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- **Received the "Climate Leadership Award" at the 2025 TCSA and the "Model Award in the Low-Carbon Operations Category" at the Global Views Monthly ESG Corporate Sustainability Awards**

By participating in the Taiwan Corporate Sustainability Awards (TCSA) and the Global Views Monthly ESG Corporate Sustainability Awards—two of the most credible and representative sustainability awards in Taiwan—the Bank has demonstrated its commitment to and achievements in advancing a low-carbon transition. Key initiatives include the introduction of an internal carbon fee in 2025 to accelerate progress toward net zero, the achievement of RE50 across all domestic locations in 2025, and the continued implementation of low-carbon operations in line with the Bank's core objective of becoming a green enterprise and progressing toward net-zero emissions. The Bank has also advanced a wide range of carbon reduction measures, including increasing the use of renewable energy, strengthening resource recycling and reuse, enhancing waste management effectiveness, improving energy and resource efficiency, establishing a sustainable supply chain, launching green products and services, and actively developing circular economy business models. These concrete actions have been recognized by professional judges in the sustainability field, marking an important milestone in the Bank's efforts to promote environmental sustainability.

Next Steps

To support the 2050 net-zero carbon emissions target and demonstrate the Bank's commitment to global energy transition, the Bank will continue expanding solar power generation equipment, strengthening self-generation and self-consumption of green electricity, and supporting diversified forms of renewable energy to promote energy innovation and mitigate climate change.

2.2.3.2 Green Operations

Climate Strategies and Targets

To reduce the environmental impacts of operations and provide employees with a better working environment, the Bank starts with its own operations and actively introduces management systems such as the ISO 14001 Environmental Management System and the ISO 50001 Energy Management System, thereby promoting environmental management and resource efficiency through a systematic approach. Each year, high-energy-consuming equipment is replaced on a rolling basis according to indicators such as years of use and energy consumption. Since 2023, the Bank has planned to use internal carbon pricing as a supplementary tool to drive greenhouse gas reduction, and the system was formally announced in 2024. Internal carbon fees are collected in phases: a "basic carbon fee" has been charged to all Taiwan units since 2025, and an "excess carbon fee" will be introduced from 2026 onward. By collecting internal carbon fees, the head office promotes related energy-saving and carbon-reduction measures, effectively improving energy efficiency, reducing operating costs, and reinforcing decarbonization outcomes. The Bank also simultaneously promotes waste reduction, paperless operations, and green procurement measures, and regularly tracks performance to continuously reduce operational impacts on the natural environment and fulfill its environmental sustainability commitment.

Climate Target	Short-term Target (2026)	Mid-term Target (2030)	Long-term Target (2035)
Decarbonization of own operations	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 25.2% from the 2020 baseline	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 42% from the 2020 baseline	Reduce Scope 1 and Scope 2 greenhouse gas emissions from own operations by at least 63% from the 2020 baseline
Internal carbon pricing for operations	In addition to the basic carbon fee, collect an excess carbon fee from units whose electricity consumption increases compared with the previous year	Continue collecting the basic carbon fee and the excess carbon fee	
Sustainable procurement	Green procurement amount to grow by 3% per year from the 2023 baseline		
Waste reduction	Per-capita waste generation to reach 29.5 kg	Per-capita waste generation to reach 27.5 kg	Per-capita waste generation to reach 26.5 kg

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Climate Actions and Progress

Decarbonization of own operations

In response to the national net-zero policy and in pursuit of SBT targets, the Bank has implemented an average annual reduction of 4.2% in Scope 1 and Scope 2 greenhouse gas emissions from own operations since 2021. To review decarbonization performance on a regular basis, the Bank conducts greenhouse gas inventories in accordance with ISO 14064-1 each year, tracks environmental data, and obtains third-party verification as an important basis for target-setting.

Domestic Scope 1 and Scope 2 emissions reduction

Target for 2030	Progress in 2025
At least 42% reduction from the 2020 baseline	51% reduction from the 2020 baseline

Internal carbon pricing for operations

Scope 2 emissions from purchased electricity account for the majority of the Bank's operational carbon emissions. Based on current decarbonization cost estimates, annual operating costs are expected to increase by approximately NT$58.13 million. By charging actual carbon costs to each unit, the Bank makes the concept that "carbon has a price" more tangible and enables each unit to implement low-carbon operations. This helps accelerate energy transition, improve energy-use efficiency, reinforce behavior change, achieve energy saving and carbon reduction, lower operating expenses, generate real decarbonization effects, mitigate financial impacts, and align with the Bank's zero-carbon transition strategy and goal.

2023

The Bank began planning internal carbon pricing and used it as a supplementary management tool in electricity-saving and carbon-reduction competition. Internal carbon pricing is adjusted on a rolling basis each year according to renewable energy costs, conventional electricity costs, and the electricity emission factor published by the Ministry of Economic Affairs.

2024

The Bank formally announced an internal carbon price of NT$12,323 per metric ton. Data on the basic carbon fee and excess carbon fee were displayed in electricity-saving and carbon-reduction competition, and incentives were provided to departments and individuals with strong energy-saving performance.

2025

The internal carbon price was NT$12,869 per metric ton. The Bank collected the basic carbon fee from all domestic units based on electricity consumption from non-renewable energy, and it collected approximately NT$39.06 million for the full year. The funds were centrally allocated by the head office to support energy-saving and carbon-reduction measures.

