

2025

TCFD REPORT

Climate-related Financial
Disclosure Report



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Foreword

The impacts of global climate change continue to intensify. In recent years, the global average temperature has repeatedly reached new highs, indicating that the Earth system is rapidly approaching a critical tipping point. Climate risk has shifted from a long-term issue to an urgent systemic challenge. According to the World Economic Forum (WEF)'s latest Global Risks Report 2026, extreme weather events, biodiversity loss and ecosystem collapse, and critical change to Earth systems continue to rank among the top three most impactful global risks over the next 10 years, reflecting that climate and nature-related issues have become deeply intertwined with economic, social, and financial stability. In recent years, the frequent extreme weather events and natural disasters around the world have not only caused significant impacts on human life, property, and industrial operations, but also further exacerbated the degradation of ecosystem, posing profound challenges to the resilience of the global supply chain and long-term economic development. Amid slowing global economic growth, rising geopolitical risks, and ongoing transformation pressures, it has become a common and inevitable task for governments and enterprises worldwide to promote low-carbon transition and strengthen climate risk management.

As key intermediaries in capital allocation and risk management, financial institutions play a crucial role in channeling investments into low-carbon and sustainable economic activities. TS Holdings has continued to respond to the challenges of climate change through concrete actions. It has closely integrated climate action with operational transformation and financial business development, progressively expanding its positive impact from carbon emission reduction in its own operations to financial products and investment decisions. Following the Science Based Targets (SBT) methodology, TS Holdings has committed to achieving net-zero emissions by 2050 as a long-term target. It continues to increase its use of renewable energy, optimize energy management measures, and advance net-zero transformation initiatives through supply chain collaboration.

The year 2025 marks a key transitional period after TS Holdings completed the merger, during which the Group's organizational structure and operational footprint continued to undergo adjustments, with its subsidiaries expected to progressively complete integration in 2026. This report presents the achievements of the post-merger Group in climate risk management and the promotion of sustainable finance. At the same time, preparations are made for the Company's adoption of IFRS Sustainability Disclosure Standards in 2026, specifically IFRS S2 "Climate-related Disclosures," with efforts to gradually strengthen the evaluation of the financial impacts of material climate risks and opportunities, improving the decision-usefulness of information for both internal and external stakeholders. In addition, the report also incorporates the Task Force on Nature-related Financial Disclosures (TNFD) framework to analyze the dependencies and impacts of financial activities on nature, extending to nature-related risk management. TS Holdings has gradually deepened its engagement with investee and financing counterparties, guiding enterprises to enhance climate action and transition planning through institutionalized communication and engagement mechanisms. Adhering to the core values of "dedication", "innovation", and "sustainability," TS Holdings has strengthened the Group's operational resilience and transformation competitiveness. By joining hands with its value chain to promote lowcarbon transition and nature-positive actions, it puts into practice the corporate vision of "Lead the Green Way to Net Zero."





About this Report

This is the 2025 Climate-related Financial Disclosure Report of TS Financial Holding Co., Ltd. (hereinafter referred to as "TS Holdings" or "the Company"). The Company became an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019. In addition to following the TCFD's sector-agnostic guidance, the report is also prepared in accordance with the supplemental guidance for the banking and insurance sectors, and disclosures are made with reference to the International Financial Reporting Standards S2 (IFRS S2) framework. For details of content from previous years, please refer to TS Holdings' ESG Reports and TCFD Reports for 2018 to 2024.

Scope of the Report

In principle, the report's scope of disclosure is consistent with that of TS Holdings' consolidated financial statements. However, as the year 2025 is the first reporting year following the official merger of Taishin Holdings and Shin Kong Financial Holding Co., Ltd., climate-related management mechanisms, data systems, and action strategies are still in the process of integration. As a result, certain climate-related data and indicators remain disclosed separately or based on the former Taishin FHC and major subsidiaries. For items that have been integrated, disclosures are made based on the performance of the post-merger Taishin Group. The relevant disclosure criteria and scope of application are indicated in the text or notes of each chapter. Looking ahead, the Company will continue to advance information integration and strengthen data consistency and comparability to improve reporting quality.

Basis of Preparation and Disclosure Principles

Unless otherwise indicated, all financial data presented in the report are expressed in NT\$ thousand; due to rounding, some totals may not equal the sum of individual figures.

Reporting Period and Publication Schedule



Previous Publication

June 2025

Current Publication

July 2026

Next Scheduled
Publication

July 2027

Issue Number Volume 4

January 1 to December 31, 2025

Disclosure Period

primarily focused on TS Holdings' TCFD promotion and implementation results in 2025, with previous climate-related actions included

Both the Chinese and English versions of the reports from previous years have been published on the "Sustainability" section of TS Holdings' website.

External Verification

This report has been verified for TCFD compliance by a third-party organization, British Standards Institution Taiwan Branch (BSI Taiwan).





History of Climate Actions

TS Holdings continues to pay attention and promote climate-related issues. The Group's major milestones over the years are as follows:

2015 2016 2017 2018 2019 2020

- Abided by the Equator Principles
- Responding to the CDP Initiative

- First purchase of green electricity
- Revised the risk management policy to include management of climate risks

- Obtained ISO 14064-1:2006 verification
- Official operation of solar panels on the Neihu Building
- First purchase of renewable energy certifications (T-REC)

- Adopt TCFD framework
- First inclusion in Dow Jones Sustainability Indices (DJSI) in both World and Emerging Markets
- Establishment of "Green Finance Principles"
- Identification of climate risks and opportunities by the TCFD framework
- Expanded ISO 14064 GHG Emissions Survey to the entire bank branches

- Signed the Equator Principles
- Became a TCFD supporter
- Credited as one of the Top 100 Companies with excellent performance in emerging markets for three consecutive years by the ESG rating agency, Vigeo Eiris
- Conduct real estate scenario analysis for wholesale banking

- Ranked on CDP A List for climate change
- Received an 'Leader AA for the Finance Industry' in the MSCI ESG Ratings
- Complied with the "Principles for Responsible Investment (PRI)" and the "Principles for Responsible Banking (PRB)"
- Established the "Environmental and Social Risk Management Sector Guidelines"
- Conducted Scope 3 investment and financing carbon inventory



2021 2022 2023 2024 2025

- Initiated the setting of Science-Based Targets
- Joined the "Taiwan Alliance for Net Zero Emission" as a founding member
- Conduct climate risk analysis on own operational offices and suppliers

- Passed the SBT validation
- Received Net Zero Green Label from TNZEA
- Established the Taishin FHC TCFD task-force team
- Added the Climate Risk Management Guidelines including "List of High Carbon Emission Industries"
- Amended the risk management policy to include a climate risk appetite statement
- Established the "Decarbonization Commitment" (coal industry and unconventional oil & gas)
- Conducted climate change scenario analysis for the bank's financing and investment positions

