee communication, complaint, and whistleblowing channels

- To strengthen the complaint and communication mechanisms of employees and external entities, the Company and subsidiary companies have established reporting procedures reviewed and passed by the companies' Board of Directors. We also set up hotlines, fax, emails, and other complaint channels and publish them on company websites. The internal audit unit/branch audit manager accept complaints and assign cases to units that have independent power for investigation based on the nature of the cases to effectively process complaints.
- The telephone number and e-mail for employee complaints are posted under the "Stakeholder Communications" section of our corporate website. The "ESG – Sustainability Report" section also features a stakeholder opinion survey that can also be used as a channel for employee communication and complaints.
- The compliance system at each company requires "the compliance officer should provide improvement suggestions for violations of the law or regulations. Where the improvement suggestion is not accepted by the management and leads to major losses for the company, a report should be prepared and submitted at once, the supervisors/independent directors and Audit Committee notified, and the competent authority informed as well."
- A range of transparent, equal and convenient complaints channels have been established including the "President's Mailbox", "Ideas Mailbox", "Employee Support Hotline", and "Chief Auditor's Mailbox" to ensure complaints are handled properly.
- To facilitate the reporting and handling of sexual harassment cases, "Sexual Harassment Prevention Complaints and Disciplinary Regulations" have been formulated and issued at each company along with the telephone, fax and e-mail for filing sexual harassment complaints. The above information is posted prominently on the corporate website and in the workplace. All employees also undergo training on sexual harassment prevention every year.
- The Company does not tolerate workplace bullying or harassment by any of the Company's senior executives. If the Company receives a report of illegal infringement, discrimination, or harassment, the Company shall assist employees in addressing the issue immediately and provide psychological counseling and legal assistance in accordance with the Company's internal rules and regulations.
- A proposal system and themed competitions are used to encourage employee to make suggestions on process improvements. A total of 271 employee recommendations were proposed in 2024 including improving the quality of services, Improvement of current operations, improvement of automatic services, improvement of operation methodology, cost savings, and building a better corporate image. All recommendations were studied closely by the relevant departments and 82 of them were eventually accepted.
- To ensure open communications between the employer and employees, employee suggestions from each department are proposed for discussion and communication during the regular "Employer-Employee Meeting" and monthly meetings.
- We conduct employee commitment surveys as channels for them to express opinions. We also formulated improvement mechanisms to follow up on the effectiveness of improvements.



4-4 Friendly, Healthy, Happy Workplace

To create a positive work environment, maintain the physical and mental well-being of employees as well as build up passion and loyalty of employees, FFHC provides a wide range of employee health management mechanisms and benefits:

Health management

- Health exam for employees and their families
- Health workshops and nutrition management
- Medical clinics and full-time nutritionist
- Abnormal Workload-triggered Diseases Prevention Plan
- Human-factor Hazard Prevention Plan
- Maternal Employee Health Protection Plan
- Tobacco-free Workplace, Air Quality Testing and Maintenance
- Psychological consultation for employees
- Flu vaccinations and cancer screening
- Care for hospitalized employees



Consolation payments

- Consolation payment for major disasters and serious illness or injury
- Consolation payment on the three major holidays for retired employees and the family of employees who passed away

Establishment of Employee Welfare Committee

- Subsidies for employee self-improvement trips and distribution of gift boxes on the three major holidays
- Employee birthdays
- Souvenirs for retired personnel
- Compensation for hospitalization of family members and funerals
- Scholarships for employees' children



Various subsidies

- Marriage, childbirth subsidies
- Subsidy for continuing education at university
- Subsidy for learning foreign language
- Subsidy for professional exam entrance fees
- Subsidy for birthday celebrations, annual parties and holiday travel
- Subsidy for funerals
- Subsidy for recreational courses and events
- Subsidy for hire of sporting venues
- Employee deposit and shareholding trust
- Employee group annuity insurance

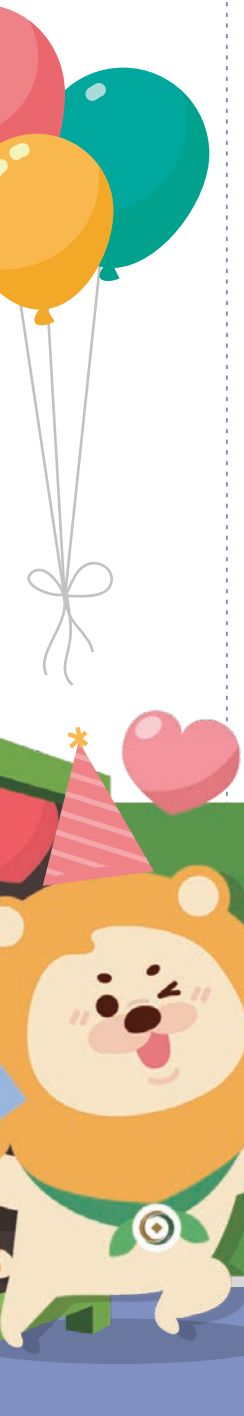


Employee dormitories and guest houses

- Employee guest houses in Beitou, Penghu and Hualien
- Employee dormitories in Taipei City, New Taipei City, Hsinchu, Taichung, Tainan, Kaohsiung and Hengchun

Leave regulations that surpass the legal requirement



- Salary is not deducted (excluding the first year of new employees) for 14 days of personal leave (including leave for epidemic prevention care), 30 days of sick leave, and 3 days of menstrual leave.
- The number of leave days for weddings, funerals, maternity, prenatal checkups, paternity, and miscarriage are superior to laws and regulations.
- 1 day of volunteering leave
- Two days' of "Artificial Fertilization Leave"



© Implementation results of employee welfare measures in 2024









Childbirth & Childcare Subsidies	Marriage	<ul style="list-style-type: none"> We provide NT\$30,000 in marriage allowance as well as 14 days of marriage leave, which is above and beyond regulatory requirements. A total of 205 employees submitted their applications in 2024, and a total of NT\$6.15 million in allowance was approved and disbursed. We provide subsidies for our single employees to take part in match-making or dating activities organized by external agencies. A total of 6 employees submitted their applications in 2024, and NT\$7,200 in subsidy was approved and disbursed.
	Pregnancy	<ul style="list-style-type: none"> We provide a comprehensive program of up to 44 days of paid leave for pregnant employees (better than the Labor Standards Act requirement of only half pay for sick leave and no pay for personal leave). Such leave shall not be factored in their annual performance assessments, nor would it affect their promotions. A total of 148 employees submitted their applications in 2024, and an average of 17.6 days of leave were granted to each applicant. For female employees undergoing invasive procedures such as artificial insemination or in vitro fertilization, a two-day "Artificial Fertilization Leave" per year has been granted since 2023. As of the end of 2024, 82 employees had submitted their applications, and 28 of them have been successfully pregnant. Contracted nurses and physicians stationed in the Company would provide pregnant employees with related health guidance and consultations. We provide pregnant employees with the "First Pregnancy Pack" and adjust the work environment of pregnant employees when assessed as needed. Pregnant employees who need to take a taxi to and from work may apply for transportation allowance with valid receipts during their pregnancy. A maximum of NT\$10,000 is available for each applicant. A total of 75 employees submitted their applications in 2024, and a total of NT\$387,000 was disbursed.
	Childbirth	<ul style="list-style-type: none"> We provide 58 days of maternity leave for female employees (better than the regulatory requirement of 56 days), in addition to eight days of pregnancy checkup leave (better than the regulatory requirement of seven days). Pregnancy checkup accompaniment leave and paternity leave for non-attending employees are also eight days (better than the regulatory requirement of seven days). A total of 263 employees submitted their applications across the entire Group in 2024, and the days of leave granted were above and beyond regulatory requirements. We provide NT\$100,000 in childbirth allowance for the first baby, and NT\$150,000 for the second baby and beyond. Our employees gave birth to a total of 245 babies in 2024, and NT\$29.29 million in subsidy was disbursed. We added NT\$250,000 of childbirth allowance for the third baby since April 2025. We provide seven days of maternity leave for pregnant employees who suffer from miscarriages less than three months into pregnancy, which is better than the regulatory requirement of five days of leave for miscarriages less than two months into pregnancy. Employees who have given childbirth are gifted with a "First Mommy Bag" along with evaluations of their work environment and locations to implement adjustments.
	Breastfeeding	<ul style="list-style-type: none"> The lactation rooms at our Headquarters Building, Yanping Building, IT Building, Zhongshan Building and Bade Building all obtained the "High Distinction Award" certification in 2023, which is valid for three years. 23 employees accessed these facilities in 2024. We would organize lectures about breastfeeding at the workplace, childcare, and health.
	Childcare	<ul style="list-style-type: none"> We provide 14 days of personal leave at full pay, which is better than regulatory requirements. A total of 579 employees submitted their applications, and an average of 3.16 days of leave were taken per application. We provide our employees with child education subsidies from elementary school all the way to college. A total of NT\$11.857 million in subsidy was disbursed in 2024. We have signed a corporate daycare agreement with a well-known franchise, providing employees with preferential and safe child daycare service. We would organize lectures about childcare for working parents/parent-child health. We strive to safeguard the promotions, performance assessments and benefits of employees on suspended childcare leave without pay. In 2024, 164 employees applied for suspended childcare leave without pay, and 96.89% of them subsequently returned to their posts. The retention rate of employees who have returned from suspended childcare leave without pay and stayed on their job for more than one year is 92.62%.
	Vacation subsidies Sports and recreational activities Volunteering leave Employee Psychological Counseling Service	<ul style="list-style-type: none"> We encourage our employees to use their leave days and vacations to travel and engage in leisure activities. A total of NT\$58.579 million in subsidy was disbursed in 2024. We have organized 17 sports and recreational clubs, and 2,518 employees and dependents have signed up for them. We also organize activities such as singing, table tennis/tennis/softball competitions. A total of 1,564 people took part in such activities in 2024. We carried on with our volunteering leave program in 2024. One day of volunteering leave would be granted for 3 cumulated points. A total of 14 employees were eligible. We make it a rule to organize social activities for our retired employees every year. The number of group employees receiving Teacher Chang's counseling service reached 226 people in 2024.

◎ Statistics on applicants for child care leave in 2024

	2024 Total no. of employees on parental leave	2024 No. of applicants for child care leave	2024 No. of returning employees expected (A)	2024 No. of actual returning employees (B)	2023 No. of actual returning employees (C)	2024 No. of employees who returned from child care leave and stayed for at least 1 year (D)	Reinstatement rate (%) (B/A)	Retention rate (%) (D/C)
Total - 	282	134	132	129	103	97	97.73	94.17
Total - 	388	30	29	27	19	16	93.10	84.21
Grand Total	670	164	161	156	122	113	96.89	92.62

* : FFHC safeguards our employees' right to apply for parental leave in accordance with law. Regardless of whether they are the main caretakers (female employees) or non-main caretakers (male employees), they can all apply for six months (24 weeks) of parental leave, in addition to an average of 80% of their monthly insurance salary of Labor Insurance.

◎ Statistics on rate of reinstatement and retention in past years

Item \ Year	2021			2022			2023			2024		
			Total			Total			Total			Total
Reinstatement rate (%)	85.19	92.31	85.95	97.44	91.30	96.43	98.98	91.30	97.52	97.73	93.10	96.89
Retention rate (%)	83.33	80.00	82.95	95.60	100	96.12	97.75	100	98.13	94.17	84.21	92.62



Social Impact

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

SASB : FN-CB-240a.4

5-1 Charitable strategy

We respond to the United Nations Sustainable Development Goals (SDGs) and actively uses core functions to help solve social and environmental problems. We continued the four major charitable strategies of "Social Care", "Sports Competition", "Artistic Cultural Creation", and "Green Care" in 2024 and integrated subsidiaries of the Group, First Bank Culture & Education Foundation and First Bank Volunteer Service Team. We work with customers, suppliers, and non-profit organizations in charitable activities. In addition to improving the brand image and corporate social value, these activities also help increase growth in overall operations.



Amount unit: NT\$10,000

Solutions		2022	2023	2024
<div>Sports competitions</div> <div>Commercial Benefits</div> <div>Society/Environmental Benefits</div> <div>3 <small>QUALITY OF LIFE</small></div> <div>4 <small>HEALTHY LIFESTYLE</small></div> <div>8 <small>HEALTHY WORK AND LIVING ENVIRONMENT</small></div>	Number of athletes employed by First Commercial Bank as full-time employees/contribution to the Bank's profit	19 persons / 4,592.3	119 persons / 5,210.9	20 persons / 6,055.6
	First Commercial Bank Men's Table Tennis Team's achievements in domestic and international competitions (number of medals)	16 gold, 15 silver and 24 bronze medals	5 gold, 6 silver and 19 bronze medals	24 gold, 19 silver and 25 bronze medals
	Prize money won by First Commercial Bank Men's Table Tennis Team's players in domestic and international competitions	42	230	51
	Number of participating athletes in the national tennis and table tennis championships that we held	Canceled due to the pandemic	1,893 persons	1,655 persons
Social and environmental issues solved		<ul style="list-style-type: none">• Employment is challenging for athletically talented people. If we provide them with stable job opportunities, they would feel reassured, devote themselves to training, and live up to their full potential.• Owing to funding shortages, athletes often miss the opportunities to participate in large international competitions, which impacts their performance in international sports.		
Driving force		Physical strength is national strength. We help promote the development of sports in Taiwan and enhance the Taiwanese people and employees' willingness to participate in sports, thereby making the development of sports more vigorous in Taiwan and cultivating outstanding athletes with potential. These measures help to inject youth and vitality into the enterprise.		
Impact		We have been sponsoring and organizing all kinds of sports activities for more than 20 years. By training potential young table tennis players, we have cultivated a number of national players, laying a solid foundation for Taiwan's table tennis development. Internally, we have created a sporting culture among employees. Externally, we have successfully enhanced the young, energetic brand image of the Group.		



Solutions		2022	2023	2024	
<div>Social care</div> <div>1 NO POVERTY</div> <div>2 ZERO HUNGER</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div>	Commercial Benefits	Number of "GLORY + World" cards in circulation/ revenue	5,390 cards/ 1,902	8,904 cards/ 2,676	12,291 cards/ 3,122
		Revenue from "financing projects for the reconstruction of dangerous and old buildings"	34,895	54,666	77,096
		Revenue from retirement trust for seniors and persons with disabilities	61	96	162
		Revenue from "Comfort Loan" reverse mortgage	768	1,313	1,898
		Revenue from medical biotechnology or long-term care loan programs	990	4,538	831
		Revenue from "Worker Relief Loan" and "Micro-Enterprise e-Services"	29,761	15,270	19,394
		Revenue from First Time Home Buyer Mortgage	55,703	78,911	179,983
		Revenue from SME loans	2,038,078	2,147,812	2,324,579
		Premium income from new contracts of micro insurance products	12	15	0.9
		Number of new accounts added under public interest account opening program	4,655 households	3,634 households	9,595 households
<div>Society/ Environmental Benefits</div>		Number of beneficiaries of financial lectures held at far-flung rural areas, campuses and communities	5,349 persons	4,133 persons	7,741 persons
		Amount of money donated to charity by customers using First Commercial Bank credit cards	77,286	78,153	81,364
		Amount of money allocated for charity from applications for digital accounts and purchases of life insurance policies/integrated community care centers (Stone Soup)	90.03	46.72	59.75
		Number of underprivileged schoolchildren who have benefited (including cashback from World Card, breakfast for far-flung rural areas, adoption of underprivi- leged schoolchildren, and donations from the Financial Industry Education Scholarship)/amount of donation	3,004 persons/ 478	3,145 persons/ 535	3,398 persons/ 536
		Proceeds from procurement of charitable year-end party gifts and performances by disadvantaged groups	133	155	149
		Number of households benefiting from donations to food banks/amount of money	1,067 households/ 135	1,499 households/ 129	962 households/ 90
		Number of beneficiaries of overseas charity events /amount of money donated	985 persons/ 45	1,760 persons/ 116	461 persons/ 61
		Number of people benefiting from domestic free clinic events/amount of medical bills saved	740 persons/ 11.1	1,120/ 16.8	1,302 persons/ 19.5
		Number of beneficiaries of the campaign in support of rural areas with scarce medical resources/amount of money donated	2,300 persons/ 230	4,265 persons/ 312	5,277 persons/ 204
Social and environmental issues solved		<ul style="list-style-type: none">As the gap in wealth between urban and rural areas widens, underprivileged demographics may struggle to comfortably access education resources, or financial information and services.Excessively old urban buildings not only endanger people's lives and property, but also severely impact their living quality.Taiwan has become an aging society, and the issue of insufficient senior care resource has grown increasingly pronounced.Being able to solve education and employment problems for the young generation as well as the low birth rate issue would give them a brighter outlook on the future.Help Taiwan to march towards a society where gender equality is valued and diversity is respected, so that people of different genders can all seek appropriate development.Visiting disadvantaged institutions at home and abroad and donating supplies and equipment is our way of giving back and showing our care for society via concrete actions.			
Driving force		Upholding the spirit of the financial service industry, we provide a variety of financial services via a diversified digital platform and through loans to seniors and members of underprivileged groups. At the same time, we combine the application for digital accounts and the purchase of life insurance products to allocate donation amounts, and disclose information on donations to public welfare groups for free. We encourage customers to donate by credit card to provide equipment for medical stations in mountainous and isolated areas, and therefore help resolve the lack of resources for disadvantaged groups and rural residents. This is one of the ways we hope to spread the impact of our company as a member of the financial industry to every corner in Taiwan.			
Impact		We promote financial inclusion, combine SDGs to take care of young people to purchase homes, protect senior citizens' asset safety in our aging society, and make donations to underprivileged demographics and people living in far-flung rural areas. We also lend significant support to micro enterprises, and provide First Time Home Buyer Mortgage and "Comfort Loan" so that young people can feel reassured about getting married. The balance of our ESG-based trust asset for senior people's retirement and care for persons with disabilities stands at NT\$33.454 billion. In addition, in 2024, our donations to underprivileged demographics and people living in far-flung rural areas totaled around NT\$823.15 million.			