2026

In addition to continuing to collect the basic carbon fee, the Bank will begin charging an excess carbon fee on electricity consumption above the energy-use quota.

Important Financial Impacts of the Green Operations Strategies

Climate Action	Cumulative Input as of 2025	Financial Impact in 2025	Expected Future Financial Impacts
Internal carbon pricing for operations	Since 2023, the Bank has used internal carbon pricing in electricity-saving and carbon-reduction competition to encourage employee energy-saving behavior. As of 2025, the cumulative reduction attributable to the competition was approximately 828.9 tCO_2e, equivalent to a reduction of approximately NT$10.756 million in carbon costs.	The 2025 electricity-saving and carbon-reduction competition reduced emissions by approximately 100.9 tCO_2e. Based on the 2025 internal carbon price of NT$12,869 per metric ton, this was equivalent to reducing carbon costs by approximately NT$1.299 million. The financial impacts of the internal carbon fee mechanism are currently reflected mainly in internal management and resource allocation, with no material external cash outflow impact.	Over at least the next ten years, the Bank expects to continue driving electricity-saving behavior across units through internal carbon pricing (i.e., internal carbon fee collection), thereby achieving energy-saving and carbon-reduction effects and lowering operating expenses.

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Sustainable Procurement

The Bank has issued a Supplier Sustainable Procurement Guide that provides concrete green procurement requirements and recommendations, actively promotes green procurement, and encourages suppliers to work toward sustainable development. In addition to increasing renewable energy procurement, the Bank prioritizes products and services with environmental labels, such as energy-saving and water-saving equipment, green building materials, and environmentally friendly office supplies. The Bank also promotes a "lease instead of purchase" model, replacing ownership with usage and allowing items to remain in circulation through rental, return, repair, and reuse, thereby extending product life and reducing waste generation at the source. In 2025, the total green procurement amount reached NT$498 million, while the local procurement ratio reached 96.2%. The Bank was also recognized in 2024 by the Ministry of Environment as an outstanding green procurement enterprise. Operating expenses may increase as a result over at least the next ten years.

Waste Reduction

For a financial institution, waste mainly consists of general domestic waste and ordinary recyclables and does not include hazardous waste. The Bank reviews waste statistics regularly, tracks the status of data collection, makes timely improvements, and implements resource recycling. Through EDM campaigns and other communication channels, the Bank continues to strengthen employee awareness and action with respect to waste reduction and plastic reduction. Beginning in 2024, the Bank also joined the Ministry of Environment's "Free Water Refill Action" to reduce plastic use. All 144 branches equipped with drinking water facilities in their business halls have been registered as public water refill stations, allowing the public to bring their own reusable cups and refill drinking water. The Bank has also set related targets and committed to reaching per-capita waste generation of 26.5 kg by 2035.

Advancing Low-Carbon Transition through a Dual-track Approach — Sustainable Practices from Internal Carbon Fees to Energy-saving Public Welfare

To encourage employees to implement energy-saving and carbon-reduction practices and adopt environmentally friendly actions, the Bank has actively introduced an internal carbon fee mechanism that incorporates carbon emission costs into the day-to-day operational evaluation of each unit to promote low-carbon decision-making. In parallel, since 2017 the Bank has continuously organized electricity-saving competitions to reward units with strong performance in energy conservation. Through the dual-track approach of cost internalization and incentive mechanisms, the Bank effectively improves energy-use efficiency, further implements low-carbon operation targets, and channels part of the energy-saving benefits into environmental protection and public welfare.

In 2025, the Bank used energy-saving benefits to support the replacement of aging lighting equipment at the Taipei Yongming Development Center and the Taipei Chengzhong Development Center, both affiliated with the Yu-Cheng Social Welfare Foundation, improving lighting quality while reducing energy consumption. The Bank also supported the "Marine Citizen Scientists" biodiversity conservation project promoted by the Society for Environmental Education in Taiwan at Keelung Heping Island Geopark, contributing to marine ecological monitoring and environmental education, and strengthening public understanding of marine conservation. Through ongoing energy-saving initiatives and public welfare engagement, the Bank hopes to bring together the efforts of internal and external stakeholders to advance environmental sustainability and contribute corporate strength to the protection of the planet's ecosystems.

The entire bank responds to the Ministry of Environment's "Net-Zero Green Lifestyle - Green Office" policy



The Ministry of Environment has established five major indicators: Conserve energy and resources, reduce at source, green procurement, environmental greening, promotion and advocacy, with a total of 35 green office measures. Companies are encouraged to actively respond and promote green living messages to employees. If they comply with 25 or more measures, they can become a Green Partner. After promotion, the bank's headquarters and 165 branches all followed the policy in 2024 and were registered on the green office response list on the Ministry of Environment's website, implementing simple green living practices in daily office work.

Next Steps

To implement its zero-carbon operations transformation plan, the Bank will continue to align with its SBT targets and comprehensively decarbonize its operating processes across Scope 1 and Scope 2 emissions management, while extending decarbonization responsibility to its supply chain, products, and employee behavior. Key actions include the continued collection of internal carbon fees, the implementation of green procurement and circular economy practices, the promotion of digital services, the minimization of waste generation, the reduction of the environmental impact of operations, and the incorporation of decarbonization into management evaluation, demonstrating the Bank's commitment to protecting the planet and achieving sustainable coexistence.