- Included in DJSI World and DJSI Emerging Markets for 6 consecutive years
- Ranked in the top 1% globally in the banking industry by the S&P Global 2024 Sustainability Yearbook, a highest honor
- Became a member of the Partnership for Carbon Accounting Financials (PCAF)
- Published the first standalone TCFD report and achieved a TCFD conformity statement Level 5: Excellence
- Established a Sustainable Finance Policy
- Revised internal regulations related to investments and financing, carefully evaluating the climate risks of investment and financing targets

- FHC HQ obtained Carbon Neutrality Verification Statement
- Became a supporting institution for the sustainable finance platform launched by BCSD-Taiwan and introduced TNFD framework
- Subsidiary – Taishin Securities published the first Climate Risk Management Report
- Achieved a TCFD conformity statement Level 5: Excellence
- TCFD Report conducted comparison analysis in accordance with Guidelines for anti-greenwashing in financial institutions
- Implemented TNFD framework for the first time and conducted disclosure based on IFRS S2 framework

- The Group's TCFD Report was awarded Level 5+: Excellence by BSI for two consecutive years.
- Nature-related risks were incorporated for the first time, and revised into the Climate and Nature Risk Management Guidelines.
- Introduced "High Nature-Related Risk Industries," which, together with "High Carbon Emission Industries," are collectively referred to as "Sensitive Industries."
- Achieved the highest MSCI ESG Rating of AAA.
- The investment trust subsidiary published its first Sustainability Report.

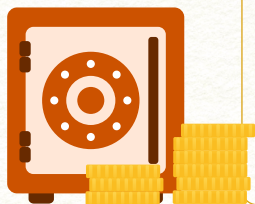


Performance Highlights

Sustainable/Low-carbon-related Lending

NT\$

313,990,292 thousand



Sustainable/Low-carbon Investments

NT\$

78,266,494 thousand

Green Bond Underwriting

NT\$

16,321,975 thousand

Compliance with SRI(Socially Responsible Investment) Fund Scale

NT\$

72,166,419 thousand



Since 2020

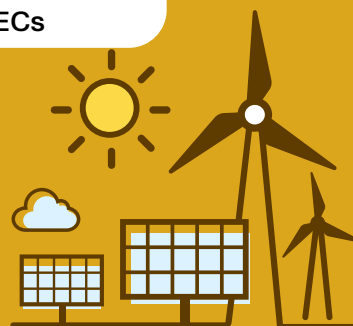
TS Holdings has applied for Green Building Certification for its company-owned buildings.

Currently, a total of **21** Green Building Certifications have been obtained.



Procurement of renewable energy and T-RECs

exceeded 12.8 million kWh



Green procurement amount

exceeded NT\$ **302,700** thousand



Governance



- 1.1 Climate Governance Framework and Responsibilities
- 1.2 Implementation by the Board of Directors and Management
- 1.3 Climate Capacity Building

1.1 Climate Governance Framework and Responsibilities

The Board of Directors of TS Holdings serves as the highest governance body responsible for overseeing and managing climate- and sustainability-related issues. Climate risk management policies are regularly approved via reports, with oversight of the identification of climate risks and opportunities, as well as climate-related action plans, to ensure the risk management mechanism operates effectively. The "Risk Management Committee" and the "Corporate Sustainability Committee" as functional committees have been established under the Board of Directors. These committees respectively oversee and manage climate- and sustainability-related issues, assisting the Board of Directors in managing risks and sustainability-related issues.

At the management level, cross-departmental, cross-subsidiary climate task forces have been established under the Company's President, including the "TCFD Taskforce Team", the "SBT Taskforce Team", and the "ESG Teams," to formulate and implement specific climate action plans, promote the management of climate-related risks and opportunities, and ensure that climate-related matters receive adequate attention and management at the highest management level. In addition to collaborating with the Company, subsidiaries also implement initiatives based on their own business conditions. Please refer to the figure below for the duties and responsibilities of governance and management.



 Management Level

Joint promotion and implementation of climate-related issues by the TS Holdings and its subsidiaries

1.2 Implementation by the Board of Directors and Management

Board of Directors' Oversight of Climate-related Risks and Opportunities

In its decision-making process, the Board of Directors of TS Holdings has taken into consideration climate-related risks and opportunities. Climate-related matters are reported to the Board of Directors in regular reports, including quarterly progress updates on the execution of the TCFD project, monitoring of exposures of major subsidiaries' investment and financing portfolios to sensitive industries (including high carbon emission and high nature risk industries), semi-annual management of exposure to decarbonization industries, annual reporting to TS Holdings on the TCFD report, along with climate-related risk and opportunity identification and scenario analysis results.

Primary Climate-related Matters Discussed in 2025

1. Four climate risk supervisory reports, including:
 - ▶ Four sensitive industry (including high carbon emission and high nature risk industries) exposure monitoring reports
 - ▶ Two decarbonization industry exposure monitoring reports
 - ▶ 2025 SBT implementation status and financial carbon inventory results
2. Submission of the "2024 TCFD Report"
3. Explanation of disclosure gaps in climate-related financial disclosures
4. Climate risks and opportunities identification results
5. Climate change scenario analysis (investment and financing portfolios) calculation results report



Performance and remuneration aspects of the President, senior managerial officers, and employees

TS Holdings has integrated the United Nations Sustainable Development Goals (SDGs) into its operational strategy and established a remuneration linkage mechanism, incorporating climate-related targets into senior executives' annual performance indicators. The specific indicators vary among executives, aligning remuneration system with climate change management outcomes to enhance climate resilience.

TS Holdings has established relevant indicators and targets from two strategic dimensions: "Transition Strategy of Own Operations" and "Net-Zero Carbon Emission in Financial Business." The Company's transition strategies of own operations include energy saving and carbon reduction initiatives, energy consumption, and greenhouse gas emissions, while its indicators for net-zero emissions in financial business include carbon emissions of investment and financing portfolios, exposure to high carbon emission industries, and the effectiveness of low-carbon economy promotion. At the same time, it is committed to achieving its carbon reduction goals by annually disclosing the achievement status of indicators related to SBT targets. Among these are climate-related financial disclosures and evaluation scores, green procurement percentage, and greenhouse gas reduction targets, with the weighting reaching up to 35%. Considering the current evaluation results have already reached internationally leading standards, the Company will maintain the existing weighting in the short to medium term. Meanwhile, the indicators and measurement methods will continue to be optimized to strengthen the effectiveness of linking climate performance with remuneration.

In addition, regarding employee performance and remuneration, items including risk management (including climate change) and green operations management are incorporated into employee performance reviews in accordance with the business responsibilities of each unit. The results are used as a reference for bonus distribution to encourage all employees to work together and grow in alignment with the Company's sustainable development policies.