Amount unit: NT\$10,000

Solutions		2022	2023	2024
 Commercial Benefits	Number of cards in circulation/revenues from green charity credit cards (Leezen Co-branded Credit Card, YiLan Affinity Card, Living Green Card and Taoyuan Citizen Card)	265,397 cards/ 6,198	287,192 cards/ 6,283	279,551 cards/ 5,414
	Revenue from urban renewal financing cases	38,133	53,831	59,751
	Revenue from green loans	217,506	261,882	285,444
	Revenue from investments in green bonds	35,500	54,000	71,000
	"Six Core Strategic Industry" loan income* ¹	1,167,994	1,257,655	1,467,446
	Revenue from sustainable loans for renewable energy* ²	4,573	5,950	7,126
	Revenue from investments in solar power plants	1,443	14,942	19,219
	Number of new Living Green Cards issued during the tree-planting marketing activity/foreign currency deposit (US\$ dollars)	800 cards/ 156,000	1,000 cards/ Conduct Favorable Interest Rates for Time Deposits in US Dollars Campaign to Coincide with Arbor Day	1,000 cards/ 2,117,000
 Society/ Environmental Benefits	Number of beneficiaries of environmental education	777 persons	2,496 persons	2,706 persons
	Number of trees planted/amount of annual carbon absorption	2,900 trees/ 29 MT CO ₂ e	2,005 trees/ 20 MT CO ₂ e	3,260 trees/ 33 MT CO ₂ e
	Number of LED lamps installed in the Share the Love with Green Light program/reduction in annual electricity consumption/amount of electricity bill saved/carbon reduction	7,085 sets/ 620,000 kWh/ 248/ 303 MT CO ₂ e	4,686 sets/ 370,000 kWh/ 158/ 201 MT CO ₂ e	6,873 sets/ 690,000 kWh/ 276/ 342 MT CO ₂ e
	Carbon reduction from investments in solar power plants	66,500 MT CO ₂ e	47,000 MT CO ₂ e	47,600 MT CO ₂ e
	Landowners' proceeds from urban renewal financing projects	3,858,017	3,002,735	2,376,065
	Carbon reduction from urban renewal financing cases	847.9 MT CO ₂ e	1,091.2 metric tons/ CO ₂ e	1,578.78 metric tons/ CO ₂ e
	Cashback from green charity credit cards (Leezen Co-branded Credit Card, YiLan Affinity Card, Living Green Card and Taoyuan Citizen Card)	2,101	2,326	2,311
	Number of participating green volunteers/ number of beneficiaries	918 persons /3,825 persons	810 persons /2,496 persons	1,420 persons /2,706 persons
	Satisfaction level of volunteer services (%)	90.06	91.82	89.44
	Procurement amount of organic vegetables and fruits	33	75	150
Social and environmental issues solved	<ul style="list-style-type: none">• Due to insufficient crop yield, farmers would use chemical fertilizers and pesticides to increase yield. Therefore, it is necessary to encourage organic farming in order to prevent land degradation and to curb biodiversity loss.• As reserves of natural resources such as crude oil and natural gas are limited, we need to solve the issue associated with energy depletion and sustainable energy shortages.			
Driving force	The ability to push forward with green finance services; provide green finance knowledge, products and services; and partner with customers, suppliers and the general public to carry out environmental sustainability together to ensure a sustainable consumption and production model.			
Impact	We combine our core competencies to help enterprises with their transition, and develop and provide ESG products and services. We also communicate the Group's policy and concept of green finance products to major stakeholders such as customers and suppliers by holding energy conservation seminars, supplier conferences, Reaching the Next Pinnacle of Corporate Success Lecture, urban renewal briefings, and environmental education activities. In 2024, the margin balance of our ESG-related corporate loans amounted to NT\$949.962 billion, accounting for 78.76% of our overall margin balance of corporate loans.			
	We also worked with various companies under the Group to leverage the 2‰ cashback donation from First Commercial Bank's Living Green Card transactions, and partnered with our suppliers and customers to help 18 energy disadvantaged junior high schools and elementary schools to install 6,873 sets of LED lamps, in addition to planting 3,260 trees, as we strive to realize green care. Additionally, we provide a one-stop shopping type of financial service, helping residents rebuild their homes to increase realty value. In the meantime, we can also build green buildings to echo the government's goal of promoting environment-friendly and low carbon cities.			

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

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

Amount unit: NT\$10,000

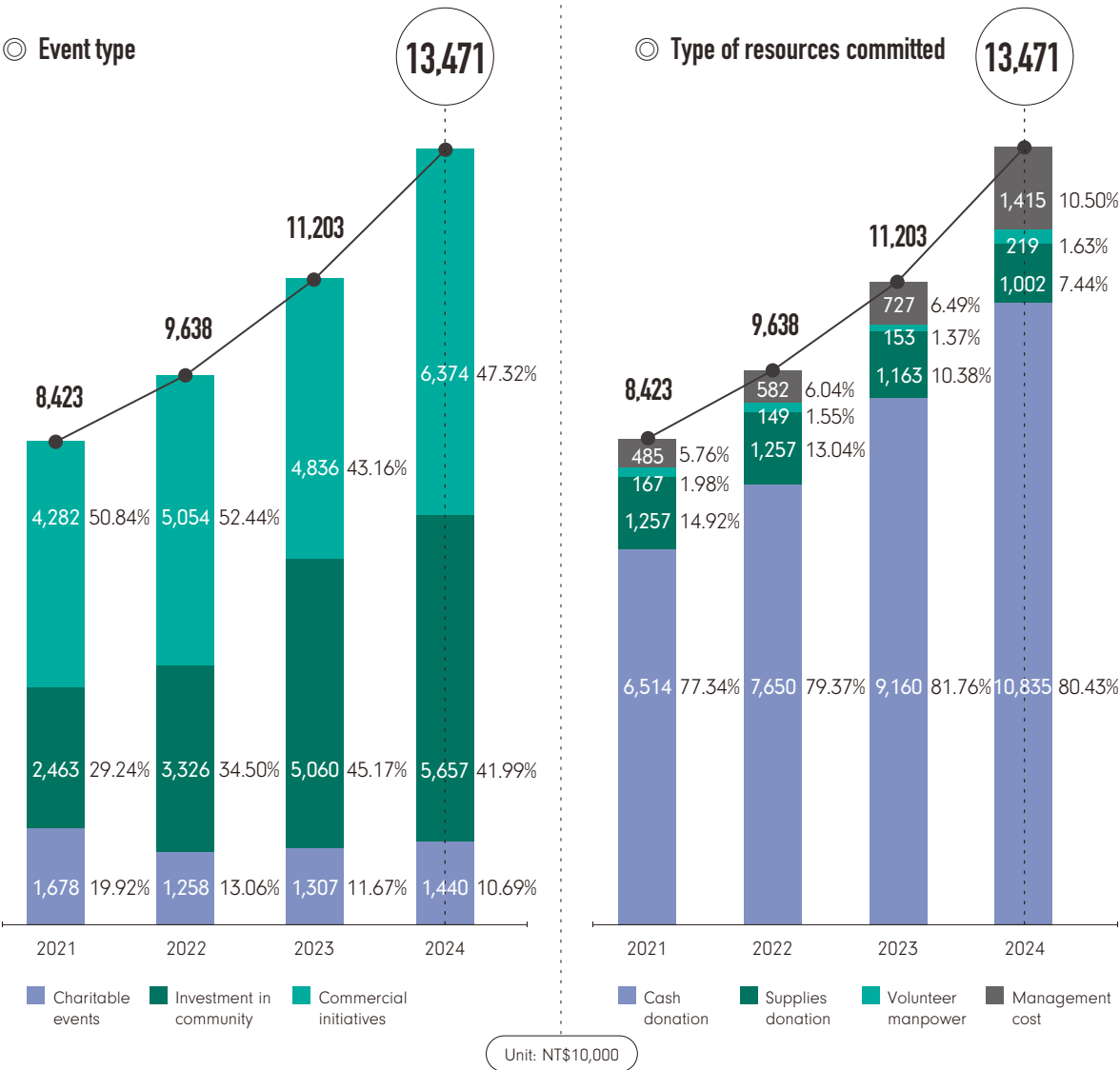
Solutions		2022	2023	2024
Artistic Cultural Creation Commercial Benefits Society/ Environmental Benefits 1 NO POVERTY 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Revenue from loans to the cultural and creative industries	68,869	82,051	77,866
	Number of borrowers of loans to the cultural and creative industries	4,364 households	3,819 households	3,572 households
	Number of borrowers of loans to the cultural and creative industries who are also in the film and television industry	245 households	225 households	209 households
	Participants in medical institutions and large concerts/sessions (total number of online viewers/sessions)	1,800 persons/ 1 session (90,000 persons/ 6 sessions)	5,600 persons/ 9 sessions (no online events were held)	6,400 persons/ 7 sessions (no online events were held)
	Total number of participants in art exhibitions/sessions (total number of online viewers/sessions)	9,000 persons/ 9 sessions (18,173 persons 1 session)	5,000 persons/ 5 sessions (no online events were held)	5,000 persons/ 5 sessions (no online events were held)
Social and environmental issues solved <ul style="list-style-type: none"> • We provided a stage for up-and-coming singers, musicians and disadvantaged groups to perform on. • We were able to inject funds necessary for industrial development by providing financing and credit to the cultural and creative industries, in order to help with their transition and development. 				
Driving force		We can help develop the cultural and creative industries through financial products or services, promote art, education and public welfare, expand the entire population's artistic and cultural horizons, pass on Taiwan's traditional art and culture, improve our customers' and employees' artistic and cultural literacy, and increase customer loyalty.		
Impact		We have worked with the Ministry of Culture for a long time. Since 2004, we have undertaken trust operations for the Film Subsidiary Grant. Between 2020 and 2024, we undertook a total of 135 cases, with a total amount of around NT\$1.514 billion. We also help domestic cultural and creative industries with their development, including promoting various kinds of loans to the cultural and creative industries, such as the Ministry of Culture's "loans to the cultural & creative industries for enhancing upgrades and transition" and "Youth Startup and Startup Fund Loan for Cultural and Creative Industries". In 2024, the total outstanding balance of loans to the cultural and creative industries reached NT\$28.458 billion. In addition, we also continue to hold in-person or online concerts and indigenous art exhibitions, as we strive to inject resources into art and culture events and the cultural and creative industries, in an attempt to promote cultural development.		



| Brilliant Moments: Golden Hits Gala Concert

5-2 Benefit evaluation

In order to effectively measure the input resources and output benefits, FFHC adopts the community investment management model of London Benchmarking Group (LBG), and uses quantitative data to evaluate the input resources, benefits, results and long-term impact of each project on society. We invested a total of NT\$134.71 million in the four major charitable strategies in 2024. We also used the LBG model to evaluate the proportion of investments in the past four years.



5-3 Volunteering

First Financial Holding established its volunteer service team in 2011, which is made up of "green volunteers" that focuses on promoting environmental sustainability, and "loving volunteers" devoted to reaching out to underprivileged people. In 2024, we held a total of 173 public welfare sessions, including 57 loving volunteer sessions and 46 green volunteer sessions, as well as 70 sessions in which we visited school campuses and communities to promote financial knowledge. Between 2011 and 2024, 29,161 Group volunteers participated in related events, benefiting 251,866 people. Their combined service hours totaled 117,083 hours. To understand participants' level of satisfaction with our volunteer events, we distributed 8,090 questionnaires in 2024, and 98.71% of them were retrieved. In particular, 89.44% of respondents were satisfied with how the events were held.

◎ Tally of service hours by First Financial Holding's green volunteers and loving volunteers over the years

Year	Hours	Participants	Beneficiaries
2011-2020	92,783	22,688	91,602
2021	6,045	1,559	17,150
2022	5,199	1,312	109,270
2023	5,494	1,484	17,153
2024	7,562	2,118	16,691
Cumulative total	117,083	29,161	251,866



| Invited "Kaohsiung City Maolin Elementary School's Drekay Children's Chorus" to join the "Sustainability Journey in the 100-Year-Old City of Tainan"



Northern Region

Caring volunteers: 36 sessions

- Welfare Association for Visually Impaired R.O.C.
- Andrew Charity Association (3 sessions)
- The Pearl S. Buck Foundation, Taipei, Taiwan
- Taiwan Toy Library Association
- Taipei City Hospital, Zhongxing Branch
- The Mustard Seed Mission - Children's Home
- Hondao Senior Citizen's Welfare Foundation
- Taipei Mental Rehabilitation Association
- Chung-Yi Social Welfare Foundation
- Harmony Home Foundation Taiwan
- Special Education Care Association, ROC (Taiwan)
- Taipei Autism Children Social Welfare Foundation
- Taipei Yi Kuang Orphanage
- Yilan Branch - regional revitalization and promotional events for art and culture
- Hualien County Mingli Elementary School
- Taitung Onesiphorus Children's Home
- Longmen Village, Huxi Township, Penghu County
- "Get Out and Give" Blood Drive
- Money Management Seminars for Retirees (6 sessions)
- Taipei Xinyi District Stone Soup Community Long-Term Care Center
- Taipei Home Office, Taiwan Fund for Children and Families (Mini Academy for Money Management)
- Bankers on Campus (5 sessions)
- Outreach and investment checkup seminar
- Financial Literacy Seminar for Regional Communities (2 sessions)

88

Events in 2024

Financial education activities in schools: 26 sessions

Green volunteers: 26 sessions

- Linkou Journey to the West Organic Farm
- Linkou Green Moeko Organic Farm (15 sessions)
- Neipi Beach, Waimushan, Keelung
- Zhuwei Tamsui River waterfront
- Longfenggu, Beitou District (2 sessions)
- Wugu Wetlands
- Yongchunpi Wetland Park
- Rongxing Garden Park Wetlands (3 sessions)
- Helping small farmers at Jinshan to harvest 1,000 kg of sweet potatoes

Taichung-Changhua-Nantou Region

23

Events in 2024

Caring volunteers: 3 sessions

- Tianwei Junior High School, Changhua County
- Outreach and investment checkup seminar
- Financial Literacy Seminar for Regional Communities

Financial education activities in schools: 13 sessions

Green volunteers: 7 sessions

- Dongshi Ladybug Organic Farm (4 sessions)
- Taichung Branch, Forestry and Nature Conservation Agency, Ministry of Agriculture (2 sessions)
- Fazi River cleanup in Taichung City



Taoyuan-Hsinchu-Miaoli Region

22

Events in 2024



Financial education activities in schools: 11 sessions

Green volunteers: 2 sessions

Caring volunteers: 9 sessions

- Dandelion Immigrant Services Association
- Taoyuan Municipal She-Zi Elementary School
- Taoyuan Municipal Bai-Ji Elementary School
- Taoyuan Shengai Education and Nursing Institute
- Taiwan Elder Social Welfare Association - Servic Center for New Immigrant Families, Hsinchu City
- Hsinchu County Fong Gang Junior High School
- Yu An Retarded Children's Home, Miaoli County
- Francis Xavier Home for Children and Juvenile, Catholic Hsinchu Diocese
- Outreach and investment checkup seminar

Yunlin-Chiayi-Tainan Region

15

Events in 2024

Caring volunteers: 2 sessions

- Yunlin Long Love Children's Home
- Tainan Municipal East District Chongsyue Elementary School

Financial education activities in schools: 8 sessions

Green volunteers: 5 sessions

- Tenha Organic Farm, Tainan (4 sessions)
- Area 10 of Budai Salt Pan Wetland, Chiayi



Kaohsiung-Pingtung Region

18

Events in 2024

Caring volunteers: 5 sessions

- United Charity Association of Kaohsiung
- Outreach and investment checkup seminar (2 sessions)
- Financial Literacy Seminar for Regional Communities (2 sessions)

Financial education activities in schools: 7 sessions

Green volunteers: 6 sessions

- Kaohsiung An Xin Jia Ecological Education Farm (4 sessions)
- Yuanzhong Harbor Wetland, Kaohsiung City
- Manzhou Beach in Manzhou Township, Pingtung County



A total of **173** public welfare sessions in 2024

Caring volunteers: **57** sessions

(including one session in Hanoi City and one session in Ho Chi Minh City)

Financial education activities in schools: **70** sessions

(including five sessions in Kinmen)

Green volunteers: **46** sessions



Promotion Projects for Financial Education

First Financial Holding supports underprivileged demographics with actual actions, leveraging our core competencies actively to help underprivileged people understand financial knowledge and protect their own interests. Each year, our volunteer service teams made up of employees would visit far-flung rural communities, schools and social welfare organizations to share financial or money management ideas, continuing to expand the popularization of financial knowledge while opening up opportunities for schoolchildren to absorb financial knowledge. We also introduce the idea of senior citizens' retirement trust and trust products for caring persons with disabilities to our volunteer service, so that senior citizens' and disabled persons' families can be properly looked after in terms of financial security.

▼ Provide financial education to disadvantaged groups and in remote areas			
Services	2022	2023	2024
Financial education and promotion in remote areas, schools, and communities	Session: 55 Number of Participants: 4,965	Session: 59 Number of Participants: 3,909	Session: 70 Number of Participants: 7,488
Volunteer service incorporating the promotion of retirement care and trust for persons with disabilities	We have sent personnel to the Taichung Wang You Tsao Association and Hsinchu County Disabled Persons Assistance Association to teach about disabilities care trusts, which provide all-round safeguards to disadvantaged residents. Session: 2 sessions Beneficiary: 330 people	Visited Jen Ji Shiang Social Service Institute to promote elder care trust and the concept of using your house to finance retirement life, providing underprivileged people with more comprehensive protection. Session: 1 session Beneficiary: 200 people	Visited the Welfare Association for Visually Impaired R.O.C. to raise awareness of retirement trust and reverse mortgage, in order to provide disadvantaged residents with more holistic protection. Session: 1 session Beneficiary: 39 people
"Mini Academy on Investment" campaign	Online: 3 sessions (Taipei Autism Children Social Welfare Foundation) Number of Participants: 54 children	Session: 1 session (Special Education Care Association R.O.C.) Number of Participants: 24 children	Session: 1 session (Taipei Home Office, Taiwan Fund for Children and Families) Number of Participants: 24 children and parents
Investment checklist seminar in rural communities	Session: 5 Number of Participants: 111	Session: 5 Number of Participants: 202	Session: 5 Number of Participants: 186
Gender equality education and anti-drug advocacy	Session: 45 Number of Participants: 5,113	Session: 44 Number of Participants: 5,693	Session: 48 Number of Participants: 6,561
▼ In-person / online financial education			
Services	2022	2023	2024
Investment and Financial Planning Workshop	In-person/online sessions: 13/24 Number of Participants: 1,124	In-person/online sessions: 17/14 Number of Participants: 1,093	In-person/online sessions: 8/18 Number of Participants: 318

Brand image serial videos in 2024

We rolled out a six-episode short videos for brand image called "Agents of Time Traveling" in 2024, in which we invited highly popular and multi-talented Internet entertainer Keelong Hsu and Rays Hsu to perform in a light-hearted and comical manner, reminding people to be mindful of the rampant scam pattern of fake investments on instant messaging software platforms recently. Combining creative content and financial products and services, these videos help create a fast, convenient and young brand image. As of the end of 2024, they had amassed more than 5 million views on YouTube.



Brand image song to celebrate First Commercial Bank's 125th anniversary

To convey a steady and down-to-earth image spanning one century, First Commercial Bank produced a brand image song called "Always With You", using concise, catchy melody as well as warm and positive lyrics to interpret our philosophy and trajectory of growing with our customers and employees over 125 years. We also invited employees who had excelled in internal singing contests to showcase their singing talent and communicate a spirit of professionalism and incessant innovation momentum. As of the end of 2024, the song had amassed more than 1.15 million views on YouTube.

SOCIAL CARE

Supporting the Underprivileged

- First Commercial Bank Cultural & Educational Foundation donated 1% of the total amount of transactions made with First Commercial Bank's Glory + World Card to the Ministry of Education's "School Education Special Savings Account" platform, which helped underprivileged students in far-flung rural areas to have peace of mind and study by funding their education, school lunch and after-school programs. This initiative helped a total of 1,324 economically disadvantaged students and students who had undergone sudden misfortune, allowing them to study with peace of mind. Donation amounted to NT\$1.47 million.
- We donated NT\$2.5 million to the Charity Education Fund of Financial Service Industry. We supported 1,542 financially disadvantaged and underprivileged students. Over the past 10 years, we have donated a total of NT\$25 million, helping 16,063 financially disadvantaged students cumulatively.
- For 14 consecutive years, we have continued to execute the "Outreach Program for Disadvantaged Schoolchildren" in corporation with the PLANET Educational Charitable Trust. We continue to adopt disadvantaged schoolchildren from Ankeng Elementary School, Chung Cheng Elementary School and Xinhe Elementary School in Xindian District, as well as Er-Chong Elementary School in Sanchong District, New Taipei City. We have also newly added Zhonghe Elementary School in Zhonghe District to our adoption list, providing spiritual consultation and a variety of courses. A total of 4,911 schoolchildren have benefited over 14 years as a result.
- We made donations to the breakfast program of "Tannan Elementary School" in a remote area of Nantou County, providing breakfast to 100 disadvantaged schoolchildren for the entire year.
- We provided fellowships to 25 outstanding disadvantaged students from National Ilan University, National Dong Hua University, National Taitung University, National Chi Nan University, National United University and National Pingtung University, easing their financial burdens while helping them to study with peace of mind.



Light Up Your Life on First Dream Stage

We partnered with National Taiwan University Hospital to hold charity and outreach concerts, providing disadvantaged groups with a stage to perform on. The initiative allowed many talented persons with disabilities to demonstrate their gift and self-confidence, as they were able to realize their dream to perform. Over the past 14 years, we have staged 79 concerts, inviting 84 performance groups made up of children with visual, hearing or physical impairment, intellectual disability as well as those from far-flung rural areas. They presented a variety of performances ranging from singing, dancing, percussion, jazz, cheerleading, to lion dance. Their performances drew an audience of 10,000+ people cumulatively.