Climate-related Performance Linkage Mechanism

Climate Strategies of TS Holdings	Responsible Senior Executive	Performance Indicator	Weight Percentage
Dedicated to Sustainability & Living Green	President and Chief Financial Officer	Continuous inclusion in the DJSI, corporate governance evaluations, the CDP questionnaire, and other related assessments	10%
	Chief Sustainability Officer	Continuous inclusion in the DJSI, corporate governance evaluations, the CDP questionnaire, and other related assessments	20%
Transition Strategy of Own Operations	Chief Risk Officer	Alignment with International Financial Reporting Standards (IFRS) climate-related disclosures to enhance operational financial resilience	20%
	Director of Administration Division, Taishin Bank	Green operational strategy promotion, the growth rate of green procurement percentage, and the scope of ISO audits and certifications	35%
Net Zero Emissions in Its Financial Business	Chief Executive Officer of Financial, Taishin Bank	ESG promotion - sustainable investment management	3%
	Chief Executive Officer of Wholesale Banking, Taishin Bank	ESG promotion - carbon emission management, sustainability-linked loan, and engagement with high-carbon emission financing counterparties	3%

1.3 Climate Capacity Building

To stay abreast of climate-related issues, TS Holdings actively encourages the Board of Directors, management, and employees to participate in internal and external training courses to develop relevant knowledge, skills, professional capabilities, and experience.

Directors and Senior Management

The Board of Directors of TS Holdings consists of seven members, three of whom are Independent Directors (accounting for 42.86% of all Directors), and is chaired by the Chairman. The governance body possesses extensive knowledge, skills, professional competence, and experience, which play a crucial role in the oversight of the Company's climate change-related strategies. In 2025, the total number of hours that Directors of TS Holdings participated in climate-related courses was 33 hours. All members of the Board of Directors possess climate change-related competencies or experience. For details, please refer to the table below (members with the same title are listed in order of surname stroke count):

Directors' Climate Change-related Functions and Professional Competence Development

Title	Name	Gender	Hours of Sustainability and Climate-related Courses in 2025	Climate Change-related Competencies or Experience
Chairman	Tong-Liang Wu	Male	3	During his tenure as Chairman of the Chinese National Association of Industry and Commerce, Chairman Tong-Liang Wu led the association to launch the "1.5° C Climate Action Declaration," announcing that member companies of the association would respond to the international net-zero and sustainability trend by committing to aligning with the government's 2050 net-zero pathway plan and integrating industrial and commercial resources to implement low-carbon transition in the industry.
Vice Chairman	Pao-Sheng Wei	Male	3	During his tenure as Chairman of Shin Kong Financial Holding Co., Ltd., Vice Chairman Pao-sheng Wei leveraged the core functions and strengths of the financial and insurance industry, joining hands with stakeholders to realize the sustainable value propositions of "Low Carbon, Innovation, and Common Good shared prosperity." Under his lead, Shin Kong Financial Holdings Co., Ltd. was selected by S&P Global in the "2025 Sustainability Yearbook" as a "Top 1% company" in the global insurance industry category, and issued its first climate- and nature-related financial disclosure report.
Director	Cheng-Ching Wu	Male	3	As the representative of TASCOW Group, Director Cheng-ching Wu puts great emphasis on environmental protection issues and has urged TASCOW Group to continuously improve process technology and upgrade to energy-saving equipment to increase energy consumption efficiency, reduce production costs, decrease greenhouse gas emissions, and build an environment-friendly green industrial system.
Director	Jui-Sung Kuo	Male	3	Director Jui-sung Kuo believes that "green energy is the only weapon that can solve climate change." During his tenure as Chairman of the TECO Technology Foundation, he promoted the establishment of the TECO Technology Creativity Competition. In 2020, he began focusing on the issues of energy depletion, global warming, and human sustainability. With "Green Tech" as a new theme, he became first in the country to foster a research and development atmosphere for energy saving and carbon reduction at domestic universities and vocational schools, gaining the attention of the international academic and educational communities.
Independent Director	Mei-Hua Wang	Female	3	During her tenure as the Minister of Economic Affairs, Independent Director Mei-hua Wang actively promoted the development of renewable energy, industrial net-zero transformation, and policies to enhance water resource resilience in alignment with the national 2050 net-zero emissions policy and in consideration of the view that "green electricity is what Taiwan needs to compete internationally."
Independent Director	Min-Yu Chang	Female	15	Independent Director Min-yu Chang is a registered practicing member of the Republic of China Certified Public Accountants Association. In response to practice requirements, she continues to follow, study, and analyze issues relating to the IFRS Sustainability Disclosure Standards, the related assurance processes and international development trends of carbon credit transactions, and the impact of net-zero emissions on financial statements.
Independent Director	Kuo-Lin Kuan	Male	3	During his tenure as Chairman of Citibank(Taiwan), Independent Director Kuo-lin Kuan issued Citibank(Taiwan) first CSR Report, actively promoted green innovation, and pursued environmental sustainability.



General Employee

- TS Holdings conducts "risk literacy education and training" through its internal online learning system, e-learning, to incorporate climate risk management into daily operations. The course content includes climate-related risks, and new employees are required to complete relevant training as part of their onboarding assessment, thereby enhancing their awareness of climate risk management.
- For the point of contact for TCFD, TS Holdings invites external consultants to share domestic and international climate and nature trends, including the disclosure requirements of domestic competent authorities, the IFRS S2 framework, and biodiversity issues. It also organizes workshops to identify and understand climate- and nature-related risks, opportunities, and impacts, ensure each point of contact has the necessary professional knowledge and skills, and make response strategies for the implementation of net-zero transition.



Sustainability and Climate-related Training in 2025

Course Type	Course Hours	Number of Attendance
Climate and Nature-related	33	16,704
Sustainable Finance-related	185	102,348
Other ESG-related	163	23,127
Total	381	142,179

Note 1: The statistical scope covers TS Holdings, Taishin International Bank, Shin Kong Bank, Shin Kong Life Insurance (including Taishin Life Insurance), Taishin Securities (including MasterLink Securities), and Taishin Investment Trust.

Note 2: The number of courses and attendance in this table are compiled from registration information on the "Taishin University" learning platform and include internal in-person/online courses, external training, and external seminars/forums.

Sustainable Finance Certificate	Number of Full-time Employees with Certification in 2025	Number of Full-time Employees in 2025	Ratio (%)
Basic Competency	1,471	27,023	5.44%

Sustainable Finance Certificate	Number of Business Personnel and Managers in the Group's Sustainability-related Departments with certifications	Number of Business Personnel and Managers in the Group's Sustainability-related Departments	Ratio (%)
Basic Competency	26	57	45.61%
Advanced Competency	13	57	22.81%

Note 1: The statistical scope covers TS Holdings, Taishin International Bank, Shin Kong Bank, Shin Kong Life Insurance (excluding Taishin Life Insurance), Taishin Securities (including MasterLink Securities), and Taishin Securities Investment Trust, Taishin Securities Investment Advisory, Taishin Venture Capital Investment, Taishin AMC, Shin Kong Venture Capital International, and Shin Kong Property Insurance Agency.

Climate Strategy



In 2025, the Financial Supervisory Commission continued to advance the "Green and Transition Finance Action Plan" and the "Reference Guidelines for the Identification of Sustainable Economic Activities 2.0," with the aim of steering financial flows toward low-carbon and transition-related industries and supporting enterprises in their journey toward net-zero transformation. TS Holdings has built its approach around two strategic pillars—"Transition Strategy of Own Operations" and "Net-Zero Carbon Emission in Financial Business"—and has implemented concrete action plans in response to the material climate-related risks and opportunities identified. Through climate scenario analysis, the Company quantitatively assesses the potential impacts of climate change, evaluates the resilience of relevant businesses and their potential financial implications, further enhances the controllability of climate-related risks, and strengthens the role of its financial business in supporting the low-carbon transition of industries.

2.1 Climate-related Risks and Opportunities

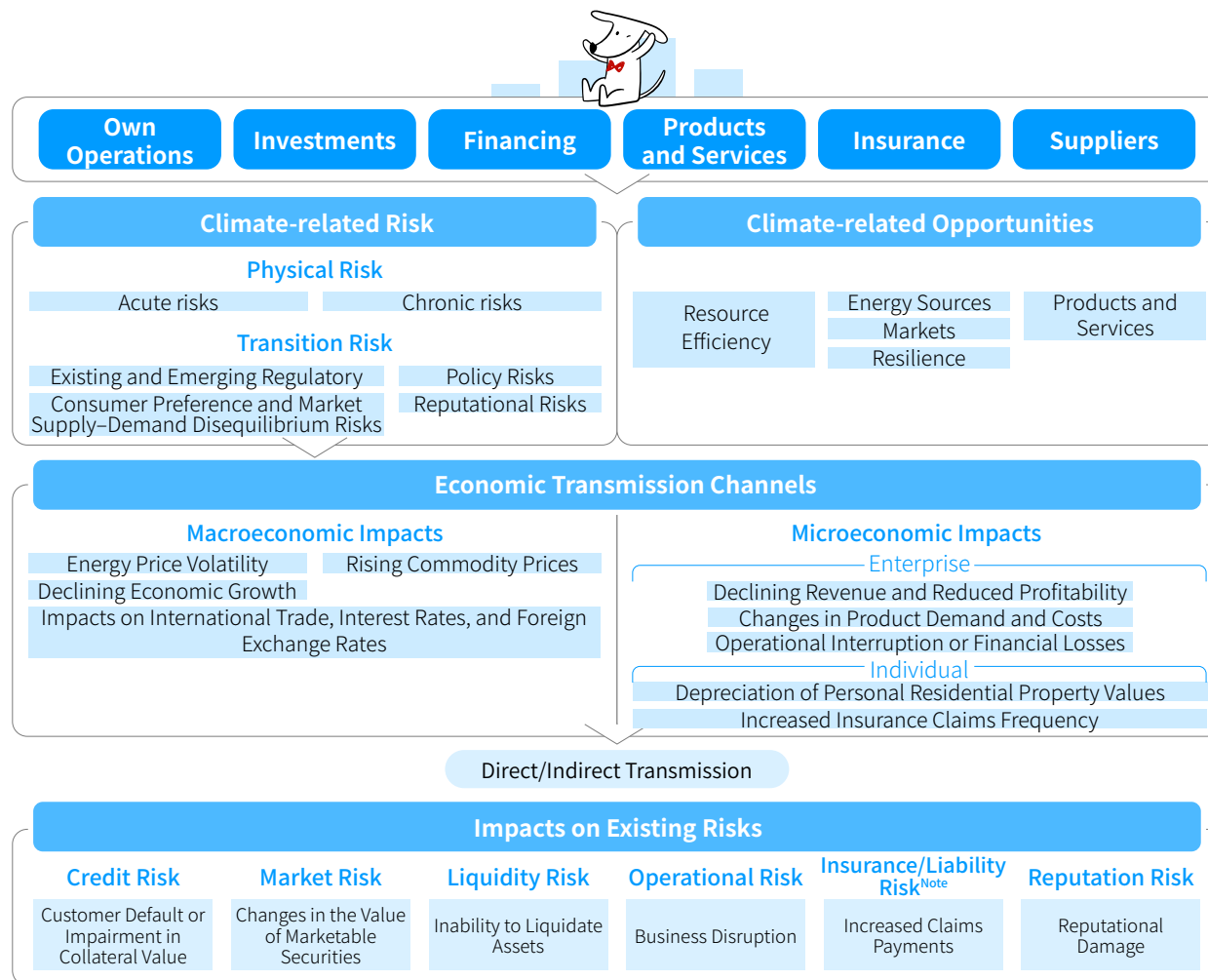
2.2 Climate Strategy and Actions

2.3 Climate Change Scenario Analysis and Resilience Assessment

2.1 Climate-related Risks and Opportunities

2.1.1 Climate-related Risk and Opportunity Identification Process

Climate change gives rise to a range of risks and opportunities that, through both microeconomic and macroeconomic transmission channels, may directly or indirectly affect existing risk exposures, including credit risk, market risk, liquidity risk, operational risk, insurance risk, reputational risk and emerging risk. For example, increasingly frequent extreme rainfall events or flooding may damage equipment and facilities at the Company's operating locations, resulting in higher operating costs. In addition, credit accounts may face increased production costs due to the imposition of carbon fee, which could adversely affect their repayment capacity and consequently elevate credit risk.



Note: Liability risk includes legal risk, among others.

2.1.2 Climate-Related Risks and Opportunities Identification Results

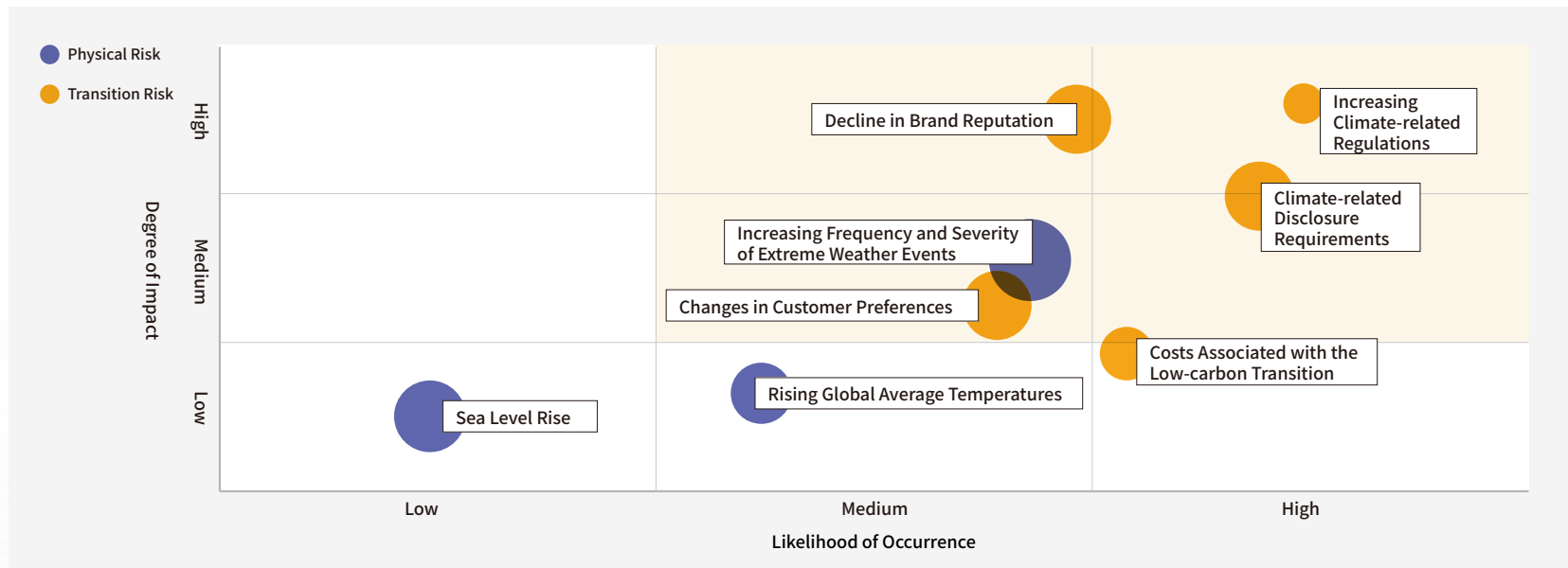
TS Holdings conducts an annual identification and assessment of climate-related risks and opportunities in accordance with its climate risk and opportunity identification framework. The assessment comprehensively considers factors such as climate-related policy developments, industry trends, and the Company's operational conditions. The scope of assessment covers investment and financing portfolios, the Company's own operations, upstream and downstream value chain activities, and suppliers, while taking into account both transition risks and physical risks associated with climate change. During the assessment process, TS Holdings utilizes a Climate Risk and Opportunity Matrix to prioritize identified risks and opportunities based on two dimensions: "likelihood of occurrence" and "degree of impact". The size of each bubble represents the "degree of controllability", reflecting the Company's ability to manage and mitigate the relevant risks or capitalize on the associated opportunities. The assessment results serve not only as a basis for evaluating the effectiveness of the Company's climate strategy implementation, but are also integrated into its business model and decision-making processes. These results guide the Company's market positioning and business development strategies, while enabling timely adjustments to strategic priorities and management mechanisms to strengthen overall climate resilience.