Dream Bus

Held the "iLEO Dream Bus Charity & Public Welfare Activity", in which 20 bags of secondhand summer clothes and 89 kilograms of secondhand toys were raised. The used summer clothes were shipped to impoverished areas in Africa by the "Step30 International Ministries". In addition, our volunteers partnered with the "Taiwan Toy Library Association" to send those secondhand toys (equivalent to a reduction of 183 kilograms of carbon emissions) to Taoyuan Pai Chi Elementary School in the far-flung rural areas. A total of 10 volunteers took part, and around 134 people have benefited.





Charitable donations

- Sponsored a total of 5 dental chairs to Shanmei Elementary School in Chiayi County, Dabang Village Health Office, Alishan Elementary and Junior High School, Lai Chi Elementary School, and Fong-Shan Experimental Education School, as part of our efforts to support residents living in far-flung rural areas, provide schoolchildren with safer and well-supplied dental clinical service, and enhance dissemination of health education.
- Donated NT\$3.5 million to the "Hualien County Social Assistance Fund - Special Account of Relief Donation for the April 3 Earthquake" to help the area recover from the disaster.
- Partnered with Taipei Medical University Hospital to conduct the "First Financial Holding Life Long Care" donation program. For every "loan derivatives insurance product (mortgage or life insurance policy)" or "long-term care insurance policy" sold, we would donate NT\$100 to the Integrated Community Care Center of Xinyi District (Stone Soup). In 2024, a total of NT\$598,000 was donated.
- Staunchly supported local farmers, and purchased 10,000 cases of onions, 430 cases of pomelos and 60 cases of white grapefruits to share with charity organizations, customers and employees, in order to bring the multiplying effect of public welfare events into play, and to help balance the supply and demand of produce.
- Sponsored the Puren Youth Care Foundation's and SunnyHills' "Help Poor People Realize Their Dreams - Mid-Autumn Festival Charity Project" by purchasing 300 boxes of pineapple cakes and donating them to adopted schools that have received long-term support from First Commercial Bank and the First Bank Cultural and Education Foundation. The recipients also included Share the Love with Green Light schools and athletes with special talents. This initiative enhanced the Bank's image as being enthusiastic about public welfare.
- Donated one rehab bus to the Penghu County Government Department of Social Affairs, in order to increase health care quality for residents living in outlying islands.



Dissemination of Life & Gender Equality Education

- Held 9 sessions of the Humanistic Education Train activity, inviting fighters for life, professional lecturers from different fields and underprivileged children to share how to approach life with an optimistic attitude, and to communicate in-depth knowledge. A total of 1,594 schoolchildren benefited as a result.
- Conducted 43 sessions of financial education publicity campaign, with the concept of gender equality incorporated. Around 4,881 people benefited as a result.



Volunteers delivering heart-warming care

- Held 57 sessions of charitable volunteer activities and 70 sessions of financial education dissemination; and accompanied seniors living alone as well as underprivileged demographics.
- Our Hanoi Branch and Ho Chi Minh City Branch partnered with their customers to travel to far-flung rural areas and social welfare organizations to donate goods and supplies. Two overseas volunteer events benefited around 461 people. A total of 11,241 underprivileged individuals overseas have benefited since 2016.
- We teamed up with Mennonite Christian Hospital and the Taipei Medical University Hospital Feng Hsing Medical Team for the 9th straight year to travel to Hualien and Penghu to provide care to residents in far-flung rural areas, in addition to sponsoring 20 free clinics and four hepatitis patient support group gatherings for Mennonite Christian Hospital, as well as 25 free clinics for the Taipei Medical University Hospital Feng Hsing Medical Team.



GREEN CARE

Bio-diversity Ecological Conservation

- Held 46 sessions of green volunteer events; took part in collaborations with organic farms, safeguard of the coastline, tree planting & decarbonization, contract farming adoption, and wetland conservation; invested a total of NT\$2.61 million; harvested and purchased 1,992 kilograms of organic vegetables and fruits; and adopted nearly 1,000 kilograms of contract "Tainong 66" organic red sweet potatoes. Our employee restaurants also purchased 24,017 kilograms of organic crops from nearby smallholders.
- To echo the Arbor Day, we planted 3,615 saplings at Taichung's Daan River, Taiping District, Xinshe District, Baxianshan and Taipei City's Rongxing Garden Park. They are estimated to contribute to a reduction of 36.15MT CO₂e.
- Held 3 sessions of the "I Love the Beautiful Sea" beach cleanup campaign to collect fishery waste, general waste and driftwood. A total of 303 kilograms of garbage was collected, with 99 volunteers participating. Moreover, we partnered with "The Society of Wilderness, Taiwan" to jointly hold 3 sessions of creek cleanup, removing a total of 262 kilograms of riverbed waste and dead twigs. A total of 124 volunteers participated.
- To conserve biodiversity, we partnered with "The Society of Wilderness, Taiwan" and "Kaohsiung Wild Bird Society" to hold 4 "wetland conservation" sessions, removing alien species while conducting wetland conservation. A total of 117 volunteers participated.
- Sponsored "Taiwan Indigo Dyeing Society" to hold 83 sessions of "Campus Environmental Education Promotion Lecture - Beauty of Taiwan's National Parks", allowing children to come into contact with and get to know and protect nature. 7,739 children benefited as a result; In addition, we invited 48 underprivileged children from Chung Cheng Elementary School, Xindian Dist., New Taipei City and Er Chong Elementary School, Sanchong District to Longfenggu Valley to learn about ecology, and to understand the importance of cherishing our natural environment.



Share the Love with Green Light

We partnered with suppliers and customers to donate the 2% cashback from transactions made with First Commercial Bank's Living Green Card to help 18 energy disadvantaged high schools and elementary schools in Nantou County and Pingtung County install 6,873 sets of LED lamps, which are estimated to reduce 690,000 kWh in electricity consumption and save NT\$2.76 million in electricity bills, resulting in a reduction of 342 MT CO₂e.



Metaverse Tour to Twin Halls

To materialize a new format of exhibition-going experience to free visitors from geographic restrictions so that they can better understand Taiwan's financial development history as well as the environmental sustainability concept, First Commercial Bank has brought on line the exhibition content of its "Sustainable Finance Hall" at the Headquarters Building and the "Green Finance Education Hall" at its Wanhua Branch. A digital immersive experience featuring the "Metaverse Tour to Twin Halls" has been rolled out, which represents the first digital exhibition hall in the financial sector. As of the end of 2024, the service had recorded a total of 16,007 online views.



Plastic Reduction Action

To echo the "Net-Zero Green Lifestyle Action Guidelines", we offer complementary water dispenser service inside the business hall of our Yilan Branch, which is rated as Diamond Class for its "soothing vibes featuring historic sites and art". The hall draws many people to snap photos and check in on social media, as we strive to deepen the Group's environmentally sustainable brand image to the public.

Green Cooperation

- First Commercial Bank donated NT\$9.97 million, or 6% of the total amount of transactions made with the Leezen Co-branded Credit Card, to "Tze-Xin Organic Agriculture Foundation" and "Bliss and Wisdom Foundation of Culture and Education", in an effort to commit itself to ecological conservation and life education while supporting public welfare activities such as organic farming and the practice of planting trees to safeguard our coastlines.
- First Commercial Bank donated NT\$7.68 million, or 3% of the total amount of transactions made with the Taoyuan Citizen Card, to the Taoyuan City Government to help promote the smart city initiative.
- For the third straight year, we took part in the International Nature Restoration Action Association's "Cultivate Fertile Rice Fields with Good Air in Taiwan" public welfare action plan to help halt the practice of burning rice straws, in addition to adopting 100 hectares of land in Hualien, which is expected to reduce 900 metric tons of CO₂e every year. We hope to jointly promote the use of straw decomposition bacteria in place of burning rice straws, help farmers implement a sustainable cycle of returning rice straws to rice fields, and solve the air pollution problem.

ARTISTIC CULTURAL CREATION

Support Indigenous Art and Cultural Heritage

The first and second floors of the FFHC Headquarters Building were transformed into an art space in 2011, where local artists are allowed to exhibit their art for free. The move lent support to and injected vitality into local arts, providing employees and customers more opportunities to appreciate art so that they can cultivate a positive attitude toward life. A total of 136 art and cultural exhibitions had been held as of the end of 2024, attracting over 136,000 visitors.



Musical Feast

We partnered with the Evergreen Symphony Orchestra to host three "Golden Songs Festival for Dazzling Times" concerts at the Kaohsiung E-DA Royal Theater, Taipei International Convention Center and National Taichung Theater. These concerts featured cross-over performances by Taipei Percussion, Twincussion, Taipei Male Choir and symphony orchestras, and invited established male and female singers to perform on stage. By integrating culturally diverse visual and audio effects, they represented a rich and diverse artistic and cultural feast to the audience, and public welfare organizations were also invited. A total investment of over NT\$8 million. All told, an audience of around 6,000 people were in attendance.



Promotion of anti-drug education

We held the "Red Strawberries Say No to Drugs" and "New-Generation Strategic Alliance Against Drugs & Anti-Drug Theatrical Exhibitions and Plays" at five schools in Tainan and New Taipei City together with our customers - the Grace Hsiao Dance Troupe and Taiwan Sunshine Bless Association - to teach youths to say no to drugs. These campaigns benefited approximately 1,680 students.



Sustainability Journey in the 100-Year-Old City of Tainan

Invited "Kaohsiung City Maolin Elementary School's Drekey children's chorus" and "Tainan Municipal East District Chongsyue Elementary School's baseball team" to join the "Sustainability Journey in the 100-Year-Old City of Tainan", a guided tour focusing on culture and history. Kaohsiung City Maolin Elementary School's Drekey children's chorus also made flash mobs at the CHIMEI Museum and our Tainan Branch, as we strive to safeguard indigenous Tainan culture with actual actions to support the development of regional revitalization.

Branch Featuring a Soothing Vibe and Historic Relics

First Commercial Bank's Yilan Branch has been in operation locally for more than one century. After completing the renovation of its historic bank building, it partnered with Jimmy Liao's team to roll out the "Forget Kissing - It's Time Travel" thematic installation art. This is the first public art display in Taiwan to combine historic relics and installation art while transcending time. In the meantime, visitors can experience crossover interactions alternating between virtuality and physicality through exclusive augmented reality (AR) puzzle games, as we showcase a brand new image for a branch spanning more than one hundred years.



SPORTS COMPETITIONS

Table tennis training

We established a men's table tennis team in 2011, and the team won a total of 24 gold, 19 silver and 25 bronze medals in 2024. We also continued to provide training fees to 9 schools, including Taipei Municipal Song Shan High School of Commerce and Home Economics, which benefited 417 players.



National Tennis Championship

We hosted the 14th "First Bank Table Tennis Championship", which drew nearly 100 teams from around the country to compete. This sporting event, which provides elite table tennis players with a platform to hone their skills and share and exchange experiences, is intended to foster more up-and-coming table tennis stars.

Supporting Physical Education

- Since 2019, we have been providing monthly food allowances to promising disadvantaged students and disabled athletes, which helps them realize their potential as future stars and bring glory to Taiwan on the international stage. A total of 8 athletes received the allowances in 2024.
- Sponsored the baseball team of Tainan Municipal East District Chongsyue Elementary School, the weightlifting team of Changhua County Tianwei Junior High School, the taekwondo team of Hualien County Ming-Li Elementary School, and the basketball team of National Magong Senior High School; provided nutritional supplements and training gear and equipment to improve their athletes' competitiveness, benefiting approximately 112 athletes.



Maxxis First Financial Holding Tennis Championship

We have organized national tennis championships for 13 consecutive years together with the Maxxis Group. It is the largest and most iconic tennis competition in Taiwan featuring the highest prize money. This competition includes the teenager division (ranking competitions for 12, 14, and 16 year-olds), college student B division, and open and masters divisions. A total of 676 people competed in 2024.



Unified Invoice Cup Road Running Race

We participated in the "Ministry of Finance 2024 Unified Invoice Cup Road Running Race", which started at the National Taiwan University of Sport's Emblem Plaza. The event attracted approximately 18,000 participants.



Protections for Human Rights and Gender Equality

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

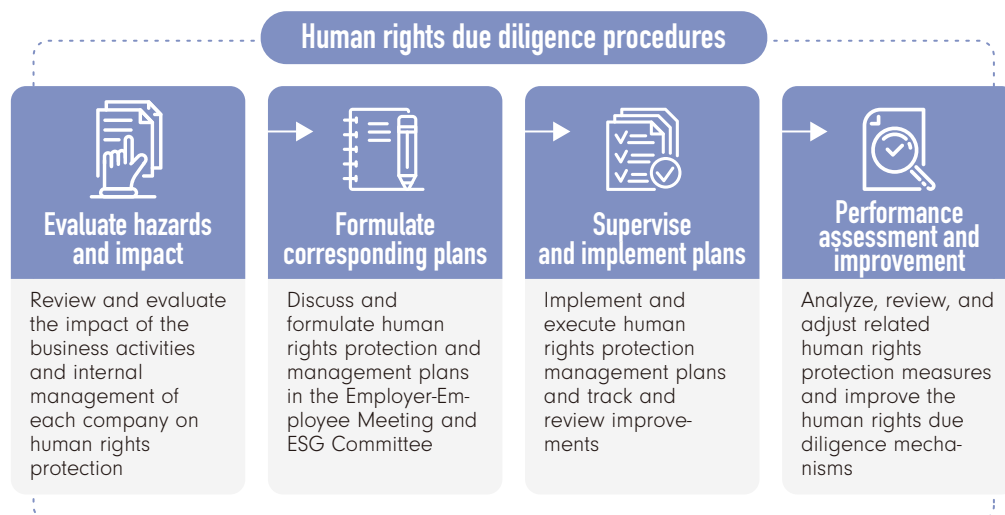
6-1 Policy and Commitment to Human Rights

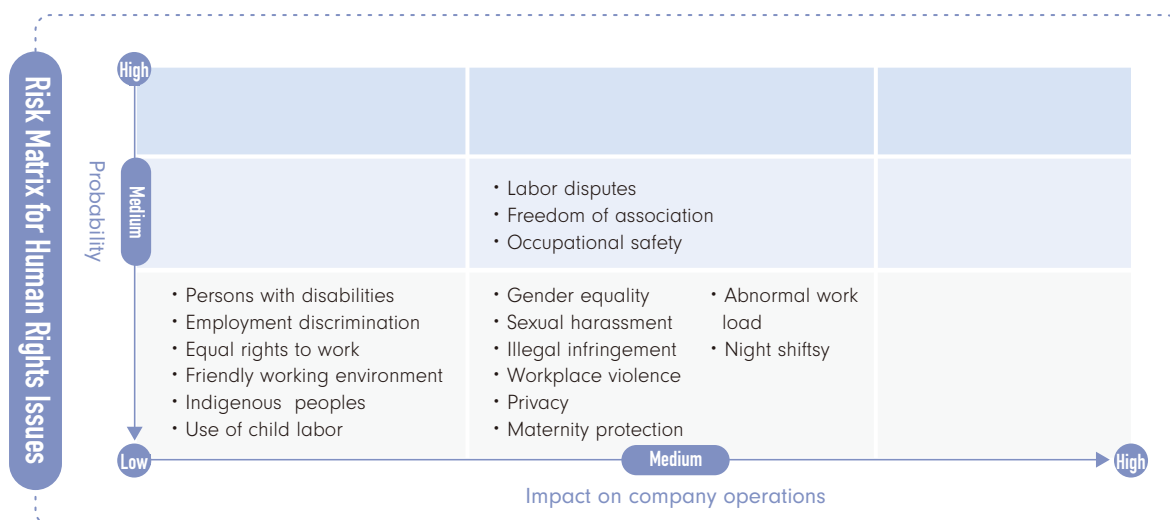
First Financial Holding is committed to abide by the International Bill of Human Rights and other conventions such as the "United Nations Universal Declaration of Human Rights", "United Nations Guiding Principles on Business and Human Rights", "The Ten Principles of the United Nations Global Compact", "International Labour Organization Core Labour Standards", "ISO 26000 Guidance on Social Responsibility", "Convention on the Elimination of All Forms of Discrimination against Women", "The International Covenant on Economic, and the "Modern Slavery Act", and has included them into the Human Rights Policy of the Group.

At all group subsidiaries, there is no discrimination employees during recruitment, selection, hiring, assignment, career development, remuneration and benefits, promotions, education & training, and retirement plans on the basis of race, class, language, thought, religious, political affiliation, ancestry, place of birth, gender, sexual preference, age, marital status, appearance, facial features, physical and mental handicap, or union membership. Article 18 of the Guidance on Sustainable Development for FFHC stipulates that subsidiary companies shall abide by the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination to create an equal opportunity workplace. There were no human rights violations, infringement of indigenous rights, or incidents of discrimination. The hiring of those under the age of 16 as regular or atypical employees (including temporary workers and security staff) is explicitly banned in our HR regulations. We also adhere to the Labor Standards Act to prevent forced labor through violence, threats, imprisonment or other illegal methods.

6-2 Due Diligence and Risk Management of Human Rights

The Company's Sustainable Development committee reviews relevant human rights issues each quarter and uses actual investigations, data monitoring, and questionnaire surveys to evaluate potential human rights risks and establish a risk matrix for human rights issues.





In 2024, precautionary and mitigating measures were implemented for human rights issues, such as "workplace safety", "labor dispute" and "freedom of association" identified as medium occurrence rate or operational impact. For example: The "ISO 45001 Occupational health and safety management systems" have been introduced to the Headquarters Building to enhance various management measures, unearth safety concerns and improvement opportunities, and maintain a safe and healthy working environment. We also hold labor-management meetings and Occupational Safety and Health Committee meetings regularly to promote communications on various benefit systems, the working environment and labor-management cooperation. To safeguard group employees' right to freedom of association, the subsidiary bank, securities company and AMC company have all signed collective bargaining agreements. The labor union membership rate among our employees reached 89.32% in 2024.

© Human Rights Risk Assessment and Management

Human Rights Risk Factor	Risk identification (%)	Overall Risks (%)	Tangible Actions Taken	Probability of Impact (%)	Total Impact (%)
Diversity, inclusiveness, and equal opportunity (e.g., ban on the use of child labor, ban on employment discrimination, equal work rights, and friendly working environment)	1.0	7.13	<ul style="list-style-type: none"> All companies appoint the full number of employees with disabilities based on legal requirements. To ensure no child labor is used, applicants are required to provide their correct date of birth and signature on their resume during the recruitment process and present identification documents on their start date. Set up friendly facilities for employees with disabilities. 	0	0.21
Assessment results <ul style="list-style-type: none"> The Company did not hire child labor less than 16 years old and no employment discrimination occurred. Employed 103 persons with disabilities. 					
Gender equality and illegal infringement (e.g., sexual harassment, privacy rights, and workplace violence)	0.16	7.13	<ul style="list-style-type: none"> Implement the "Prevention of Illegal Infringement at Work Plan". The Company enhanced the training programs for new employees and current employees. All units are required to complete the "hazard identification and risk assessment for prevention of illegal infringement in the workplace" for all employees each year. The representatives of both labor and management established the "Illegal Infringement Complaint Investigation Team" to investigate cases of illegal infringement. We posted promotional posters for "ban on sexual harassment" and published the "Regulations on Sexual Harassment Prevention, Complaints and Investigation" on the official website and internal website. We have also set up sexual harassment complaint hotlines and emails. The Company organizes courses on sexual harassment prevention regulations, complaint channels, and prevention of workplace violence each year. 	0.03	0.21
Assessment results <p>In 2024, a total of 16 complaints related to unlawful infringement were received, of which 3 were substantiated upon investigation and have all been properly handled.</p>					

Human Rights Risk Factor	Risk identification (%)	Overall Risks (%)	Tangible Actions Taken	Probability of Impact (%)	Total Impact (%)
Freedom from compulsory labor (e.g., abnormal work load or night shifts)	1.64	7.13	<ul style="list-style-type: none"> • Implement the "Abnormal Workload-triggered Diseases Prevention Plan". • Establish procedures for daily overtime work applications and management reminders in the system to ensure reasonable adjustments of work and manpower allocation. • Implement restrictions on total daily/monthly extended hours. • The system produces a table on abnormal overtime work weekly and implements improvements. • Implement regular inspections on overtime work and enhance audits based on the overtime work conditions of each unit. • Issue official letters from time to time to remind units of key points in labor inspections. • Implement flexible work hours in accordance with the Labor Standards Act to reduce the need for overtime work. • Implement flexible work hour system (flexible commuting, work hours adjustments, flexible leaves, and reduced work hours). • Risk assessments are conducted for employees engaged in "shift work, night work, and long working hours". According to the risk levels, appropriate health management measures or promotion activities are provided, and the health improvements of high-risk employees are tracked. 	0.08	0.21
Assessment results <ul style="list-style-type: none"> • A total of 13 employees applied for flexible work hours in 2024 due to their childcare and family care needs. • The Abnormal Workload-Induced Disease Prevention Program identified 106 employees in the medium- and high-risk categories and 63 employees in the low-risk category. Among them, 8 high-risk employees received physician consultations and health guidance, with ongoing follow-up to monitor improvement. 					
Maternal health protection	2.06	7.13	<ul style="list-style-type: none"> • Implement the "Maternal Employee Health Protection Plan" • Implement risk assessment, hazard control, risk management, and work adjustments and assign in-house physicians and full-time nurses to provide care and health education over the telephone. • Rigorously comply with labor regulations, gender equality in employment, and maternity protection regulations. • Provide health education during pregnancy and after giving birth as well as remind pregnant employees of childbirth subsidies and related information. • Set up a breastfeeding room and provide flexible breastfeeding measures. • Organize maternity health protection (including childcare) seminars. • Provide subsidies and concern measures for child birth and child care. • Make appropriate adjustments to jobs. 	0	0.21
Assessment results <ul style="list-style-type: none"> • The breastfeeding rooms of the headquarters building, Yanping building, information building, the Bade and Zhongshan buildings of the credit card division each obtained the Excellent certification, valid for 3 years. 23 colleagues used the facilities in 2024. • In 2024, all individuals assessed for maternity health protection were found to be free of hazards. • In 2024, we provided maternity health protection care services to 400 employees over the telephone. • In 2024, a total of 3 seminars were organized for breastfeeding in the work place and childcare. 					
Good labor relations (e.g., workplace safety, freedom of association, labor disputes, and complaints mechanisms)	2.27	7.13	<ul style="list-style-type: none"> • Automatic inspections and maintenance of the work environment and occupational safety and health. • Provide diverse and confidential complaint channels • Rigorously comply with labor regulations and specify regulations in the Work Rules and related regulations. • Convene regular Employer-Employee Meetings and the meetings of the Occupational Safety and Health Committee to promote benefits, improve the work environment, and facilitate cooperation and communication between labor and management. • Increase workplace safety awareness from time to time. • Publish posters for complaint channels on bulletin boards. • Provide a diverse range of activities and implement work and life balance. • Implement the "Human-Factor Hazard Prevention Plan", and require employees to regularly fill in the Employee Musculoskeletal Symptom Self-Assessment and evaluate and track the management. 	0.1	0.21
Assessment results <ul style="list-style-type: none"> • No relevant cases of sanctions due to labor-management disputes and complaints. • A total of 234 employees were identified as potentially exposed to ergonomic hazards. Physicians were engaged to assess individual symptoms and determine possible causes, providing appropriate recommendations for improvement. Of these, 221 employees showed improvement, 1 declined further assistance, 2 retired, and the remaining 10 are under continued follow-up for improvement. 					

◎ Human Rights Risk Assessment Ratio in Past Years

Item	Year	2021	2022	2023	2024
Share of employees who have completed risk assessment (%) ^{*1}		100	100	100	100
Risk value (%) ^{*2}		6.79	6.97	6.79	7.13
Impact value (%) ^{*3}		0.17	0.14	0.14	0.21
Share of employees who have taken risk-mitigating actions (%)		100	100	100	100

*1 : The numbers of people who completed risk assessment from 2021 to 2024 were 9,969, 10,095, 10,305 and 10,317, respectively.

*2 : Risk value (risk identification rate) = number of people taking risk identification/number of group employees (10,317 people)

*3 : Impact value (impact occurrence rate) = number of people impacted/umber of group employees

FFHC adheres to and ensures that employees enjoy internationally accepted labor rights, and related information is openly available internally. All business sites follow local laws and regulations on human rights. There is no discrimination on the rights enjoyed by employees on the basis of race, gender, employment type, promotion or other situations. All have the right to equal pay for equal work, freedom from sexual harassment, and job security for female employee during pregnancy. The Group's directors, supervisors, managers, and employees must follow the code of conduct and may not make sexual advances or commit actions that violate human rights such as implicit sexual suggestions, sexual discrimination, or violation of human dignity and personal freedom. In addition to regularly organizing sexual harassment prevention education and training, we provide a full description of the human rights system on work rules, HR management rules, employee compensation and benefits during new employee training courses. Union personnel are also invited to speak about employee rights relating to the Occupational Safety and Health Act. In 2024, no violations of indigenous peoples' rights and discrimination occurred. The companies have not made any mergers or acquisitions or signed major investment agreements.

In 2024, a total of 19,390 employees at domestic and international operating locations participated in human rights protection training courses, with a total of 20,383 training hours, achieving a 100% participation rate. Additionally, the Company's human rights policies were communicated to partner security companies, ensuring that security personnel understood these policies through pre-service and in-service training. In 2024, 12 human rights education training sessions for security personnel were conducted, each averaging 0.5 hours, with a 100% completion rate.

◎ Human rights protection training in past years

Item	Year	2021	2022	2023	2024
Total hours		15,195	13,620	14,410	19,390
Total number of people		18,958	20,026	19,574	20,383
Employee training rate (%)		100	100	100	100

6-3 Gender Equality

First Financial Holding Co., Ltd. (FFHC) implements the Gender Equality Policy in spirit of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and in compliance with the Act of Gender Equality in Employment. We promote gender equality by focusing on "corporate culture," "organizational structure," "salary and benefits," "education and training," "work-life balance," "child birth measures," and "workplace safety" to create a friendly, gender-equal environment for employees, thereby realizing our vision of becoming a happy enterprise.

The Company's internal regulations clearly stipulate adherence to gender equality and anti-discrimination principles. Additionally, no acts of sexual harassment or gender discrimination are permitted while performing duties. The Company has set up an Employee Care Group under the "Sustainable Development Committee," which is affiliated with the Board of Directors. The Group is composed of members from human resource-related departments of each company. Group members are responsible for promoting gender equality measures, gender equality education, gender discrimination prevention and handling, and workplace bullying, among other incidents.

FFHC has also adopted the awareness of gender equality into its core operations. Aside from working with government and professional institutions to organize lectures on senior trust and asset planning as well as disseminating the concept of gender equality in inheritance, we also rolled out the "Phoenix loan for micro entrepreneurship" to help women start their own business. The Mellie Titanium Card and the Wonderful Card, designed with women's needs in mind, have also been launched to boost women's economic empowerment. In 2024, we won the Taipei City Government's "Parenting Friendly Enterprise Award - Benchmark Enterprise Group", and were named by the New Taipei City Government as an outstanding enterprise for "family friendly & workplace equality measures".

For more information on gender equality measures for maternal employees, please refer to 4-4 Friendly, Healthy and Happy Workplace.

Childbirth allowance and subsidies

- Marriage allowance of NT\$60,000 for two (employees)
- For childbirth allowance, NT\$100,000 would be disbursed for the first childbirth, NT\$150,000 for the second childbirth, and NT\$250,000 for the third childbirth (with effect from April 2025)
- NT\$10,000 in Transportation Subsidy for Pregnant Employees
- Flexible work hours
- Child care subsidies
- Subsidies for children's education



Work-life balance

Flexible work hours

- No need to apply for a leave if 10 minutes late for work
- No need to apply for a leave if leaving work 10 minutes early
- Employees can start work an hour earlier or leave work an hour later
- Employees can work an hour less
- Leaves are taken on an hourly basis



Paid leave and number of paid leave days surpass legal requirements

Paid leave

- Personal leave 14 days
- Sick leave 30 days
- Family care leave 7 days
- Menstrual leave 1 day/month
- Artificial insemination leave 2 days
- Tocolysis Leave 44 days
- Volunteering leave 1 days

Increased number of days

FFHC	Legal Requirement
Marriage leave 14 days	8 days
Compassionate leave Up to 21 days	Up to 8 days
Miscarriage leave 7 days for less than 3 months	5 days
Maternity Leave 58 days	56 days
Prenatal checkup leave, spousal prenatal checkup leave, and paternity leave 8 days	7 days

Pregnancy-Friendly Leave

Maternity Leave

Female employees are granted 58 days of maternity leave before and after child birth (law grants 56 days)

Artificial insemination leave

Female employees undergoing invasive artificial fertility treatments are provided with 2 days of paid leave.

Prenatal checkup leave, spousal prenatal checkup leave, and paternity leave

8 days of leave for prenatal checkups and spousal prenatal checkups are provided. (law grants 7 days)







Tocolysis leave + miscarriage leave

- 44 days of paid sick leave and personal leave are provided. (whereas the law grants half-paid sick leave and unpaid personal leave)
- 7 days of maternity leave are granted to employees who miscarried within 3 months of pregnancy (whereas the law grants 5 days)

6-4 Compensation Structure with Equal Pay for Equal Work

All starting salaries of the Group are higher than the minimum wage stipulated in the Labor Standards Act. The ratio of starting salaries for males and females is 1:1, with equal pay being offered for equal work. The Company abides by the principles of fairness and reasonableness to ensure that employee salaries do not differ based on gender or other factors. In 2024, when comparing the overall compensations for male and female employees with men's salary (100%) as baseline, the average salary of female senior executives is 108% while average compensation is 107%; 105% and 106% for female management personnel; and 98% and 101% for female non-management personnel.

◎ Comparison Table of Remuneration Over the Years

Item	Year	2022		2023		2024	
							
Average salary of the President ^{*1、2}		100%	100%	100%	100%	100%	100%
Average compensation of the President ^{*3}		100%	100%	100%	100%	100%	100%
Average salary of executives ^{*4}		103%	100%	104%	100%	108%	100%
Average compensation of executives		106%	100%	110%	100%	107%	100%
Average salary of management personnel ^{*5}		102%	100%	105%	100%	105%	100%
Average compensation of management personnel		103%	100%	107%	100%	106%	100%
Average salary of non-management personnel		96%	100%	98%	100%	98%	100%
Average compensation of non-management personnel		99%	100%	100%	100%	101%	100%

*1 : The salary and remuneration of the President are proposed by the Remuneration Committee and submitted to the Board of Directors for review. There is no gender-based variation.

*2 : Definitions of salary: Salary refers to the monthly base salary, position allowances, various other allowances, compensation for overtime work, etc.

*3 : Definitions of compensation: Compensation refers to the salary + other incentives (e.g., Employee compensations, bonuses, retirement benefits, severance pay, and incentives of material value).

*4 : Definitions of executives: Refers to the ones stated in "managerial officers" specified in Tai-Cai-Zheng-3 No. 920001301 letter dated March 27, 2003, which includes overseas branch managers.

*5 : Definitions of management personnel: Refers to senior managers and management personnel other than senior managers.

FFHC implements gender equality. Female directors account for 47% of the Board of Directors. Women also make up 60% of our independent directors, and the convener of the Audit Committee is also a woman. Women currently serve as Chairpersons of First Financial Holding, as well as the subsidiary bank and AMC company. A female professional manager also serves as President of our subsidiary securities company. Female employees account for a larger share of the Group's total workforce than their male counterparts do. As of the end of 2024, the number of senior executives within the Group totaled 323 people. Among them, females accounted for 48.3%. Women also accounted for 49.3% of our junior executives, which stood at 1,426 people in total. Furthermore, women also accounted for 47.5% of those in managerial positions with income growth potential. The number of female employees working in positions requiring competencies in science, technology, engineering and mathematics (STEM) totaled 507 people, which accounted for 43.4% of STEM-related job positions.

◎ Proportion of Female Executives and Employees in Past Years

Item	Year	2021	2022	2023	2024
Percentage of overall female employees (%)		60.4	60.1	60.1	59.9
Percentage of overall female manager (%)		51.1	50.4	49.3	49.11
Percentage of junior female managers (%) ^{*1}		50.9	50.4	49.7	49.3
Percentage of senior female managers (%)		51.9	50.2	47.9	48.3
Percentage of female employees in revenue generating management positions (such as sales) (%) ^{*2}		40.1	48.5	36.9 ^{*4}	47.5
Percentage of women in related STEM positions (%) ^{*3}		43.1	43.8	43.0	43.4

*1 : Number of junior female managers/Total number of junior managers

*2 : Number of female managers in positions with potential for salary increase/Total number of managers in positions with potential for salary increase (excluding support departments such as human resources, information, and legal affairs)

*3 : STEM refers to science, technology, engineering, and mathematics. We recruit STEM-related employees based on their professional skills and do not set gender-based thresholds for recruitment.

*4 : In recent years, the number of female managers retiring has increased, leading to a relatively higher proportion compared to male managers.

6-5 Freedom of Association

The Company has set up diverse and confidential employee communication channels to build harmonious employee and employer relations and enhance both the development of the Company and employer welfare. The Employer-Employee Meeting consists of an equal number of labor and management representatives. Regular meetings are held to discuss employer-employee issues such as improvements to working conditions and benefits. In 2024, there were no penalties resulting from labor dispute complaints. The number of employer-employee meetings held and the number of proposals discussed over the past four years are summarized in the table below.

◎ Statistics on Employer-Employee Meetings Over the Years

Item \ Year	2021	2022	2023	2024
Number of meetings	30	31	33	30
Proposals	71	68	86	128
Labor disputes (cases)	0	0	0	0

The Group's domestic and international operating locations ensure employees' freedom of association. At the end of 2023, First Bank signed its fifth collective agreement, covering union activities, employment, transfers, dismissals, working hours, holidays, leave, compensation, benefits, safety, health, occupational injury compensation, retirement, and survivor benefits, fully protecting employee rights. The agreement includes vacation systems, retirement systems, and profit-sharing clauses that are more favorable than labor laws. It specifies that in the event of significant operational changes such as mergers, reorganizations, transfers, or splits, the process must be transparent. Major decisions must be immediately communicated to the union and employees after employer-employee meetings. Clauses related to health and safety make up 27.8% of the agreement. If employees are not retained or do not agree to be retained, they are provided with severance pay according to the law and additional preferential compensation. Currently, approximately 89% of employees are covered by the collective agreement. In 2024, six meetings were held. Additionally, both First Securities and First Financial AMC signed their collective agreements in November 2018. These agreements also include provisions that protect employee rights in the event of significant operational changes. Clauses related to health and safety account for more than 15.8% of the agreement. Currently, there are no significant unresolved disputes between employees and the employer.

◎ Statistical Table on Number of Employees who are Members of the Union Over the Years

Item \ Year	2021	2022	2023	2024
No. of employees who are a member of the union	7,500	7,516	7,669	7,718
Percentage of employees who are a member of the union (%) [*]	96.84%	94.22%	89.11%	89.32

^{*} : Percentage of employees who are union members = number of employees who are members of the union / number of employees (excluding local hires of overseas offices and temporary personnel)

6-6 Sexual Harassment Prevention

To create a friendly workplace, FFHC has announced and implemented the "regulations on sexual harassment prevention, complaints and investigation". A dedicated phone line, fax, and email address for reporting sexual harassment have been established, with designated personnel responsible for handling complaints. Additionally, information on sexual harassment prevention is promoted on the Company's website and through electronic bulletin boards of business units. Each company also incorporates courses on sexual harassment prevention and handling procedures, as well as gender equality and case studies on sexual harassment prevention, in the training for new employees or in regular regulatory education and training. Sexual harassment prevention and Act of Gender Equality in Employment courses are incorporated in management training classes to improve management's knowledge on the prevention and handling of sexual harassment. Persons in charge of handling sexual harassment claims are appointed to attend training programs hosted by external agencies, including professional training courses on skills for investigating sexual harassment claims and relevant seminars.

A "Sexual Harassment Complaints Committee" with 10 committee members and a majority of female members have also been established. The committee members serve for 2 years and their terms may be extended. The members of the committee must possess actual experience with handling sexual harassment, as well as a background in law, social sciences and human resources. A confidential investigation must be launched within 7 days of a complaint being received. The result of the investigation must be presented to the related party, and a report submitted to the committee for review. The case must be finalized within 2 months. Based on the committee's decision, appropriate disciplinary actions are given to the perpetrator, including reassignment from their original position and administrative penalties. The victim's wishes are respected, and appropriate job arrangements are made for them. Additionally, psychological counseling services from the Teacher Chang Foundation are provided. A lawyer will be hired to provide assistance in cases involving civil compensation. To protect the privacy and personal rights of the parties involved, all identifying information such as names or other data sufficient to identify individuals must remain confidential unless necessary for the investigation or due to public safety considerations. Relevant personnel and committee members are required to maintain confidentiality. Before each meeting of the Sexual Harassment Committee, the chairperson reads the confidentiality clauses aloud. In 2024, 3 cases of sexual harassment complaints were received by the Group, which were adequately processed and concluded.

© Statistical Table on Sexual Harassment Complaints Over the Years

Item \ Year	2021	2022	2023	2024
Sexual harassment (cases)	1 (not established)	0	5	3*

* : The bank (2 cases), and securities (1 case) subsidiaries held meetings in accordance with the "regulations on sexual harassment prevention, complaints and investigation" and completed investigations in a confidential manner. All cases have been handled appropriately.







By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

First Financial Holding 2024 Annual Sustainability Report

The British Standards Institution is independent to First Financial Holding Co., Ltd. (hereafter referred to as FFHC in this statement) and has no financial interest in the operation of FFHC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of FFHC only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by FFHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to FFHC only.

Scope

The scope of engagement agreed upon with FFHC includes the followings:

1. The assurance scope is consistent with the description of First Financial Holding 2024 Annual Sustainability Report.
2. The evaluation of the nature and extent of the FFHC's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the First Financial Holding 2024 Annual Sustainability Report provides a fair view of the FFHC sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the FFHC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate FFHC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that FFHC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to FFHC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on FFHC's approach to stakeholder engagement. Moreover, we had sampled 2 external stakeholders to conduct interview.
- interview with 30 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that FFHC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the FFHC's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The FFHC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of FFHC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the FFHC's management and performance. In our professional opinion the report covers the FFHC's materiality assessment process and material issues.

Responsiveness

FFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the FFHC is developed and continually provides the opportunity to further enhance FFHC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the FFHC's responsiveness issues.

Impact

FFHC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. FFHC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the FFHC's impact issues.

Performance information

Based on our work described in this statement and with no conflict of interest with the FFHC in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, FFHC and BSI have agreed upon to include in the scope. In our view, the data and information contained within First Financial Holding 2024 Annual Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

FFHC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the FFHC's sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the FFHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



AA1000
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000-4/V3-Y77WT

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Statement No: SRA-TW-803578
2025-05-21

...making excellence a habit.™

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

English Translation of a Report Originally Issued in Chinese

Limited Assurance Report of Independent Auditors

To: First Financial Holding Co., Ltd.

Scope

We have been engaged by First Financial Holding Co., Ltd. (the “Company”) to perform a ‘limited assurance engagement’, hereinafter referred to as the “Engagement”, as defined by the Taiwan Accounting Research and Development Foundation, to report on the selected sustainability information (the “Subject Matter”) included in the Company’s 2024 Sustainability Report (“the Report”).