The time scales defined in the table below are aligned with the planning periods applied in the Groups strategic decision-making processes.

Period	Definitions	Linkage to Strategic Planning Horizons
Short-term	Within 1 year	Aligned with the Group's financial budgeting cycle.
Medium term	1 to 3 years	Considers the planning and deployment cycles of financial products and services, as well as the operational characteristics of the industries in which the Group's major investment and financing counterparties operate.
Long term	More than 3 years	Reflects the Group's long-term business strategies formulated in response to evolving regulatory developments and changes in the financial market environment.

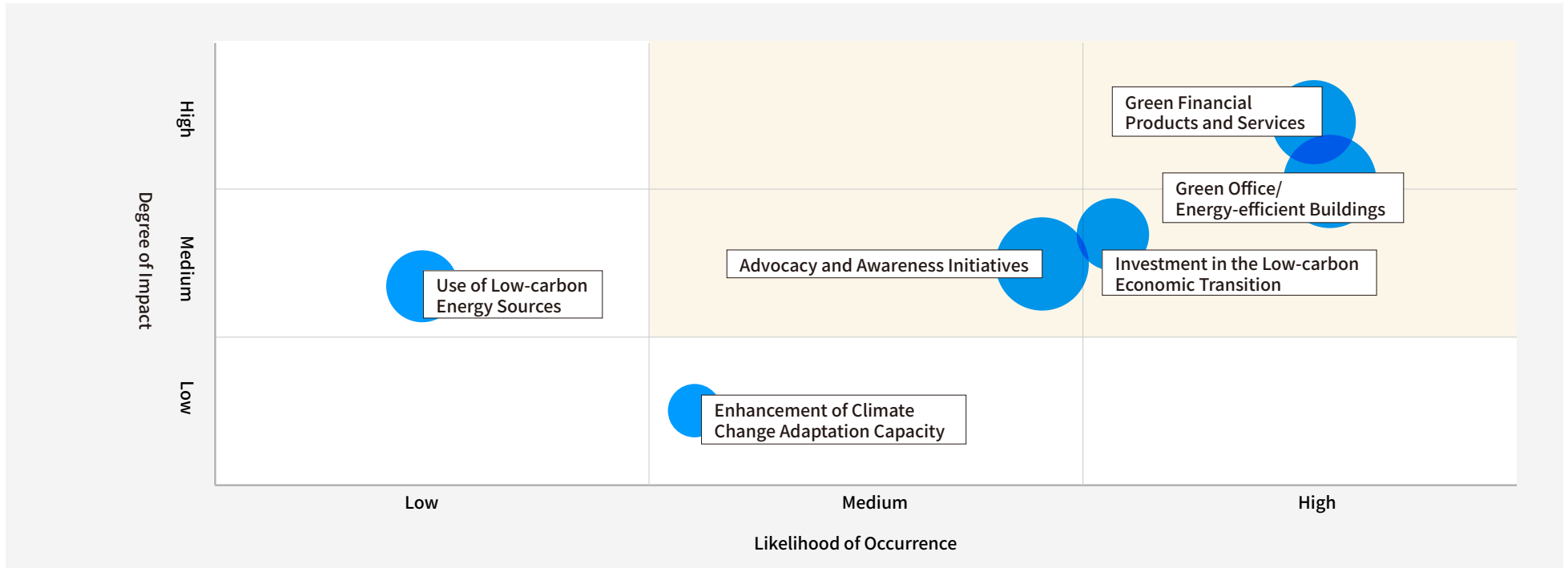


Climate Risk Matrix



No.	Risk Type	Climate Risk	Risk Impact	Corresponding Existing Risks	Risk Occurrence Time Horizon	Value Chain					
						Suppliers	Own Operations	Investment	Credit	Collaterals	Insurance Underwritten
R1	Transition Regulatory and Policy	Increasing Climate-related Regulations	Clients: In response to the continued development of domestic and international climate change-related policies and regulations (e.g., the imposition of carbon fees and carbon taxes), enterprises may be required to incur additional climate-related regulatory expenses, resulting in increased compliance costs.	Market Risk Credit Risk	Short- to medium-term			●	●		
R2	Transition Regulatory and Polic	Climate-related Disclosure Requirements	Own Operations and Clients: To align with government net-zero targets and meet growing domestic and international expectations for climate-related disclosures (e.g., greenhouse gas emissions disclosures, IFRS S2 disclosures in annual reports, and sustainable finance evaluations), failure to comply may result in regulatory penalties or litigation, thereby increasing operating costs.	Operational Risk Market Risk Credit Risk	Short-term		●	●	●		
R3	Transition Reputation	Decline in Brand Reputation	Own Operations: In light of international trends, the Company's management of climate- and environment-related risks, and the expectations associated with various domestic and international climate commitments and assessments (e.g., Science Based Targets (SBTs), CDP, and DJSI), inadequate management or failure to achieve stated targets may undermine stakeholder confidence, including that of clients and investors, negatively affect brand reputation, and result in revenue decline and reputational losses.	Reputational Risk	Long term		●				
R4	Physical Immediacy	Increasing Frequency and Severity of Extreme Weather Events	Suppliers and Own Operations: The increasing frequency and severity of natural hazard events (e.g., extreme precipitation, droughts, and water scarcity) may disrupt supplier operations and the Company's own business activities. Clients: The increasing frequency and severity of natural hazard events (e.g., extreme precipitation, droughts, and water scarcity) may interrupt the operations of investment and financing clients, cause losses in collateral value, and potentially threaten the personal safety of policyholders.	Operational Risk Credit Risk Insurance Risk	Medium to long-term	●	●	●	●	●	●
R5	Transition Market	Changes in Customer Preferences	Own Operations and Clients: As domestic and international attention to climate-related issues continues to grow, products and services that fail to align with customer expectations and global market trends may reduce customer willingness to engage, resulting in a loss of market competitiveness and potential market exclusion.	Market Risk Credit Risk	Medium to long-term		●	●	●		●
R6	Transition Technology	Costs Associated with the Low-carbon Transition	Clients: Efforts to mitigate climate change impacts through product development and the implementation of low-carbon transition measures may lead to increased operating costs.	Operational Risk Market Risk Credit Risk	Medium term			●	●		
R7	Physical Risk Chronic	Rising Global Average Temperatures	Own Operations: Rising global temperatures and prolonged heatwaves associated with climate change may increase energy and resource consumption costs, thereby raising operating expenses. Clients: Rising global temperatures and prolonged heatwaves associated with climate change may create operational challenges for enterprises, adversely affect workforce health and productivity, and reduce labor capacity, ultimately leading to lower production output and decreased revenues among investment and financing clients.	Operational Risk Market Risk Credit Risk Insurance Risk	Long term		●	●	●		●
R8	Physical Risk Chronic	Sea Level Rise	Own Operations and Clients: Climate change-induced sea level rise in coastal areas may increase operational risks for enterprises and adversely affect the value of pledged collateral.	Operational Risk Credit Risk	Long term		●		●	●	

Climate Opportunity Matrix



No.	Type of Opportunity	Climate-Related Opportunities	Opportunity Impact	Opportunity Occurrence Time Horizon	Value Chain					
					Suppliers	Own Operations	Investment	Credit	Collaterals	Insurance Underwritten
01	Products and services	Green Financial Products and Services	Own Operations and Clients: In response to international and market trends, the Company expands its portfolio of green financial products and services, including green credit facilities, green loans, underwriting services for low-carbon projects, and green bonds. These initiatives enhance operating revenue and operational efficiency from green financing.	Short-term		●	●	●		
02	Resource Efficiency	Green Office / Energy-efficient Buildings	Own Operations: Implement green office initiatives, including paperless operations, resource recycling, and enhancing the energy and resource efficiency of equipment and facilities. In addition, increase the adoption of green building certified premises to reduce operating costs.	Short-term		●				

No.	Type of Opportunity	Climate-Related Opportunities	Opportunity Impact	Opportunity Occurrence Time Horizon	Value Chain					
					Suppliers	Own Operations	Investment	Credit	Collaterals	Insurance Underwritten
03	Market	Investment in the Low-carbon Economic Transition	Own Operations and Clients: By strengthening long-term investments in low-carbon industries and climate solutions (such as renewable energy, green infrastructure, and energy-efficiency-related assets), the Company can capitalize on market growth opportunities arising from global decarbonization and net-zero transition trends, thereby enhancing overall investment returns and portfolio resilience.	Short-term		●	●			
04	Market	Advocacy and Awareness Initiatives	Own Operations and Clients: Through advocacy and awareness-raising initiatives, engage with stakeholders across the financial value chain to leverage financial influence in strengthening climate governance and decarbonization actions, while enhancing clients' climate awareness and reinforcing corporate reputation. In addition, participation in ESG-related assessments and ratings can support the development of a low-carbon brand image, improve access to capital for clients and investors, and contribute to increased operating revenues.	Short-term		●	●	●		
05	Energy Sources	Use of Low-carbon Energy Sources	Clients: In response to the growing market demand for low-carbon energy, create business opportunities in the low-carbon energy sector through the development of solar photovoltaic installations, renewable electricity procurement, green project financing, green leasing, and related energy services, thereby enhancing operational performance and brand competitiveness.	Short- to medium-term			●	●		
06	Resilience	Enhancement of Climate Change Adaptation Capacity	Own Operations: Proactively identify and manage climate change-related risks, establish protective measures and emergency response strategies, and strengthen employees' climate adaptation capabilities (e.g., climate-related training programs and professional certifications). These efforts help enhance the Company's overall climate resilience and reduce the operational costs associated with physical and transition risks.	Short-term		●				

2.1.3 Financial Impacts of Material Climate-related Risks and Opportunities

TS Holdings assessed the material climate-related risks and opportunities it identified in accordance with the seven categories recommended by the TCFD, namely: Products and Services, Supply Chain and/or Value Chain, Adaptation and Mitigation Activities, Research and Development Investment, Business Operations (including business activities and facility locations), Acquisitions and Divestments, and Access to Capital. The Company individually evaluated the impacts of these risks and opportunities on its climate strategy and business opportunities and subsequently developed corresponding response measures. Furthermore, based on the results of its existing climate-related risk and opportunity identification process, TS Holdings prioritized the items highlighted within the red-box area of the Climate Risk and Opportunity Matrix presented in **Section 2.1.2** for further assessment. In alignment with its IFRS S2 implementation plan for 2025, the Company focused on evaluating the impacts of these risks and opportunities on its financial position, financial performance, and cash flows. Through multiple internal discussions and consultations with TS Holdings' IFRS project team, the Company reviewed the significant financial implications of its current climate strategy and identified those climate-related risks and opportunities deemed material. Risks and opportunities not classified as material are continuously monitored through existing risk management processes, with their developments and potential impacts reviewed on an ongoing basis to strengthen the Company's overall climate risk adaptation capability. The strategies adopted by TS Holdings in response to material climate-related risks and opportunities, as well as the associated financial impacts on the Company, are described as follows:

Climate Risk

R1 Transition Risk

Increasing Climate-related Regulations

- The Group conducts climate scenario analyses on the lending and investment portfolios of its banking, life insurance, and securities businesses to identify carbon emission intensity and exposure concentration across industries and to assess the climate resilience of its financing and investment portfolios.
- ESG risk due diligence is performed for high carbon emission industries to support investment decision-making, differentiated risk management, and engagement activities. Relevant resources are also allocated to provide climate transition risk training.
- The Group continues to advance its operational transition strategies centered on "energy conservation, energy generation, and energy procurement" as well as the implementation of an "internal carbon pricing mechanism". Key initiatives include replacing energy-intensive equipment, obtaining green building certifications, organizing energy-saving campaigns, increasing renewable energy consumption, and expanding the proportion of green procurement expenditures.
- Taishin Bank manages the carbon footprint of its financial assets in accordance with TS Holdings' strategy through multiple approaches, including: (1) integrating ESG considerations into investment and transaction decision-making processes and establishing decarbonization commitments; (2) actively engaging with borrowers and investees to promote emissions reduction and transition initiatives; and (3) establishing assessment lists for high carbon emission industries.
- MasterLink Securities Corp. applies an internal carbon pricing mechanism to conduct transition risk scenario analyses for its proprietary investment portfolio and evaluates the potential financial impacts of carbon pricing on investment targets.