The Subject Matter selected by the Company and their applicable criteria

The Company’s management is responsible for the preparation of the Company’s 2024 Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for the Commercial Banks and Consumer Finance, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Company’s 2024 Sustainability Report.

Regarding the Subject Matter selected by the Company and their applicable criteria, please refer to Appendix A.

The Company’s responsibilities

The Company’s management is responsible for the preparation of the Company’s 2024 Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation and the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) for the Commercial Banks and Consumer Finance. The Company’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the Taiwan Accounting Research and Development Foundation. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

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

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures related to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures performed included:

- Interviewing with the Company's management and personnel to understand the Company's sustainability implementation and the reporting process.
- Understanding the expectations and requirements of the main stakeholders and stakeholders of the Company, the specific communication channels between the two parties, and how the Company responds to such expectations and requirements through interviews and inspection of relevant documents.
- Interviewing with the Company's key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period.
- Performing analytical procedures on selected performance information, gathering and checking other supporting documentation and management information obtained, testing samples if necessary.
- Reading the Report to ensure the overall sustainability implementation is consistent with our understanding.
- Checking whether the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.

Inherent Limitations

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also, assurance engagements are based on selective testing of information being examined, and it is not possible to detect all of the existing material misstatements whether resulting from fraud or error.

Conclusion

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

Yu-che Tseng

Tseng, Yu-che
Ernst & Young, Taiwan
August 5, 2025

Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix A: Summary of Subject Matters Assured

No. 1	P.104
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Subject Matter:

Approximately 6.85 million (76.43%) records of customer data were used for secondary purposes (e.g., marketing or improving product/service quality) without violating related regulations or agreements signed with customers.

* : The scope of information statistical disclosure hereunder covers the FFHC and all its subsidiaries.

Applicable Criteria:

FN-CF-220a.1

Total number of customers whose data was used for secondary purposes: Referencing the first point of the technical protocols for the Sustainability Accounting Standards Board (hereinafter referred to as the "SASB") Consumer Finance Sustainability Accounting Standard FN-CF-220a.1, and according to statistics from First Financial Holding Co., Ltd.'s (hereinafter referred to as the "FFHC") system parameters, the total number of customers whose data was used for secondary purposes as of December 31, 2024, is provided.

No. 2, 3	P.99, 243
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Subject Matter:

As stated on p.99 of the report, in 2024, neither FFHC nor any of its subsidiaries underwent any material information security incidents (note), or any IT infrastructure incidents causing revenue losses. No companies were subject to regulatory penalties, either.

As stated on p.243, financial losses as a result of litigation relating to customer privacy: N/A

* : • Definition of Material Information Security Incident : An incident with grave impact where the financial impact has exceeded NT\$5 million, where the competent authorities have intervened for investigation, and where reputational damage has been incurred.
• The financial losses referred to herein are based on the statistics of penalty cases published on the regulatory website.
• Matters related to litigation referred to herein are based on the statistics of penalty cases as published on the regulatory website.
• A data breach referred to herein is determined based on whether the information is disclosed outside of the FFHC, and whether the breach is in compliance with the FFHC's regulations on confidentiality and information security management.
• Number of data breaches: 1; percentage of personal data breaches: 100; number of account holders affected: 592

Applicable Criteria:

FN-CF-220a.2

Statistics on financial losses arising from legal proceedings due to customer privacy disputes in 2024 were compiled in accordance with the first point of the technical protocols for the SASB Consumer Finance Sustainability Accounting Standard FN-CF-220a.2.

FN-CF-230a.1 、 FN-CB-230a.1

- Number of data breaches : Referencing the technical protocols of the SASB Consumer Finance Sustainability Accounting Standards FN-CF-230a.1 and the first point of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-230a.1, we compiled statistics on the number of data breaches in 2024 in accordance with the FFHC Information Security Incident Management Regulations.
- Percentage of personal data breaches : Referencing the technical protocols of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-230a.1 and the second point of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-230a.1, we calculated the percentage of personal data breaches out of the total data breaches in 2024 in accordance with the FFHC Information Security Incident Management Regulations.
- Number of account holders affected : Referencing the technical protocols of the SASB Consumer Finance Sustainability Accounting Standards FN-CF-230a.1 and the third point of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-230a.1, we calculated the number of customers affected by personal data breaches in 2024 in accordance with the FFHC Information Security Incident Management Regulations.

No. 4	P.243
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Subject Matter:

The "Credit Card Fraud Situation" table on p.243 of the report shows the number of fraud cases and the amount of losses for (non-)physical credit card presentations.

* : The amount of loss hereunder is the same as the refund amount.

Applicable Criteria:

FN-CF-230a.2

Refer to the first, second, and third points of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-230a.2 technical protocols to calculate the total loss amount due to fraud in 2024 related to both physical credit card non-presentations and physical credit card presentations.

Subject Matter:

Contents of report p.96-104 chapter on information security and privacy protections:

Disclosure Elements	Corresponding Report Contents
Privacy/ Personal Information Policies	The Company and its subsidiaries has enacted Personal Data protection policy or guidance in accordance with relevant regulations of "Personal Data Protection Act", "The Safety Management Regulation of Personal Data Document held by Non-Government Agencies Designated by the Financial Supervisory Commission", "UK General Data Protection Regulation (UK GDPR)" and "EU General Data Protection Regulation (EU GDPR)".
Privacy/ The range of protection	Set up relevant Company personnel's rights to access Personal Data collected, processed, used when performing duties, management their contact of these Personal Data and agree with these personnel on their confidential obligations to strictly forbidden disclosure of Personal Data or customer's data.
Privacy/ Regulations and measures	<ul style="list-style-type: none"> • FFHC established the "Personal Data Protection and Management Committee", which the President is the chairman to be in charge of promoting and supervising the operation of Personal Data protection and management system, and established the "Personal Data Incident Response Team" in order to effectively respond to and handle Personal Data incidents which is inspected externally by accountants every year. • To announce confidentiality measures for customers' information on the front pages of the companies of the Group's websites and specify the range and measures of confidentiality to each confidential documents (including paper and electronic documents), diagrams, messages, computer programs, media or objects. • When Personal Data is stolen, tampered with, damaged, lost, leak or when there's other major Personal Data security incident, the Risk Management Department and the Compliance Department shall be notified and the Financial Supervisory Commission shall be notified within 72 hours of such incident. • Conduct periodical training to employees, in 2024 the Group has conducted Personal Information Protection Act training, GDPR and customer privacy training and other related trainings to all employees, the total number of employees trained is 7,791 and the total hours trained is 3,895.5 hours, the completion rate is 100%. • Shall at least inspect Personal Data protection policy once a year in order to keep up with latest governmental laws and regulations, rules of industries, information technologies and business development of the Company.
Privacy/ Internal control	<ul style="list-style-type: none"> • Stated that all subsidiaries shall include Personal Data protection procedure into their internal control system, hold self-check periodically and audit units shall conduct checking for Personal Data protection.
Personal Information Management of Overseas Branches	Except that the domestic units of First Bank shall follow EU General Data Protection Regulation (EU GDPR) and relevant regulations, other overseas branches shall also follow regulations policies of competent authorities of each country (for example: UK General Data Protection Regulation (UK GDPR)) and in order to request employees to follow Personal Data Protection Act, the breach of Personal Data has been included into deduct items of business units' evaluation and personal punishment will be made according to the degree of seriousness of the violations.
Information Security Policy	<ul style="list-style-type: none"> • To support the Group's overall business development, and ensure the effective utilization of its information and resources while looking after the safety of its information system and operations, the Company demands that it and its subsidiaries formulate related information operation management regulations in line with industry characteristics and in accordance with the "Information Management & Information Security Policy" reviewed and approved by the Board of Directors. • Moreover, the Company has formulated the "Regulations Governing Information Operation Management" to beef up its and its subsidiaries' information operation systems, equipment networks and data security, strengthen its internal control functions, and align with regulatory regulations relating to information management. Guidelines for the usage and safety control of Internet of Things (IoT) equipment have also been stipulated in the "Regulations Governing Information Security Management", in response to the Bankers Association's requirement for controlling IoT equipment. • In order to immediately knew the efficiency of handling information security incidents, the Company has enacted the "Information Security Incidents Report Operation Rules" for companies of the Group to follow, the procedure to handle information security incidents is stated as follows: <ul style="list-style-type: none"> Step 1: Report → When the Company or its subsidiary has an information security incident, it shall report immediately, and the Company's point of contact shall immediately register after it received such report Step 2: Determine the level → When department being the point of contact receives a report, it shall report to relevant supervisors according to the level of incidents Step 3: Enforce responsive measures → Unit where the incident occurred shall enforce relevant responsive measures and recover plans and report back to the Company on the process and outcome of handling Step 4: Follow-up and close → The department in charge of being the point of contact shall follow-up on each improvement measure and review whether or not the recovery plan is sufficient, in order to close the case

Disclosure Elements

Corresponding Report Contents

Information Security Management Unit

- We established an IT Development Committee with the president of FFHC as the chairperson. Committee members include vice presidents(Chief Information Security Officer), the head of the Information Technology Department, presidents of subsidiaries, and vice presidents responsible for IT operations (or managers with an expertise in IT). The IT Development Committee is convened regularly to discuss and review IT development, IT security and management issues at each subsidiary.
- In order to comprehensively improve digital financial business and information security management efficiency, the Company has two directors with backgrounds in computer science and information management and set up a Chief Information Security Officer, which is assumed by the former director of the National Center for Cyber Security Technology of Executive Yuan and deputy director of the CyberTrust Technology Institute of the Institute for Information Industry. It is in charge of the Information Technology Department and is responsible for the planning, establishment, promotion and management of the Group's information systems and information security control measures, as well as the sharing and integration of related resources.
- FFHC has set up a Chief Information Security Officer in 2022. First Bank and First Securities have set up Chief Information Security Officers in 2021 and 2022 respectively. All were assumed at Vice President level.
- The Digital Security Division of First Bank has set up an "Information Security Advisory Team", which has recruited two external information security experts from academia as members of the team. The team provides decision-making advice for information security framework, development blueprint planning, major information security incidents and information security implementation.
- In 2022, the Company enacted the "Computer Information Security Incident Response Team Establishment Guideline of First Financial Holding Co. Ltd." and established the "Computer Information Security Incident Response Team", which appointed the Information Security Officer of the Company to be the convener, the head of the Information Technology Department of the Company to be the vice convener, the information security supervisors of the Information Security Section of the Information Technology Department, the Information Planning Section of the Information Technology Department and the subsidiaries to be the Team member, and divide the Team into five groups to be receptively in charge of responding, handling, contacting externally and safety managing information security incidents.

Information Security Internal Control

- To comply with the authority's rules, bank, securities, investment trust and life insurance subsidiaries have included the overall implementation of information security in 2024 into the internal control system statement, and such companies' chief information security officer or the supervisor or top supervisor of the dedicated unit responsible for information security and its chairman, president, chief auditor, and the head office's legal compliance officer jointly issued the internal control system statement.
- The Internal Control System contains detailed rules and manuals for information security/online security risks, including application system operations management, hardware and environment management, network management, webpage management, e-mail security management, computer user access rights management, disaster recovery procedures, subsidiary supervision and computer file preservation, storage and processing principles.

Maturity of their information security governance/ reviews and audits by independent, external third-party institutions

- First Bank has cooperated with the Financial Information Sharing and Analysis Center (F-ISAC) in evaluating the Cybersecurity Assessment Tool (CAT), and has produced the F-ISAC Taiwan's version of cybersecurity maturity assessment.
- The Group's various subsidiaries have enhanced the effectiveness of their information operations and cyber security management through reviews and audits by independent, external third-party institutions, including:
 - 1.First Commercial Bank, First Securities, FSITC and First Life Insurance have all obtained the ISO 27001 Information Security Management Systems certification.
 - 2.First Commercial Bank and First Life Insurance have obtained the BS 10012 Personal Information Management Systems certification.
 - 3.First Commercial Bank has obtained the ISO 20000 Information Service Management Systems certification.
- To ensure network and information system security and to provide customers with safe automated services, the Group's subsidiary bank, securities company, securities investment trust company and life insurance company have all obtained the ISO 27001 certification. In an effort to maintain the validity of the certificates, we would commission verification organizations to conduct secondary reviews every year in addition to re-verification every three years, so that we can provide safer financial products and transaction flows.
- First Bank's Digital Security Division has established a KPI for adding two international information security licenses each year. First Securities also set up a management goal that all personnel of information security units shall acquire information security licenses, and this goal has been accomplished for three years in a row.

Beef up information security resilience and information security related measures/information security plan and procedure practice

- To ensure the security of the IT operating system, network, and data, and ensure continuity of operations, the Company established the "IT Operating Management Guidelines" and "Guidelines for Disaster Recovery Plan" which serve as the basis for emergency response for IT operations. The Company executes disaster recovery drills every six months.
- To guard against malware from encroaching on the Company's information system via social engineering methods, and to enhance education on information & communication security, the subsidiary bank, securities company, investment trust company and life insurance company would target all employees and conduct two to four social engineering exercises at varying intervals within the perimeters of safe monitoring every year. Our coverage rate of employee training has been 100%. Exercise items include opening emails, clicking on hyperlinks, returning receipts, opening attachments and phishing success.
- With respect to units that have failed these exercises and employees with insufficient awareness of information security, we would enhance education training and information security awareness campaigns. Furthermore, we would also add related information security items, such as exercise completion rates and the occurrence of information security incidents that has led to major regulatory penalties for the Company or any of its subsidiaries, to the pool of annual employee performance indicators.
- To enhance information security resilience, First Bank continues to purchase the "information system illegal conduct insurance" to mitigate the financial losses of the penetration of the system.
- The Emergency Response Plan for Information Security of the subsidiaries First Bank, First Securities, First Securities Investment Trust, First Life Insurance, and First Financial AMC.

Applicable Criteria:
FN-CF-230a.3 、 FN-CB-230a.2

Refer to the technical protocols for the SASB Consumer Finance Sustainability Accounting Standard FN-CF-230a.3 and first to seventh points of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-230a.2 to identify and clarify the FFHC's information security management policies and framework, as well as methods for protecting against and identifying information security-related risks.

Subject Matter:

Each subsidiary has also set up its reward systems for the promotion and sales of sustainable financial products and services. ESG educational training accounts for around 5% to 6% in performance assessments. In 2024, 30.2% of group employees' compensation was related to their performance regarding sustainable financial products.

* : The fixed salaries hereunder include basic salaries, food expenses, year-end and holiday bonuses, and the salaries not included hereunder are calculated as variable salaries.

Applicable Criteria:
FN-CF-270a.1

By referring to the first and second points of the technical protocols of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.1, the total number of fixed and variable salaries of employees of the FFHC and all its subsidiaries were counted in 2024 and used to calculate the ratio of variable salaries to total salaries.

Subject Matter:

The approval rate for credit and credit card products of customer groups with different risk levels in "Indicators of loan and credit card products - distinguished by credit risks" on p.243 of the report.

* : • Prepaid card products are not provided by First Bank. Therefore, in accordance with "Key Points of Credit Rating of First Bank's Consumption Amount" and the "Credit Card Application Scorecard Development Manual", risks of loan and credit card application are distinguished, and the approval rate and overall approval rate are counted.
 • Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.
 • Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

Applicable Criteria:
FN-CF-270a.2

Refer to the first and second points in the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.2. The approval rates and statistical applications of loan and credit approval rates are counted separately based on credit risk levels, and the overall loan and credit card approval rates are calculated after credit risk assessment.

Subject Matter:

The "Indicators of loan and credit card products - distinguished by credit risks" table on p. 243 of the report includes the interest rates, average account terms, and average number of accounts (credit card) held for customers in each risk category of loan and credit card products.

* : • First Bank does not have any additional product charges due to credit risks.
 • The data of average annual interest rate, average account term and average number of account held hereunder is distinguished in accordance with First Bank's internal credit card risk related rating methods.
 • Prepaid card products are not provided by First Bank. Therefore, in accordance with "Key Points of Credit Rating of First Bank's Consumption Amount" and "Credit Card Application Scorecard Development Manual", risks of loan and credit card application and related data are distinguished and counted.
 • Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.
 • Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

Applicable Criteria:
FN-CF-270a.3

• Additional product fees due to credit risks: Refer to first point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.3 to review First Bank's additional product charges due to credit risks.
 • The average annual interest rate, average account term and average number of accounts held are distinguished in accordance with credit risks. By referring to the second, third, and fourth points of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.3, for loan and credit card products, the average annual interest rate, average account terms and average number of accounts held are distinguished and counted in accordance with credit risks.
 • Annual fees for holding prepaid products based on credit risk: Refer to the fifth point of the technical protocols of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.3 to review First Bank's annual fee for holding prepaid products.

Subject Matter:

The Group accepted and handled a total of 290 customer complaint cases via various grievance channels in 2024. In particular, we were notified of 208 of these cases via competent authorities (please refer to the appendix for more details: sustainable operation indicators) ...

* : The information sources of the competent authority hereunder are mainly based on the filing records of the complaint cases archived by the FFHC, except for the statistics on the complaint cases of the Financial Ombudsman Institution and FSC Banking Bureau.

Applicable Criteria :**FN-CF-270a.4**

- Number of customer complaints counted by the competent authority: Refer to the first point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.4 to count the number of customer complaints filed by the competent authority of the FFHC in 2024.
- Percentage of mediations established according to statistics from competent authorities: Refer to the second point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.4 to count the percentage of all the FFHC's customer complaints filed by the competent authority through monetary or non-monetary mediation in 2024.
- Percentage of failed mediations according to statistics from competent authorities: Refer to the third point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.4 to count the percentage of failed mediations for all the FFHC's customer complaints filed by the competent authority.
- Percentage of customer complaints that entered the evaluation center as reported by the competent authority: Refer to the fourth point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.4 to count the percentage of all the FFHC's customer complaints filed by the competent authority that entered the evaluation center in 2024.

Subject Matter:

In 2024, the Group recorded six incidents relating to product sales and services, for which we were subject to regulatory punishments and underwent litigation proceedings. The total loss was NT\$600,000 (please refer to the appendix: sustainable operation indicators). The Group has remedied the relevant deficiencies and added relevant control mechanisms, effectively enhancing the protection of consumers' rights and interests.

* : • The sanction cases counted by the competent authority hereunder are consistent with the description of the sanction cases issued by the FSC Insurance Bureau.
• The amount of property damage hereunder does not include the financial loss of the case being accepted.

Applicable Criteria :**FN-CF-270a.5**

Refer to first point of the technical protocols of SASB Consumer Finance Sustainability Accounting Standard FN-CF-270a.5 to perform the inventory of the FFHC's sanction cases and litigations related to product sales and services that have been counted by the competent authority.

Subject Matter:

In 2024, the total number of valid credit card customers of First Bank was 719,702,

* : First Bank does not provide prepaid card products.

Applicable Criteria :**FN-CF-000.A**

Refer to the activity metrics of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-000.A to calculate the total number of customers with valid credit cards held by First Bank as of December 31, 2024.

Subject Matter:

In 2024, the total number...of First Bank..., and the number of cards in circulation reached 1,474,945.

* : • Prepaid card products are not provided by First Bank.
• The number of credit cards in circulation hereunder is consistent with the relevant statistical data of the Banking Bureau.

Applicable Criteria :**FN-CF-000.B**

Refer to the activity metrics of the SASB Consumer Finance Sustainability Accounting Standard FN-CF-000.B to calculate the number of valid credit cards in circulation held by First Bank as of December 31, 2024.

Subject Matter:

- The table on p.88 of the report details the amount and number of households that benefited in 2024 through the Self-managed urban renewal and the reconstruction of dangerous and old buildings projects and Developer-consolidated urban renewal and the reconstruction of dangerous and old buildings projects.
- The table on p.92 of the report describes micro enterprises....., resulting in a 2024 loan balance of NT\$666 million and a total of 12,472 micro enterprises customers.