Financial Impact | Costs incurred in 2025: approximately NT\$96,035 thousand

- To strengthen both internal and external communication, the Group conducted climate transition risk training programs and industry engagement activities, recognizing NT\$568 thousand in other operating and administrative expenses and NT\$8 thousand in employee benefits expenses, resulting in cash outflows from operating activities.
- To mitigate climate transition risks, assessments and analyses were conducted for investment and lending portfolios, including financed emissions inventories and analyses and the engagement of external professional consultants. As a result, NT\$3,579^{Note 1} thousand was recognized in other operating and administrative expenses. In addition, expenditures on database purchases and analytical software used to support these assessments that could not be attributed to a single risk category amounted to NT\$6,093 thousand and was recognized as intangible assets, and NT\$620 thousand recognized in other operating and administrative expenses.
- External professional consultants were engaged to support the establishment of SBTi emissions reduction targets, resulting in NT\$4,946 thousand recognized in other operating and administrative expenses.
- To reduce greenhouse gas emissions from the Group's own operations, investments of approximately NT\$12,911 thousand were made in energy-efficient equipment replacement and the procurement of electric or hybrid vehicles, resulting in cash outflows from operating activities.
- The Group incurred expenditures of approximately NT\$67,310 thousand for the purchase of green electricity and renewable energy certificates, resulting in cash outflows from operating activities.

R4 Physical Risk

Increasing Frequency and Severity of Extreme Weather Events

Own Operations Management:

- Implemented the Business Continuity Management (BCM) Policy and completed physical climate risk assessments for all proprietary operating locations across TS Holdings.
- Conducted physical climate risk assessments of supplier sites and implemented differentiated management measures based on risk levels. For high-risk suppliers, disaster contingency requirements were incorporated into contractual agreements, or long-term project collaborations were restricted.
- Investment, Financing, and Insurance Management: Conducted physical climate risk scenario analyses for investment and financing portfolios and implemented risk management measures in accordance with ESG and Sustainable Finance Policies.

Taishin Bank Personal Banking Mortgage Credit Management:

- Established the "ESG Risk Assessment Guidelines for Retail Credit Cases", incorporating the physical climate risks associated with collateral assets as a key factor in credit approval decisions.
- Implemented dynamic monitoring mechanisms for high climate-risk areas and adopted differentiated credit management practices through the property valuation system.

Taishin Bank Corporate Banking Collateral Management:

- Regularly reviewed borrowers' financial statements and material adverse information, reflecting changes in their financial and business conditions in credit ratings and post-lending management.
- Incorporated regional price impact factors into the collateral valuation process. As a general principle, collateral located in forestry land areas or landslide-prone regions that are highly susceptible to natural disasters is not accepted.
- Exercised prudent consideration or applied lower loan-to-value (LTV) ratios for real estate located in flood-prone areas to mitigate potential losses arising from physical climate risks.
- Shin Kong Life Insurance has diversified and transferred climate-related catastrophe risks through reinsurance arrangements and catastrophe reinsurance programs.

Financial Impact | Costs incurred in 2025: approximately NT\$78,673 thousand

- Expenditures were incurred for the establishment and maintenance of geographically separate disaster recovery data centers, inspection and maintenance of electromechanical equipment and data center facilities, and insurance coverage for related assets. As such measures cannot be attributed to a single risk and cannot be separately allocated, a total of NT\$70,331 thousand was recognized in other operating and administrative expenses, resulting in cash outflows from operating activities.
- External consultants were engaged to conduct physical climate risk scenario analyses, with NT\$3,616 thousand recognized in other operating and administrative expenses, resulting in cash outflows from operating activities.
- Reinsurance arrangements were implemented in response to climate-related risks, with reinsurance premium expenses of NT\$4,726 thousand recognized, resulting in cash outflows from operating activities.

Note 1: Costs related to climate scenario analysis and external consulting services include both transition risks and physical risks. As such costs cannot be separately attributed, no further breakdown has been provided.

Response
Strategy

The Group has incorporated climate-related issues into its lending and investment strategies. On the lending side, it has promoted corporate green loans, covering renewable energy power generation, sustainable water resources and wastewater treatment, and clean transportation, while also providing financing for renewable energy power plants, such as solar and wind power. At the same time, it offers personal green loans, including green building mortgages and low-carbon transportation vehicle loans.

On the investment side, the Group invests in renewable energy funds, renewable energy power plant projects, and strategic industries related to green energy development. The Group also participates in the investment and underwriting of green bonds, as well as investments in green buildings and green leasing projects. Relevant personnel, consulting resources, and operational support have been allocated to strengthen the Group's capabilities in assessing and managing climate-related financing and investment activities.

Financial Impact | Expected Benefits for 2025

【Credit】

- Green credit, including financing for renewable energy, sustainable water resources, and clean transportation projects, amounted to NT\$21,184,287 thousand in discounts and loans – net, with interest income recognized, resulting in cash inflows from operating activities.
- Green retail loan programs, including low-carbon transportation loans and green building mortgages, amounted to NT\$40,737,000 thousand in discounts and loans – net, with interest income and fee and commission income recognized, resulting in cash inflows from operating activities.

【Underwriting】

- Green bonds underwriting amounted to NT\$16,321,975 thousand, with fee and commission income of NT\$16,322 thousand recognized, resulting in cash inflows from operating activities.

【Investment】

- Investments in renewable energy power plant projects resulted in NT\$1,972,001 thousand recognized under investments accounted for using the equity method. Investments in green energy and renewable energy industries amounted to NT\$5,745,179 thousand recognized under financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI), with interest income recognized, resulting in cash inflows from operating activities. In addition, NT\$730,008 thousand was recognized under financial assets at FVPL, with related interest income of NT\$10,570 thousand recognized under gains/(losses) on financial assets and liabilities at FVPL, resulting in cash inflows from operating activities.
- Investments in green bonds to support the transition to a low-carbon economy amounted to NT\$47,007,867 thousand, recognized under financial assets at FVPL, financial assets at FVOCI, and financial assets measured at amortized cost. Related interest income of NT\$796,438 thousand and gains/(losses) on financial assets and liabilities at FVPL of NT\$76,840 thousand were recognized, resulting in cash inflows from operating activities.

【Financial Product Issuance】

- Climate-related funds were issued, with total assets under management amounting to NT\$11,706,425 thousand at year-end and fee and commission income of NT\$97,856 thousand recognized, resulting in cash inflows from operating activities.

Financial Impact | Costs incurred in 2025: approximately NT\$9,803 thousand

- Administrative expenses of NT\$9,803 thousand were recognized for engaging external professional consultants to support the management of climate-related funds.

Note 1: Certain expected financial impact information is subject to such a high degree of uncertainty that quantitative information would not be useful; therefore, no quantitative information is disclosed.