* : Here, a micro enterprises is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established for less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

Applicable Criteria :
FN-CB-240a.1

Refer to the first point of the technical protocols of SASB Commercial Banks Sustainability Accounting Standard FN-CB-240a.1 to calculate the number of loans and total balance of loans for the promotion of small enterprises and community development made by First Bank as of December 31, 2024.

Subject Matter:

"Provide financial education to disadvantaged groups and in remote areas" table on p.197 of the report.

* : The definition of the group hereunder includes disadvantaged groups and remote areas as defined by the competent authority.

Applicable Criteria:
FN-CB-240a.4

Refer to the first and second points of the technical protocols of SASB Commercial Banks Sustainability Accounting Standard FN-CB-240a.4 to calculate the total number of customer engagements in providing financial education for the unbanked, underbanked or under-identified as the primary customer group in 2024.

Subject Matter:

As of 2024, ESG has been included in the loan decision review process for 100% of enterprise credit loans with a total of 13 cases that received "conditional approval" (e.g.: loan amount decrease or increased interest rates) or "rejected" due to ESG risk factors as described in the following:

Applicable Criteria:
FN-CB-410a.2

Refer to the technical protocols of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-410a.2 to disclose the description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis in 2024.

Subject Matter:

In 2024, the FFHC had no financial losses resulting from litigation involving fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, corruption, or other violations of financial industry laws and regulations.


* : The financial losses hereunder are subject to the statistics of penalty cases published on the website of the competent authority.

Applicable Criteria:
FN-CB-510a.1

We followed the first point of the FN-CB-510a.1 Technical protocols of the SASB Commercial Banks Sustainability Accounting Standard and calculated the financial losses resulting from litigation involving fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other violations of financial industry laws and regulations in 2024.

Subject Matter:

The whistleblower system and procedures in the "Whistleblower System, Process, and Results" in the Ethical Management Chapter on p.107 of the report:

Disclosure Elements	Corresponding Report Contents
Whistleblowing Policy	A board of directors reviewed and approved "Implementation Rules for Whistleblowing Systems" is disclosed in the "Corporate Governance - Rules" on the Company website. Our subsidiaries each established a whistleblower system that was reviewed and passed by their respective board of directors.
Receiving unit	The legal compliance department and internal audit unit/supervisor at the Company and subsidiaries is responsible for handling whistleblower cases
Whistleblowing Channels	<p>The Company set up the "Stakeholder Communications" section on our official website and a whistleblowing section official website, and provides whistleblowing channels by telephone, email, and mail.</p> <div data-bbox="347 663 1038 779"> <p>Compliance Department: Address: 18F, No. 30, Sec. 1, Chung King S. Rd., Zhongzheng Dist., Taipei City Tel: 02-23481458 Complaint mailbox : compliance@fhc.com.tw</p> </div> 
Whistleblowing Methods	Any individual who discovers that an employee of this Company is suspected of a crime, fraud, or violation of laws may submit a whistleblowing report to the receiving unit by stating their real name, contact method, the specific incident, and supplementary evidence through written notice such as mail and email; whistleblowing can also be conducted by phone or personally recounting the incident. The receiving unit must establish records stating the details of each incident, real names, and contact methods.
Case Acceptance Principles	<p>The "Whistleblowing Review Committee" ("the committee") reviews all whistleblowing cases and determines if they will be accepted.</p> <p>The committee may decide not to accept whistleblowing reports if it falls under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The whistleblower has not provided his/her real name and contact information. However, in cases where the content of the whistleblowing report is specific and there are verifiable materials, it still can be processed with care and discretion. 2. The whistleblower's report does not fall under Article 3 as an accepted category of the implementation rules or is unrelated to the execution of business. 3. The whistleblowing report is obviously made with malicious intent, is obviously false, or has no substantial content. 4. The whistleblower was requested to provide or supplement the evidence materials within a certain period of time. However, the whistleblower failed to do so, which hindered the investigation. 5. The reported matter is regarded as the same as a case that has already been investigated to completion, and the whistleblower has failed to present new facts or new evidence. 6. The reported matter has been investigated by relevant judicial agencies, or is already under investigation by a court of law, or has been subject to non-prosecution or deferred prosecution, or has already received a verdict therein.
Case Handling Procedures	<p>1. The Committee approves acceptance of a case: Cases should be filed and registered in a confidential manner. Depending on the type and nature of the case, units or personnel should be designated to form an investigation team as required by regulations. The investigation team should complete the investigation within 60 days, and send its investigation reports to relevant units. The investigation duration may be extended when necessary.</p> <p>2. Investigation Method: Based on the necessity of the case, telephone, written review, or interviews should be performed. When an investigation is conducted, related units shall cooperate with the investigation and provide necessary documents and data. The information involving related parties in the reported contents and the data or information they provide must be kept strictly confidential and may not be leaked. The Investigation Panel may give the reported person an opportunity to make a statement verbally or in writing, which shall, in principle, be processed in a non-public manner.</p> <p>3. Recusal in Conflicts of Interest: During the process of processing, investigating, deliberating, reviewing and reporting the whistleblowing reports, any person who has interests in individual whistleblower reports or other persons that may affect a fair investigation shall recuse themselves.</p> <p>4. Notifying the Results of Investigation: The investigation reports should be submitted to the committee for review and approval. If the accused individual is a Director, Supervisor, or a member of the management team whose pay grade is equivalent to Vice President, the investigation reports should be submitted to independent directors (Audit Committee) or Supervisors for secondary review. After the investigation reports are reviewed and approved, the receiving party shall notify the whistleblower of the investigation results in writing or via other methods within 10 days. Where the whistleblowing report is transferred to a subsidiary for processing, the said subsidiary shall notify the whistleblower and submit a copy to the Company.</p>

Case Handling Procedures

5. Follow-up Actions:

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

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

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

6. Incentive Measures:

In the event that a whistleblower's case proves to be true and contributes to the Group substantially, rewards may be afforded to the said whistleblower. However, if a whistleblower is verified to have lied about his case or have been involved in malicious attacks that lead to damages to the Group's reputation or profits, penalties may be imposed as per regulations.

7. Record Retention:

When the committee takes on a whistleblowing case, the investigation process, investigation results, details of replies, related documents & data, and resolution records should all be fully preserved either physically or electronically. Moreover, a dedicated dossier should be created and retained for at least five years; In the event of lawsuits or dispute mediation relating to the whistleblower's case before the preservation period is up, the dossier should continue to be preserved for five years after the conclusion of the dispute mediation or lawsuits.

* : This includes regulations for the whistleblowing policy, receiving unit, whistleblowing channels, whistleblowing method, case acceptance principles, and case handling procedures.

Applicable Criteria: FN-CB-510a.2

We followed the first point of the SASB Commercial Banks Sustainability Accounting Standard FN-CB-510a.2 technical protocols and disclosed the description of whistleblower policies and procedures. Related contents are based on the FFHC Whistleblower System Implementation Rules applicable for 2024.

Subject Matter:

The table "(1)Number and (2)value of deposit and loan accounts by segment: personal, small business, and corporate" on p.244 of the report provides details on the number of deposit accounts and total balance of personal and small enterprises at First Bank as of December 31, 2024.

Applicable Criteria: FN-CB-000.A

We followed the FN-CB-000.A activity metrics of the SASB Commercial Banks Sustainability Accounting Standard and calculated the number of personal and small business deposit accounts and total balance of First Bank as of December 31, 2024.

Subject Matter:

The table "(1)Number and (2)value of deposit and loan accounts by segment: personal, small business, and corporate" on p.244 of the report provides details on the number of loan accounts and total loan balance of personal, small enterprises, and corporate at First Bank as of December 31, 2024.

Applicable Criteria : FN-CB-000.B

We followed the FN-CB-000.B activity metrics of the SASB Commercial Banks Sustainability Accounting Standard and calculated the number of personal, small business, and corporate loan accounts and total loan balance of First Bank as of December 31, 2024.

Subject Matter:

In 2024, neither FFHC nor any of its subsidiaries underwent any material information security incidents (note), or any IT infrastructure incidents causing revenue losses. No companies were subject to regulatory penalties, either.

* : • Definition of Material Information Security Incident : An incident with grave impact where the financial impact has exceeded NT\$5 million, where the competent authorities have intervened for investigation, and where reputational damage has been incurred.
• Matters related to litigation referred to herein are based on the statistics of penalty cases as published on the regulatory website.
• A data breach referred to herein is determined based on whether the information is disclosed outside of FFHC, and whether the breach is in compliance with FFHC's regulations on confidentiality and information security management.
• Number of data breaches: 1; percentage of personal data breaches: 100; number of account holders affected: 592

Applicable Criteria:

Sustainability disclosure indicators in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 1 of Appendix 1-3)

By referencing the sustainability disclosure indicators (No. 1 of Appendix 1-3) in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, this table discloses statistics on the number of information leakage incidents, the number of data breaches, percentage involving personally identifiable information, and number of account holders affected at First Financial Holding in 2024.

Subject Matter:

- The table on P.88 of the report details the amount and number of households that benefited in 2024 through the Self-managed urban renewal and the reconstruction of dangerous and old buildings projects and Developer-consolidated urban renewal and the reconstruction of dangerous and old buildings projects.
- The table on P.92 of the report describes micro enterprises....., resulting in a 2024 loan balance of NT\$666 million and a total of 12,472 micro enterprises customers.

* : Here, a micro enterprises is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established for less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

Applicable Criteria :

Sustainability disclosure indicators in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 2 of Appendix 1-3)

By referencing the sustainability disclosure indicators (No. 2 of Appendix 1-3) in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, this table discloses statistics on the number and amount of loans outstanding qualified to programs designed to promote development of small business and communities by First Financial Holding in 2024.

Subject Matter:

The "Provide financial education to disadvantaged groups and in remote areas" table on p.197 of the report.

* : The definition of the group hereunder includes disadvantaged groups and remote areas as defined by the competent authority.

Applicable Criteria :

Sustainability disclosure indicators in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 3 of Appendix 1-3)

By referencing the sustainability disclosure indicators (No. 3 of Appendix 1-3) in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, this table discloses statistics on the number of participants for financial literacy initiatives provided to minority groups without adequate banking services by First Financial Holding in 2024.

Subject Matter:

The "Corporate finance - ESG related products and their respective proportions" table on p.82 of the report discloses the amount of ESG products and their ratio at First Bank and First Venture Capital.

* : The financial businesses encompassed in this scope include First Bank and First Venture Capital.

Applicable Criteria:

Sustainability disclosure indicators in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (No. 4 of Appendix 1-3)

By referencing the sustainability disclosure indicators (No. 4 of Appendix 1-3) in Paragraph 1, Article 4 of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, this table discloses statistics on the products and services designed by the business divisions of First Bank and First Venture Capital in 2024 that create benefits for the environment or society.

Various Certifications





Index Table of 2024 Global Reporting Initiative (GRI)

Statement of use	First Financial Holding publishes the 2024 Sustainability Report in accordance with the GRI guidelines, and the scope of data and information is from January 1 to December 31, 2024.
GRI version used	GRI 1: Foundation 2021
GRI Industry Code Statement	None

GRI 2

GRI Disclosure Number	Description	Chapter	Pg.
1. Organization and reporting			
2-1	Organizational details		P2
2-2	Entities included in the organization's sustainability reporting		P2
2-3	Reporting period, frequency and contact point	Report information	P2-3
2-4	Restatements of information		P2
2-5	External assurance		P3
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Business Performance Sustainable Procurement and Supplier Management	P40 P149-151
2-7	Employees	Diverse Talent Recruitment and Skills Cultivation	P152-155
2-8	Workers who are not employees		P152-153, 155
3. Governance			
2-9	Governance structure and composition		P64-68
2-10	Nomination and selection of the highest governance body		P64
2-11	Chair of the highest governance body	Corporate Governance	Our corporate chairman is Ms. Ye-Chin Chiou / President is Mr. Frank Y.C. Fang
2-12	Role of the highest governance body in overseeing the management of impacts		P68
2-13	Delegation of responsibility for managing impacts		P68
2-14	Role of the highest governance body in sustainability reporting	Sustainable Governance Operation Mechanisms	P10-11
2-15	Conflicts of interest	Corporate Governance	P64
2-16	Communication of critical concerns	Sustainable Development Goals and Enterprise Risk Management Risk Management and Continuous Operation	P26-39 P71
2-17	Collective knowledge of the highest governance body	Corporate Governance	P67
2-18	Evaluation of the performance of the highest governance body		P67
2-19	Remuneration policies	Corporate Governance Talent Retention and Accessibility Benefits Protections for Human Rights and Gender Equality	P68-69 P180-181 P208
2-20	Process to determine remuneration		P68-69
2-21	Annual total compensation ratio	Corporate Governance	P69
4. Strategy, policies and practice			
2-22	Statement on sustainable development strategy	Chairman's Message	P4-5
2-23	Policy commitments	Sustainable Development Goals and Enterprise Risk Management	P26-39
2-24	Embedding policy commitments	Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P112-118
2-25	Processes to remediate negative impacts	Ethical Management and Fair Customer Treatment Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P107-108 P112-118
2-26	Mechanisms for seeking advice and raising concerns	Ethical Management and Fair Customer Treatment	P107-108
2-27	Compliance with laws and regulations	Risk Management and Continuous Operation	P71
2-28	Membership associations	Business Performance	P43

GRI Disclosure Number	Description	Chapter	Pg.
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Stakeholder Communication and Materiality Assessment Process	P14-25
2-30	Collective bargaining agreements	Protections for Human Rights and Gender Equality	P209

GRI 3 : Material Topics 2021

GRI Disclosure Number	Description	Chapter	Pg.
3-1	Process to determine material topics	Stakeholder Communication and Materiality Assessment Process	P14-25
3-2	List of material topics	Stakeholder Communication and Materiality Assessment Process	P14-21
3-3	Management of material topics	Sustainable Development Goals and Enterprise Risk Management	P26-39

Topic-Specific Standard

GRI 200: Economic Topics (With the exception of GRI 207 which is the 2019 version, the other GRI standards are based on the 2016 version)

Series	Disclo- sure	Description	Chapter	Pg.
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	Business Performance Corporate Governance ESG Products and Services Social Impact	P42 P69 P82-94 P194
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Strategy and Management Responsible Finance and Decarbonization Strategies for Investment and Financing	P124-133 P45-63
	201-3	Defined benefit plan obligations and other retirement plans	Talent Retention and Accessibility Benefits	P183-184, P187-188
	201-4	Financial assistance received from government	None	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Talent Retention and Accessibility Benefits Protections for Human Rights and Gender Equality	P180-181 P208
	202-2	Proportion of senior management hired from the local community	Diverse Talent Recruitment and Skills Cultivation	P152-154, P157
GRI 203: Indirect economic impacts	203-1	Infrastructure investments and services supported	ESG Products and Services Digital Innovation and Inclusiveness	P82-94 P173-178
	203-2	Significant indirect economic impacts	ESG Products and Services Climate Strategy and Management Social Impact	P82-94 P130 P190-194
GRI 204: Procurement practices	204-1	Proportion of spending on local suppliers	Sustainable Procurement and Supplier Management	P150
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	Risk Management and Continuous Operation Ethical Management and Fair Customer Treatment	P70
	205-2	Communication and training about anti-corruption policies and procedures		P105-106
	205-3	Confirmed incidents of corruption and actions taken		P106-108
GRI 207: Tax 2019	207-1	Approach to tax	Tax Governance	P119-121
	207-2	Tax governance, control, and risk management		
	207-3	Stakeholder engagement and management of concerns related to tax		
	207-4	Country-by-country reporting		P121
GRI 300: Environmental Topics 2016				
GRI 302: Energy	302-1	Energy consumption within the organization	Green Operations and Net Zero Initiatives	P138
	302-2	Energy consumption outside of the organization		P139
	302-3	Energy intensity		P138
	302-4	Reduction of energy consumption		P134-143
	302-5	Reductions in the energy requirements of products and services		P140-145

GRI 300: Environmental Topics 2016

Series	Disclo- sure	Description	Chapter	Pg.
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	Green Operations and Net Zero Initiatives	P138
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		P139
	305-4	GHG emissions intensity		P138
	305-5	Reduction of GHG emissions		P135-136, P137-139
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		P139
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement and Supplier Management	P149-151
	308-2	Negative environmental impacts in the supply chain and actions taken		

GRI 400: Social Topics (With the exception of GRI 403 which is the 2018 version, the other GRI standards are based on the 2016 version)

GRI 401: Employment	401-1	New employee hires and employee turnover	Diverse Talent Recruitment and Skills Cultivation Talent Retention and Accessibility Benefits	P157 P183-184
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Retention and Accessibility Benefits	P187-188
	401-3	Parental leave		
GRI 402: Labor/ Management relations	402-1	Minimum notice periods regarding operational changes	Protections for Human Rights and Gender Equality	P186
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Safety and Health	P169-170
	403-2	Hazard identification, risk assessment, and incident investigation		P166-168
	403-3	Occupational health services		P166-172
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health	Sustainable Procurement and Supplier Management	P149-151
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health	P170
	403-9	Work-related injuries	Occupational Safety and Health	P171-172
	403-10	Work-related ill health		P166-167, P172
GRI 404: Training and education	404-1	Average hours of training per year per employee	Diverse Talent Recruitment and Skills Cultivation	P165
	404-2	Programs for upgrading employee skills and transition assistance programs		P159-165
	404-3	Percentage of employees receiving regular performance and career development reviews	Corporate Governance Diverse Talent Recruitment and Skills Cultivation Talent Retention and Accessibility Benefits	P67-69 P161-163 P182
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	Corporate Governance Diverse Talent Recruitment and Skills Cultivation	P64-65 P152-157
	405-2	Ratio of basic salary and remuneration of women to men	Protections for Human Rights and Gender Equality	P208
GRI 406: Non-discrimi- nation	406-1	Incidents of discrimination and corrective actions taken	Protections for Human Rights and Gender Equality	P203-207
GRI 407: Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainable Procurement and Supplier Management Protections for Human Rights and Gender Equality	P149-151 P203-207
GRI 410: Security practices	410-1	Security personnel trained in human rights policies or procedures	Protections for Human Rights and Gender Equality	P206

GRI 400: Social Topics (With the exception of GRI 403 which is the 2018 version, the other GRI standards are based on the 2016 version)

Series	Disclo- sure	Description	Chapter	Pg.
GRI 414: Supplier social assessment	414-1	New suppliers that were screened using social criteria	Sustainable Procurement and Supplier Management	P149-151
	414-2	Negative social impacts in the supply chain and actions taken		
GRI 415: Public policy	415-1	Political contributions	NA	
GRI 417: Marketing and labeling	417-1	Requirements for product and service information and labeling	Responsible Finance and Decarbonization Strategies for Investment & Financing Ethical Management and Fair Customer Treatment	P55
	417-2	Incidents of non-compliance concerning product and service information and labeling		P109
	417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy Protection	P103

Distribution Table of Indicators Disclosed by the GRI for Financial Service Industries

Index	Description	Chapter	Pg.
Aspect: Product Portfolio			
FS1/DMA	Policies with specific environmental and social components applied to business lines	Tax Governance	P119
		Risk Management and Continuous Operation	P72-75
		Responsible Finance and Decarbonization Strategies for Investment & Financing	P45
		ESG Products and Services	P82-95
		Climate Strategy and Management	P130-133
FS2/DMA	Procedures for assessing and screening environmental and social risks in business lines	Risk Management and Continuous Operation	P76-79
		Responsible Finance and Decarbonization Strategies for Investment & Financing	P45-69
		ESG Products and Services	P82-95
		Sustainable Procurement and Supplier Management	P149-151
FS3/DMA	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Responsible Finance and Decarbonization Strategies for Investment & Financing ESG Products and Services	P45-63 P82-95
FS4/DMA	Processes for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	Green Operations and Net Zero Initiatives	P147
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	ESG Products and Services Digital Innovation and Inclusiveness Social Impact	P82-95
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose		P173-179 P190-194
Aspect: Active ownership			
FS11	Percentage of assets subject to positive and negative environmental or social screening	ESG Products and Services	P82, P87
Aspect: Local communities			
FS14	Initiatives to improve access to financial services for disadvantaged people	ESG Products and Services Ethical Management and Fair Customer Treatment Social Impact	P92-95 P108-109 P197-201
FS15/DMA	Policies for fair design and sale of financial products and services	Ethical Management and Fair Customer Treatment	P108-109
FS16/DMA	Initiatives to enhance financial literacy by type of beneficiary	Ethical Management and Fair Customer Treatment ESG Products and Services Social Impact	P111 P92-95 P197, P199-201

United Nations Global Compact Principles

Classification	Content	Disclosure	Chapter	Pg.
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	●	Protections for Human Rights and Gender Equality	P203-207
	Principle 2: Make sure that they are not complicit in human rights abuses.	●	Responsible Finance and Decarbonization Strategies for Investment & Financing Sustainable Procurement and Supplier Management	P49-51 P149-151
	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	●	Protections for Human Rights and Gender Equality	P203
Labor	Principle 4: The elimination of all forms of forced and compulsory labor	●	Protections for Human Rights and Gender Equality	P206-210
	Principle 5: The effective abolition of child labor	●		
	Principle 6: The elimination of discrimination in respect of employment and occupation	●		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	●	Climate Strategy and Management Green Operations and Net Zero Initiatives	P122-133 P134-148
	Principle 8: Undertake initiatives to promote greater environmental responsibility	●	ESG Products and Services Climate Strategy and Management Green Operations and Net Zero Initiatives Sustainable Procurement and Supplier	P82-91 P122-133 P134-148 P149-151
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	●	ESG Products and Services Social Impact Digital Innovation and Inclusiveness	P82-91 P192 P173-179
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	●	Ethical Management and Fair Customer Treatment	P105-108
Anti-Corruption				

Comparison Table of Social Responsibility Guidelines (ISO 26000 Index)

	Major Issues	Disclosure	Chapter	Pg.
Organizational governance	Due diligence	●	Sustainable Governance Operation Mechanisms	P10-11
	Compliance audits to prevent risks due to human rights issues	●	Protections for Human Rights and Gender Equality	P204-207, P210
	Human rights risks situations	●		P203-207
Human rights	Avoidance of complicity	●	Ethical Management and Fair Customer Treatment	P105-108
	Resolving grievances	●	Talent Retention and Accessibility Benefits	P186
	Discrimination and vulnerable groups	●		P203-207
	Civil and political rights	●	Protections for Human Rights and Gender Equality	P203-207, P209-210
	Economic, social and cultural rights	●	Talent Retention and Accessibility Benefits Social Impact	P187-188 P190-202
	Fundamental principles and rights at work	●	Protections for Human Rights and Gender Equality	P203-210
	Employment and employment relationships	●	Diverse Talent Recruitment and Skills Cultivation	P152-157
Labor Practices	Conditions of work and social protection	●	Protections for Human Rights and Gender Equality Diverse Talent Recruitment and Skills Cultivation	P203-210 P158-165
	Social dialogue	●	Social Impact	P190-202
	Health and safety at work	●	Occupational Safety and Health	P166-172
	Human development and training in the workplace	●	Diverse Talent Recruitment and Skills Cultivation	P158-165

	Major Issues	Disclosure	Chapter	Pg.
The Environment	Prevention of pollution	●	Green Operations and Net Zero Initiatives	P134-148
	Sustainable resource use	●	Climate Strategy and Management	P128-129
	Climate change mitigation and adaptation	●	Green Operations and Net Zero Initiatives	P140-143
	Protection of the environment, bio-diversity and restoration of natural habitats	●	Responsible Finance and Decarbonization Strategies for Investment & Financing Social Impact	P57-63 P196, P200
Fair Operating Practices	Anti-corruption	●		
	Responsible political involvement	●	Ethical Management and Fair Customer Treatment	P105-108
	Fair competition	●		
	Promoting social responsibility in the value chain	●	Stakeholder Communication and Materiality Assessment Process	P14-25
Consumer Issues	Respect for property rights	●	Ethical Management and Fair Customer Treatment	P105
	Fair marketing, factual and unbiased information and fair contractual practices	●	Ethical Management and Fair Customer Treatment	P108-110
	Protecting consumers' health and safety	●	Social Impact	P198-199
	Sustainable consumption	●	ESG Products and Services	P82-91
	Consumer service, support, and complaint and dispute resolution	●	Ethical Management and Fair Customer Treatment	P109-110
	Consumer data protection and privacy	●	Information Security and Privacy Protection	P103-104
		●	Ethical Management and Fair Customer Treatment	P108-111
	Access to essential services		ESG Products and Services	P82-93
			Prevention of Money Laundering, Financial Fraud and Terrorism Financing	P112-118
			Digital Innovation and Inclusiveness	P173-179
Community Involvement and Development	Education and awareness	●	Ethical Management and Fair Customer Treatment ESG Products and Services Social Impact Digital Innovation and Inclusiveness	P105 P82-95 P194-202 P173-179
	Community participation	●	Ethical Management and Fair Customer Treatment	P105
	Education and culture	●	ESG Products and Services Social Impact	P94-95 P194-202
	Employment creation and skills development	●	Diverse Talent Recruitment and Skills Cultivation Social Impact Digital Innovation and Inclusiveness	159-165 P197-199 P173-179
	Technology development	●	Digital Innovation and Inclusiveness	P173-179
	Wealth and income creation	●	Ethical Management and Fair Customer Treatment ESG Products and Services	P111 P92-95
	Promotion of health	●	Talent Retention and Accessibility Benefits Occupational Safety and Health Social Impact	P187-188 P167-168 P198-199, P202
	Social investment	●	Social Impact	P190-202

Comparison Table of the Six Principles of the UN Principles for Responsible Banking (PRB)

Item	Chapter	Pg.
Principle 1: Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks	Stakeholder Communication and Materiality Analysis Sustainable Development Goals and Enterprise Risk Management (ERM) Responsible Finance and Decarbonization Strategies for Investment & Financing	P14-25 P26-39 P45
Principle 2: Impact & Target Setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.	Sustainable Development Goals and Enterprise Risk Management (ERM)	P26-39
Principle 3: Clients & Customers We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.	Responsible Finance and Decarbonization Strategies for Investment & Financing ESG Products and Services Social Impact	P45-63 P82-95 P190-202
Principle 4: Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.	Stakeholder Communication and Materiality Analysis Responsible Finance and Decarbonization Strategies for Investment & Financing ESG Products and Services Sustainable Procurement and Supplier Management Social Impact	P14-25 P45-63 P82-95 P149-151 P190-202
Principle 5: Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.	Sustainable Governance Operation Mechanisms Sustainable Development Goals and Enterprise Risk Management (ERM)	P10-11 P26-39
Principle 6: Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.	Sustainable Governance Operation Mechanisms Stakeholder Communication and Materiality Analysis Sustainable Development Goals and Enterprise Risk Management (ERM)	P10-11 P14 P26-39

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Index	Description	Chapter/Description	Pg.
	The sustainability indicators that financial and insurance companies should disclose in their sustainability reports and obtain the opinion letter issued by the accountants in accordance with the standards issued by the Accounting Research and Development Foundation.		
Financial Institutions	01.Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	Information Security and Privacy Protection Ethical Management and Fair Customer Treatment Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P99 P104 P217
	02.Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	ESG Products and Services Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P87, P93 P224-225
	03.Number of participants in financial literacy initiatives provided to the disadvantaged without adequate banking services.	Social Impact Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P197 P222, 225
	04.Products and services designed by individual operating units to create benefits for the environment or society.	ESG Products and Services Summary of Subject Matters Assured of the Assurance Report of Independent Auditors	P82 P225
Listed Company	The content of the sustainability report of a financial and insurance company shall cover relevant environmental, social, and corporate governance risk assessments, and set relevant performance indicators to manage the identified major topics.	Stakeholder Communication and Materiality Analysis Sustainable Development Goals and Enterprise Risk Management (ERM)	P14-25 P26-39
	Disclose climate-related information in a special chapter, and obtain greenhouse gas scope 1 and scope 2 inventory verification.	Climate Strategy and Management Green Operations and Net Zero Initiatives	P122-133 P134-148

Climate Related Information Of The Financial Holding Company

Item

01 Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.

Implementation status

The Board of Directors of FFHC serves as the top governing unit responsible for overseeing the Group's climate-related risks. The "Sustainable Development Committee" and the "Risk Management Committee" operating under the supervision of the Board of Directors are tasked with overseeing critical strategies related to the Group's climate risks, which are outlined below:

- The Board of Directors of FFHC: the top governing unit responsible for overseeing the Group's climate-related matters. Their duties include approving, guiding, and ensuring the effective operation of risk policies.
- The Sustainable Development Committee is chaired by the Chairperson of the Board, with the Presidents of each company in the Group serving as committee members, and its meeting is convened at least once a year. The committee is primarily responsible for reviewing and approving short, medium, and long-term ESG objectives and plans of action related to climate change. They also establish annual ESG evaluation criteria for subsidiaries. In addition, meetings of Sustainable Development Committee working group are held quarterly to track and review the progress of each ESG target and action plan related to climate change. Implementation performance from the preceding year is reported to the Board of Directors within four months after year-end and assessments of each subsidiary's climate change and comprehensive ESG performance will be included in each subsidiary's annual business performance evaluation to ensure the achievement of their annual targets.
- The Risk Management Committee is headed by the FFHC Chairperson and consists of the President, Vice President, and Chairpersons and Presidents of the subsidiaries as its members. The committee provides regular reports and continuously monitors the outcomes of climate risk assessments and the implementation of mitigation measures, which are subsequently reported to the Board of Directors.

02 Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

Implementation status

1.Risks:Identify the impact on the company's business, strategy, and finances based on climate-related transitional and physical risks.

A. Transition risks:

- Short-term: Increased electricity or carbon fees/taxes, higher compliance costs due to climate-related regulatory measures for the financial sector, and the transition to low-carbon technologies.
- Medium-term: Lack of low-carbon transition by customers and shifts in consumer behavior in the market.
- Long-term: Changes in market preferences and reputational risks arising from negative media coverage of investment and financing clients due to climate issues.

B. Physical risks:

- Short/medium-term: Increased extreme rainfall, droughts, flooding, and slope land disasters, as well as changes in average precipitation.
- Long-term: Changes such as rising sea levels due to persistent high temperatures and prolonged heatwaves, etc.

2.Opportunities: Evaluate the impact on the company's business, strategy, and finances based on identified short-, medium-, and long-term climate-related opportunities.

• Short-term:

A."Product and Service": Develop sustainability-linked loans (SLLs), sustainable bonds, sustainability-linked bonds (SLBs), and sustainable fixed deposits. Adhere to the Equator Principles by implementing responsible lending practices and establishing client engagement mechanisms. Promote circular economy concepts, offer interest rate discounts to encourage customer transitions, and provide products and services with low environmental impact, particularly those that contribute to greenhouse gas reduction or climate adaptation.

B."Resource Efficiency": When constructing or replacing Group-owned or invested real estate, prioritize using equipment (for example: air conditioning and lighting) with energy-saving and eco-friendly certifications. Additionally, consult on further energy-saving improvements during the annual ISO 50001 energy management review.

- Medium-term: "Market Opportunities": Increase investments in green bonds, sustainable development bonds, and sustainability-linked bonds (SLBs) tied to climate-related performance targets. Support the growth of green industries by directing capital toward companies actively engaged in innovative economic activities. Expand financing and investment in green energy and renewable energy sectors, offer preferential green corporate loan programs for companies with positive environmental impact and capital needs, and participate in renewable energy production for both government and corporate initiatives. Continuously assess investment opportunities in the renewable energy industry to align with sustainable development trends.

- Long-term: "Enhance Organizational Resilience" - Avoid selecting high physical risk areas for operational sites.

03 Describe the financial impact of extreme weather events and transformative actions.

Implementation status

- Bank subsidiary conducts climate scenario analysis in accordance with the "Operational Plan for Domestic Banks to Perform Climate Change Scenario Analysis" announced by the competent authority in combination with scenario data from IPCC AR5 and three scenario data, Net Zero 2050, Delayed Transition and Base Line, from the Network for Greening the Financial System (NGFS) to simulate the financial impact of climate risks for two time points (2030 and 2050). Across all three scenarios and both time points, the most severe expected losses from climate-related risks remain within a manageable range for the bank. Among these risks, transition risks (carbon pricing costs) pose a more significant financial impact on investment and financing partners, while physical risks (flooding) have a lesser but still notable impact on real estate-backed loans, though the overall financial impact is not considered substantial.
- Life subsidiary carries out climate change scenario analysis according to the "Guidelines on Climate-related Financial Disclosures of Insurance Companies," evaluating potential losses under different scenarios, including orderly transition, disorderly transition, and too little too late.

04 Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

Implementation status

The First Financial Group updated its "Risk Management Policy and Guidelines for First Financial Holding Co. and Subsidiary Companies" to include emerging risks, such as climate change risks. Each subsidiary revised its risk management policy and now conducts regular reviews of loan limits for the Group's business categories and high carbon emission (energy-intensive/high pollutant) industries. The review findings are reported to the FFHC's Risk Management Committee and Board of Directors every two months for evaluation. The Group's bank subsidiary has integrated climate risk considerations into its "Risk Management Policy", established a structured climate risk management framework and incorporated climate change risk factors into the bank's risk appetite. The bank assesses various types and characteristics of climate-related risks, their impact on individual entities and the broader economy, and their connections to existing traditional risks to identify potential financial impacts and climate risks relevant to the bank. For example, if governments impose carbon taxes or fees on high-emission industries, companies that fail to transition effectively may experience financial deterioration. This could increase credit risk for investment and financing counterparties, potentially leading to financial losses for the bank.

05 If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

Implementation status

- The Group's bank subsidiary conducts climate scenario analysis in accordance with the "Operational Plan for Domestic Banks to Perform Climate Change Scenario Analysis". The analysis integrates scenario data from the Network for Greening the Financial System (NGFS) and IPCC AR5 to design and assess three simulated climate scenarios (orderly transition, disorderly transition, no policy) for two time points (2030 and 2050). Based on these scenarios, the bank evaluates physical risks and transitional risks associated with climate change.
- The bank assesses the impairment of collaterals, arising from the impact of flooding, for corporate financing and personal mortgage in Taiwan. The evaluation method assumes that value of collateral is impaired because of flooding if the property, as collateral, is a townhouse or located on the first floor or below, whereas it remains unaffected if it is on the second floor or above. Under the two scenarios (SSP1-1.9 and SSP5-8.5) between 2050 ~ 2059, the total impairment losses of real estate used as collaterals for corporate financing show little difference in northern and eastern parts of Taiwan. However, the impairment losses vary by 31.1% in the central part of Taiwan, while in southern part of Taiwan, the difference between the two scenarios is 24.7%. Similarly, under the two scenarios (SSP1-1.9 and SSP5-8.5) between 2050 ~ 2059, the total impairment losses of property used as collaterals for personal mortgage show little differences in northern, central and eastern parts of Taiwan whereas in southern part of Taiwan, the impairment losses between the two scenarios is 35.8%.

06 If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

Implementation status

To effectively measure and manage climate-related risks, the Group continuously monitors key indicators to enhance climate risk oversight and facilitate an efficient low-carbon transition. The related transition plans, indicators, and targets are as follows:

Transition plan	Indicator and target
Commitment to gradually reduce financing for coal-related industries	No new financing will be provided for companies engaged solely in coal mining, projects for constructing coal-fired power plants (except for carbon reduction transitions), or enterprises deriving more than 50% of their revenue from tar sands, Arctic oil and gas, or ultra-deepwater oil and gas operations. The plan aims to gradually reduce financing for coal-related industries.
Establishment of credit limits for high-pollution and high-carbon-emission industries	A cap has been set on the credit extended to high-pollution and high-carbon-emission industries as a percentage of the bank's total line of credit, with a planned reduction year on year (14.8%, 14.0% and 13.5% between 2021 and 2024).
Classification of high-pollution and high-carbon-emission industries as subjects of cautious assessment	Under the Sustainable Credit Policy, high-pollution and high-carbon-emission industries must undergo rigorous due diligence and evaluation to prevent significant adverse impacts on ESG sustainable developments.
Incorporation of greenhouse gas emissions and carbon reduction efforts into the credit review process	During credit evaluations, regardless of the industry, the bank will review and disclose the borrower's greenhouse gas emissions over the past three years. If emissions have increased for two consecutive years, the borrower must explain the reasons, and the bank will inquire about any planned energy-saving measures or carbon reduction targets.
Careful evaluation of credit clients' exposure to climate transition risks	Credit applications will undergo enhanced assessments to determine borrowers' exposure to global carbon reduction and carbon neutrality trends. The bank will verify whether they are subject to Taiwan's Climate Change Response Act carbon fee or if they belong to enterprises or supply chains that have pledged carbon neutrality or net-zero emissions. These evaluations will help assess the borrower's transition risk.
Monitoring the proportion of investments in high-carbon-emission sectors to prevent indirect environmental harm	Each subsidiary has set investment limits and control mechanisms for high-pollution/high-carbon emission industries. These are tracked and monitored quarterly by First Financial Holding's Sustainable Development Committee to strengthen climate change risk management across investment portfolios.

07 If internal carbon pricing is used as a planning tool, the pricing basis should be stated.

Implementation status

Since 2020, the internal carbon pricing mechanism has been introduced, and the electricity saving of domestic business units has been set in accordance with the total carbon reduction target every year to improve carbon reduction awareness and carbon costs. Since 2021, the achievement of each unit's power saving target has been announced quarterly. After the end of the 4th quarter, target achievement rate will be published. Internal carbon pricing is based on the actual carbon reduction measures and the amount invested in carbon reduction (including green power wheeling, improvements done for green buildings, construction fee for green roofs with solar power facilities, etc.) The carbon reduction cost per ton was NT\$ 4,725 in 2024. Then to address the units with excessive carbon emissions about the costs of the carbon emissions and to present the units with workable reduction plans for improvements. For units with excellent performances, to reward the relevant personnel and to provide their carbon management specifics for domestic and overseas units' references. Compared to the base year of 2022, the cumulated amount of electricity saved was 736,000 kWh in 2024, or 363.7 metric tons reduction in CO₂e emissions. The potential external carbon costs reduced because of this reduction of carbon emissions was NT\$ 1.718 million.

08 If climate-related goals are set, the covered activities, scope of greenhouse gas emissions, schedule, annual progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the offsets should be explained. The source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs).

Implementation status

- Setting climate target: In order to meet the national 2050 net zero emission target, the Company's carbon reduction targets has been approved by Science Based Targets Initiative (SBT), our reduction roadmap established for Scope 1 and Scope 2 is in line with the emission target to control the global temperature rise within 1.5°C and carbon emissions from operating activities is to reduced by at least 63% by 2035, compared to the 2022 baseline year.
- Carbon emission calculation scope: The Company and all its subsidiaries in the consolidated financial report have completed the inventory and assurance of scope 1 and 2 emissions in 2024. The carbon inventory standard is based on ISO14064-1, and the total carbon emissions are 18,409.01 metric tons of CO₂e. Obtained the SGS verification certificate in April 2025. Among them, the scope 1 emissions are mainly from official vehicle oil, generator diesel and gas, and the scope 2 emissions are mainly from electricity consumption.
- Progress of de-carbonization in 2024:
Scope 1 and 2 :
2024 de-carbonization target: decreased by 9.69%, or 2,084.75 metric tons than that of 2022
2024 de-carbonization achievement: decreased by 14.43%, or 3,105.45 metric tons than that of 2022. (green energy (RECs) of 6,258.8 thousand degrees purchases, equivalent of 3,091.86 metric tons CO₂e, was deducted)

09 Greenhouse gas inventory and assurance status, reduction target, strategy and concrete action plan (fill in Column 1-1 and 1-2)



1-1 Greenhouse gas inventory and assurance status

1-1-1 Greenhouse gas inventory

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e /NT\$ million), and data coverage of greenhouse gas during the most recent two years.						
Emission source	Year	2023		2024		Data coverage
		Emission quantity (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e / NT\$ million)	Emission quantity (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e / NT\$ million)	
Direct emission quantity (Scope 1)		2,808.58	0.04	2,829.29	0.04	The Company and the subsidiaries included in the financial statements
Energy indirect emission quantity (Scope 2)		16,430.98	0.24	15,579.71	0.22	
Scope 3 investment and financing		12,878,864	4.4	14,333,285	4.4	"equity investment", "corporate bond", "commercial loans", "project financing", "commercial real estate", "individual mortgages" and "sovereign debt". Please refer to the disclosed financial data regarding climate in the Group's TCFD report.

- *1 : The carbon intensity of Scope 1 and Scope 2 was based on the Company net revenue of NT\$67,255.132 million in 2023 and of NT\$ 72,119.475 million in 2024.
- *2 : The carbon intensity of scope 3 of investment and financing = the total amount of emission (metric tons CO₂e) / the total value of investment and financing portfolios (in million).
- *3 : Up to the publication of this annual report, the amount of scope 3 carbon emissions in 2024 is undergoing verification by a third-party verifier. Please refer to the Company's "Climate-related Financial Disclosures Report" for relevant details, including final verified numbers, data boundary of each item and the statistical methods applied.

1-1-2 Greenhouse gas assurance status

Describe the status of assurance for the most recent two years and up to the publication of this annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The aggregate amount of greenhouse gas emissions disclosed, we reported combined Scope 1 and Scope 2 emissions totaling 19,239.56 metric tons of CO₂e for the year 2023. For the year 2024, total emissions were 18,409.01 metric tons of CO₂e. These emissions figures encompass the Company and all entities included in the financial statements. After conducting a carbon inventory in accordance with ISO 14064-1 inspection standards, we submitted the results to an assurance institution, SGS Taiwan Ltd., for verification. According to ISO 14064-3 standards, the assurance opinion was a reasonable level of assurance.

1-2 Greenhouse gas reduction target, strategy, and concrete action plan

Describe the greenhouse gas reduction base year and its data, the reduction target, strategy and concrete action plan, and the status of achievement of reduction target.

◎ The reduction target and the status of achievement of reduction target

In June 2024, the Group obtained verification from the Science Based Targets initiative (SBTi) for its greenhouse gas reduction targets. The details are as follows:

- Scope 1 and 2: From the base year of 2022, the Group aims to reduce greenhouse gas emissions from its own operations by at least 63% by 2035 and by 38.77% by 2030. In 2024, to reduce 9.69%, or 2,084.75 metric tons from the base year of 2022. The total amount of carbon emission for scope 1 and scope 2 was 18,409.01 metric tons in 2024, which was less by 3,105.45 metric tons or by 14.43% from the total amount of 21,514.46 metric tons in the base year of 2022.
- Scope 3 – Investment and Financing Activities: As of 2022, the emissions reduction target applies to 17% of the total assets in the investment and financing portfolio. Among these, mandatory activities account for 18%, optional activities account for 49%, and activities outside the scope account for 33%.

Asset category	Method	Target goals
Project Financing for Power Generation	SDA (Sectoral de-carbonization approach)	Commit to reducing carbon emissions from the power generation project financing portfolio by 84.0% per MWh by 2035, compared to the 2022 base year.
Commercial Loans: Commercial Real Estate	SDA (Sectoral de-carbonization approach)	Commit to reducing GHG emissions per square meter in the commercial real estate investment and financing portfolio by 68.0% by 2035, compared to the 2022 base year.
Commercial Loans: Power Generation Industry	SDA (Sectoral de-carbonization approach)	Commit to reducing carbon emissions from the power generation industry financing portfolio by 84.3% per MWh by 2035, compared to the 2022 base year.
Commercial Loans: Other Long-Term Debt and SME Loans	TR (Temperature Rating)	<ul style="list-style-type: none"> • For commercial loans - other long-term debt and SME investment and financing portfolios, improve the scope 1+2 temperature rating from 3.17°C in 2022 to 2.70°C by 2028. • For commercial loans - other long-term debt and SME investment and financing portfolios, improve the scope 1+2+3 temperature rating from 3.18°C in 2022 to 2.78°C by 2028.
Publicly Traded Stocks and Bonds, Mutual Funds, ETFs, and REITs	TR (Temperature Rating)	<ul style="list-style-type: none"> • For publicly traded stocks and bonds investment portfolios, improve the scope 1+2 temperature rating from 2.27°C in 2022 to 2.10°C by 2028. • For publicly traded stocks and bonds investment portfolios, improve the scope 1+2+3 temperature rating from 2.60°C in 2022 to 2.40°C by 2028.

◎ Strategy and concrete action plan

- The team "Program to Obtain Green Building Certification" was formed in 2020. As of the end of 2024, 35 existing old buildings have had the Green Building Label from the Ministry of the Interior (including 29 with diamond-class buildings, 1 gold-class building, 1 silver-class building, 1 bronze-class building and 3 qualified buildings), and 2 newly constructed buildings have obtained the gold-class green building label. Our London branch received green building label certification issued by Britain's Building Research Establishment (BRE) in 2021. With these green buildings, we reduced annual carbon emissions by 2,963 metric tons CO₂e in 2024.
- FFHC has constructed 25 solar-powered branches reducing an annual carbon remissions of 148.76 metric tons of CO₂e; Between 2015 and 2024, we purchased green electricity and carbon certificates, reducing carbon-generated power consumption by a total of 14,867,000 kWh, and set a target of producing and using 250 MWh of renewable energy in 2025. We are continuously increasing our use of renewable energy and have implemented environmental sustainability policies. We have installed "green roofs with solar power facilities and ecological hydroponic system for rainwater collection" on the Wanhua, Huashan, and Changan branch buildings, creating zero carbon farms to grow fish and vegetables by using solar power and recycled rainwater, realizing the concept of Living-Production-Ecological.
- In alignment with the Financial Supervisory Commission's Pioneer Alliance commitments and the Group's near-term carbon reduction targets—validated by the Science Based Targets initiative (SBTi) and published on its official website—the Group's Sustainable Development Committee, through its responsible finance working group, has established short-, medium-, and long-term goals and implementation plans for 2025. These include setting carbon reduction strategies and action plans for each unit regarding Scope 3 (Category 15) emissions relating to investment and financing portfolios. Execution progress is monitored quarterly. For more information, please refer to the relevant sections of the Group's TCFD report. (URL: https://csr.-firstholding.com.tw/en/tcfid_report.html).

Greenhouse Gas Verification Statement

Opinion TW25/00116GG

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of
First Financial Holding Co. Ltd.

18F, No. 30, Sec. 1, Chongqing S. Rd., Zhongzheng Dist.,
Taipei City 100, Taiwan

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Opinion Type: Modified

Direct emissions

2,829.2936 tonnes of CO₂e

Indirect emissions

26,070.6733 tonnes of CO₂e

Direct emissions and indirect emissions

28,899.967 tonnes of CO₂e

Authorized by



Stephen Pao

Business Assurance Director

Date: 14 April 2025

Version 1

TGP568-15-1 2501

SGS Taiwan Ltd.

No. 136-1, Wu Kung Road, New Taipei Industrial Park,

Wu Ku District, New Taipei City 246016, Taiwan

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This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

SGS

Opinion TW25/00116GG, continued

SGS

The emission of each category is described as follows:

Inventory categories	Description	GHG Emissions	Location-based	Market-based
Direct emissions	Combustion from boilers	2,829.2936		
	Imported electricity	16,671.6718	16,671.6718	
	Transportation	4,205.2165		
Indirect emissions	Electricity consumed	3,376.0221		
	End of the pipe of the product	14.3336		
	Other sources	N/A		
Direct emissions and indirect emissions		28,899.967	28,899.967	

Purchased Renewable Energy Contributing Information

GHG Location	Type	Renewable Energy	Proportion of emissions	Location-based	Market-based
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	16.171.6718	16.171.6718	
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	1.387.8738	1.387.8738	
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	205.7947	205.7947	
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	438.8882	438.8882	

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

The emission of each site is described as follows:

Site	Direct emissions	Indirect emissions	Total GHG emissions
First Financial Holding Co. Ltd.	8.3791	162.3882	170.7673
First Financial Holding Co. Ltd.	2,829.2936	16,171.6718	19,000.9654
First Financial Holding Co. Ltd.	89.9227	1,387.8738	1,477.7965
First Financial Holding Co. Ltd.	21.5871	205.7947	227.3818
First Financial Holding Co. Ltd.	12.4076	438.8882	451.2958
First Financial Holding Co. Ltd.	5.3488	89.9227	95.2715
First Financial Holding Co. Ltd.	2.2627	17.8465	20.1092

Purchased Renewable Energy Contributing Information

GHG Location	Type	Renewable Energy	Proportion of emissions	Location-based	Market-based
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	16.171.6718	16.171.6718	
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	1.387.8738	1.387.8738	

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

SGS has been contracted for the verification of direct and indirect Greenhouse Gas emissions in accordance with:

ISO 14064-1:2018

as provided by First Financial Holding Co. Ltd. (hereinafter referred to as "First FHC"), 18F, No. 30, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan, in the GHG Statement in the form of GHG report.

Scope and representation

- The representation of First FHC is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with the scope, including the identification and determination of GHG emissions information and the reported GHG emissions.
- The verification was based on the verification scope, objectives and criteria as agreed on 14 January 2025.
- Verification Criteria: ISO 14064-1:2018
- Verification Period: 01 February 2025 to 31 March 2025.

Scope

- GHG information for the following period was verified: 01 January 2024 to 31 December 2024
- Location/Scope of the activities: (a) Tsawen, (b) Taipei, (c) New Taipei, (d) Taichung, (e) Keelung, (f) Hualien, (g) Yilan, (h) Miaoli, (i) Taoyuan, (j) Zhongli, (k) Taichung, (l) Taichung, (m) Taichung, (n) Taichung, (o) Taichung, (p) Taichung, (q) Taichung, (r) Taichung, (s) Taichung, (t) Taichung, (u) Taichung, (v) Taichung, (w) Taichung, (x) Taichung, (y) Taichung, (z) Taichung, (aa) Taichung, (ab) Taichung, (ac) Taichung, (ad) Taichung, (ae) Taichung, (af) Taichung, (ag) Taichung, (ah) Taichung, (ai) Taichung, (aj) Taichung, (ak) Taichung, (al) Taichung, (am) Taichung, (an) Taichung, (ao) Taichung, (ap) Taichung, (aq) Taichung, (ar) Taichung, (as) Taichung, (at) Taichung, (au) Taichung, (av) Taichung, (aw) Taichung, (ax) Taichung, (ay) Taichung, (az) Taichung, (ba) Taichung, (bb) Taichung, (bc) Taichung, (bd) Taichung, (be) Taichung, (bf) Taichung, (bg) Taichung, (bh) Taichung, (bi) Taichung, (bj) Taichung, (bk) Taichung, (bl) Taichung, (bm) Taichung, (bn) Taichung, (bo) 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This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

The emission of each site is described as follows:

Site	Direct emissions	Indirect emissions	Total GHG emissions
First Financial Holding Co. Ltd.	8.3791	162.3882	170.7673
First Financial Holding Co. Ltd.	2,829.2936	16,171.6718	19,000.9654
First Financial Holding Co. Ltd.	89.9227	1,387.8738	1,477.7965
First Financial Holding Co. Ltd.	21.5871	205.7947	227.3818
First Financial Holding Co. Ltd.	12.4076	438.8882	451.2958
First Financial Holding Co. Ltd.	5.3488	89.9227	95.2715
First Financial Holding Co. Ltd.	2.2627	17.8465	20.1092

Purchased Renewable Energy Contributing Information

GHG Location	Type	Renewable Energy	Proportion of emissions	Location-based	Market-based
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	16.171.6718	16.171.6718	
First Financial Holding Co. Ltd.	1.000	Solar/Tsawen	1.387.8738	1.387.8738	

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

The opinion of SGS is modified in accordance with the following described circumstances:

- The verifier has sufficient and appropriate evidence to support the material emissions, emissions, or other data.
- When the verifier identifies for the material emissions, emissions, or other data, the verifier intends to rely on relevant controls, the effectiveness of those controls has been assessed.
- The verifier, applying the ISO 14064-1:2018 standard, presents the following findings, after adjustments and corrections, as material emissions have been identified:
 - Completion of accurate material emissions assessment has been completed.
 - Some emission factors have been modified.
 - Some activity data have been corrected.
- Relevant Location: N/A.

Confidentiality

The verifier and addressee may contain relevant confidential information of the client, in addition to being submitted as governmental application or certification documents, the reports and attachments are not allowed to be copied, duplicated, or published without the client's agreement in written form.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

Avoidance of Conflict of Interest

The reports and attachments are completed in accordance with the standards and procedures that the verifier has established. The reports and attachments of the verifier are consistent with the standards and procedures. If not, the verifier will not sign the report. The verifier will not sign the report if the verifier has a conflict of interest with the client or the client's management.

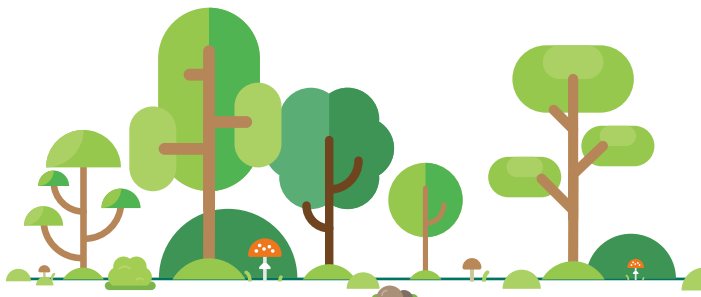
This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

Opinion TW25/00116GG, continued

SGS

Appendix A

The opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

[illegible]

Sustainable Operation Indicators

SASB：FN-CF-220a.2、FN-CB-240a.1、FN-CB-000.A、FN-CB-000.B、FN-CF-230a.2、FN-CF-270a.2、FN-CF-270a.3、FN-CF-270a.4、FN-CF-270a.5、FN-CB-410a.2

Consumer Privacy

◎ Litigation related to customers' privacy or financial losses resulting from punishment of the competent authority

	Litigation	Punishment of the Competent Authority
Number of cases		1
Incident description and improvement measure	Employees' failure to utilize or take care of customers' data in accordance with internal regulations, which has been deemed as violating the Personal Information Protection Act by the FSC; employee training and internal control procedures have been reinforced.	
Total loss amount		NT\$20,000

Information Security

◎ Credit card fraud

Transaction type	Fraud number	Loss amount
Non-presenting a physical credit card*	0 case	0 thousand
Presenting a physical credit card*	78 cases	NT\$942 thousand

*：Type of non-presenting a physical credit card, including online transaction counterfeiting.

Types of presenting a physical credit card, including lost and stolen card, counterfeit card and counterfeit application.

Sales Process

◎ Indicators of loan and credit card products – distinguished by credit risks

Industry category	Loan			Credit card		
	Low-risk credit rating customers	High-risk credit rating customers	Overall customers	Low-risk credit rating customers	High-risk credit rating customers	Overall customers
Approval rate (%)	64	2	60	71	5	61
Interest rate (%)	2.53	2.91	2.54	6.84	12.20	7.47
Average account terms (unit: year)	7.33	8.26	7.33	6.38	6.27	6.37
Average number of accounts (credit card) held (unit: account/card)	1.04	1.00	1.04	1.86	1.8	1.85

*：Prepaid card products are not provided by First Bank.

First Bank does not have any additional product charges due to credit risk.

Classification of Credit Risk: low risk means credit rating 1 to 9 of the consumer finance application; high risk means credit rating 10 to 13 of the consumer finance application.

Classification of Credit Card Risk: low risk means credit rating 1 to 8 of the credit card application; high risk means credit rating 9 to 13 of the credit card application.

◎ Number of customer complaints counted by the competent authority

	Number of customer complaints counted by the competent authority (unit: case)	Cases established after mediation (%)	Cases failed after mediation (%)	Cases entering the review process (%)
2024	208	0	0	8.17

◎ **Litigation related to product sales and services or financial losses resulting from punishment of the competent authority**

	Litigation	Punishment of the Competent Authority
Number of cases	5	1
Incident description and improvement measure	Employees who recommended or introduced purchase or sale of marketable securities to customers who have not signed a referral agreement, which has been deemed as violating the Securities and Exchange Act by the FSC; employee training and internal control procedures have been reinforced.	
Total loss amount	0	NT\$600,000

◎ **Status of Industry Risk Exposure**

No.	Industry	Ratio of credit balance	No.	Industry	Ratio of credit balance
1	Real estate -Not Urban Renewal of Dangerous Old Buildings (including overseas estate)	9.97%	6	Plastic industry	4.46%
2	Wholesale and retail industry	9.74%	7	Machinery and tool industry	3.85%
3	Finance and insurance industry	5.35%	8	Construction industry	2.87%
4	Metal industry	5.33%	9	Transportation and warehousing industry	2.51%
5	Electronic information industry	4.83%	10	Service industry	2.12%
Total		51.02%			

Activity Metrics

◎ **(1) Number and (2) value of deposit and loan accounts by segment: personal, small business, and corporate**

Baseline date: December 31, 2024

Item	Person	Small business	Corporate
Number of loan accounts	57,621	27,748	9,675
Value of loans (Unit: NT\$1,000)	34,035,467	263,960,804	441,210,283
Number of checking and savings accounts	6,664,448	59,919	
Value of checking and savings (Unit: NT\$1,000)	1,980,541,823	192,822,525	

*1 : Exclude customers of overseas branches and subsidiaries.

*2 : The number of loan accounts and checking and savings accounts of this year are changed to be calculated based on personal accounts.

*3 : Value of loans does not include mortgage loans, revolving loans and overdue personal loans.

*4 : A small business is defined as a micro or small enterprise, which means that the enterprise meets one of the following criteria: has been established for less than five years or less than five years, employs fewer than 20 employees, registered capital is less than NT\$5 million, or annual revenue is less than NT\$10 million.

SASB Sustainability Disclosure Topics & Accounting Metrics Content Index

SASB Indicator

Topic	Code	Accounting Metric	Chapter/Description	Pg.
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Information Security and Privacy Protection	P99 、 P103-104
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy		
Data Security	FN-CF-230a.1 FN-CB-230a.1	<ul style="list-style-type: none"> • Number of data breaches • percentage involving personally identifiable information (PII), • number of account holders affected 	Sustainable Operation Indicators	P243
	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Sustainable Operation Indicators	P243
	FN-CB-230a.2 FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Information Security and Privacy Protection	P96-104
	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	ESG Products and Services	P88 P92-93
Financial Inclusion & Capacity Building	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Social Impact	P197
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Talent Retention and Accessibility Benefits	P180
	FN-CF-270a.2	Approval rate for (1) credit and (2) pre-paid products for applicants with FICO scores above and below 660	Sustainable Operation Indicators	P243
	FN-CF-270a.3	(1) Average fees from add-on products, (2) average APR, (3) average age of accounts, (4) average number of trade lines, and (5) average annual fees for pre-paid products, for customers with FICO scores above and below 660		
	FN-CF-270a.4	(1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or nonmonetary relief, (3) percentage disputed by consumer, (4) percentage that resulted in investigation by the CFPB	Ethical Management and Fair Customer Treatment	P109-110
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Sustainable Operation Indicators	P243-244
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of ESG factors in credit analysis	Responsible Finance and Decarbonization Strategies for Investment & Financing	P49

Topic	Code	Accounting Metric	Chapter/Description	Pg.
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethical Management and Fair Customer Treatment	P106
	FN-CB-510a.2	Description of whistleblower policies and procedures		P107
Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	First Bank is not G-SIB, so this metric is not applicable.	
	FN-CB-550a.2	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Relevant capital adequacy management is disclosed on the 2024 financial statements. P156-157	
Activity Metrics	FN-CB-000.A	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Sustainable Operation Indicators	P244
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		
	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	ESG Products and Services	P90
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts		



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