Note 2: Quantifying certain interest income or fee income would currently require excessive cost. The calculation methodology will continue to be refined, and the relevant amounts are therefore not quantified for the current year.



2.2 Climate Strategy and Actions

TS Holdings embraces the sustainability vision of "Dedicated to Sustainability & Living Green" as its core sustainability philosophy. The Group focuses on three key sustainability themes—"Climate Action", "Financial Inclusion and Prosperity", and "Sustainability Empowerment"—and continues to advance related strategies and initiatives. Under the theme of "Climate Action", the Group integrates climate-related considerations into its operational management and investment and financing decision-making processes to strengthen its capacity to address climate change. Based on the results of climate-related risk and opportunity assessments and its commitment to achieving the "2050 Net-Zero Emissions" target, the Group has developed and implemented a net-zero transition plan from two strategic dimensions: "Transition Strategy of Own Operations" and "Net-Zero Carbon Emissions in Financial Business". Mitigation and adaptation measures are being progressively planned and implemented to support the transition. At the same time, the Group actively seeks to capture opportunities arising from climate change and encourages its investment and financing counterparties to undertake carbon reduction and low-carbon transition initiatives, thereby enhancing the climate resilience of both its operations and financial business activities.



The Group analyzes its operational activities and investment and financing transactions on an ongoing basis and continuously refines its transition strategy to ensure alignment between its transition plan and the objectives of the two strategic dimensions. The key assumptions, factors, and conditions underpinning the transition plan include the following:

- **Policy and Regulatory Environment:** Taiwan remains committed to achieving its 2050 net-zero emissions target. The Financial Supervisory Commission (FSC) continues to promote "green finance initiatives", expanding both the scope and intensity of financial support to facilitate capital flows toward the energy, industrial, residential, and social sectors. These efforts are intended to support enterprises in achieving their net-zero transition objectives.
- **Technological Advancements and Innovation:** Taiwan continues to advance its energy transition policies, contributing to reductions in the cost of low-carbon and renewable energy technologies while increasing their deployment capacity. In addition, technical support and energy resource assistance are provided to meet evolving market demands. Examples include the promotion of solar photovoltaic and wind power technologies, which support Taiwanese enterprises in achieving low-carbon operations.
- **Market Dynamics:** Demand for green products and services within financial markets continues to grow. Financial institutions are increasingly committed to providing customers with innovative and competitive green finance solutions.



Summary of Climate Action Targets

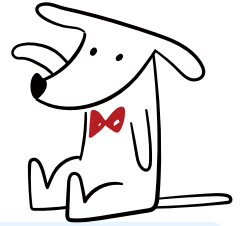
Existing Climate Actions		Target
 Transition Strategy of Own Operations	Energy Conservation, Energy Generation, and Energy Procurement	Replacement of Energy-consuming Equipment Achieve 100% LED lighting coverage in office areas by 2030. The replacement of air-conditioning equipment will be continuously evaluated based on service life and operational condition. Green Building Certification Assess the feasibility of obtaining green building certification for all self-owned office premises across the financial holding group and progressively complete certification according to a scheduled plan by 2030. Use of Renewable Energy In accordance with the renewable energy deployment plan and the existing Science Based Targets (SBTs) established by the former Taishin Holdings Financial Holding Co., Ltd. and Shin Kong Financial Holding Co., Ltd., progressively increase green electricity consumption on an annual basis, with renewable electricity accounting for at least 24% of total electricity consumption by 2030. Energy-saving Competition Conduct energy-saving competitions among the banking and securities, targeting a minimum electricity reduction of 1%. Proportion of Green Procurement Expenditure Achieve a green procurement expenditure ratio of at least 5% by 2026.
	Internal Carbon Pricing	Implementation of Internal Carbon Pricing Continue applying the "Internal Carbon Pricing Guidelines" to corporate capital expenditure decision-making, regularly review the necessity of carbon price adjustments, and assess energy-saving benefits in line with decarbonization targets through carbon price scenario analyses.
	Expanding Financial Influence	Climate-related Initiatives, Seminars, and Forums - Continue participating in domestic and international climate-related initiatives (e.g., PCAF, SBTi, and BCSD Taiwan) to stay informed of transition trends and net-zero actions. - Continue participating in and organizing climate-related seminars and forums (e.g., Net-Zero Summit Forums) to foster knowledge exchange within the industry, across industries, and among government, academia, and industry stakeholders.
	Climate Transition Engagement Program	Engagement Activities and Outcomes Conduct a total of 25 engagement activities in 2026.
	Procurement of Green Finance Products	Investment in Green-related Financial Products Continuously increase both the scale and number of investments in green financial products.
 Net-Zero Carbon Emission in Financial Business	Promoting Green Energy and Sustainability-related Lending and Investment	Sustainability-related Lending Continuously increase the outstanding balance of sustainable infrastructure loans. By 2026, Shin Kong Bank aims to serve 30 sustainability-linked loan clients, while Taishin Bank aims to serve 165 sustainability-linked loan clients. Sustainable Bond Underwriting Continuously increase the underwriting amount of sustainable bonds. Investment in / Issuance of ESG Funds Taishin Securities Investment Trust aims to achieve a total ESG fund investment scale of NT\$12,360,379 thousand by 2026.
	Provide Personal Green Loans	Green Building Mortgages Achieve new green building mortgage disbursements of NT\$2,572,000 thousand in 2026. Electric Vehicle Loans Achieve new electric vehicle loan disbursements of NT\$19,281,352 thousand in 2026. Preferential Green Loans Achieve new preferential green loan disbursements of NT\$34,200 thousand in 2026.

2.2.1 Transition Strategy of Own Operations

TS Holdings has expanded its climate action initiatives through two key approaches: "energy conservation, energy generation, and energy procurement", and "low-carbon procurement and paperless operations". At the same time, by implementing an internal carbon pricing mechanism, greenhouse gas emissions are incorporated into cost considerations. Combined with energy-saving measures and energy management strategies, these efforts accelerate the transition toward low-carbon operations and support the effective achievement of the Science Based Targets (SBTs).

2.2.1.1 Energy Conservation, Energy Generation, and Energy Procurement

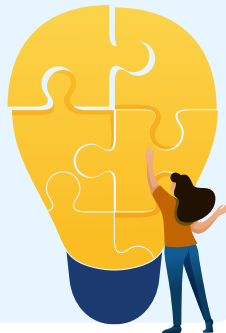
In response to increasingly stringent environmental regulatory requirements and the challenges posed by rising operating costs, TS Holdings actively promotes energy saving and carbon reduction initiatives to enhance energy efficiency and reduce greenhouse gas emissions.



Energy Saving and Carbon Reduction Measures

Promoting Energy-saving Initiatives and Replacing Energy-efficient Equipment

- In 2025, the former Taishin entities (including TS Holdings, Taishin Bank's 101 branches, Taishin Securities, and Taishin Life) participated for the fifth consecutive year in the global voluntary climate action campaign "Earth Hour".
- Regularly published the "Friendly Workplace Carbon Detective Newsletter", sharing the outcomes of energy-saving projects and workplace safety awareness campaigns to enhance employees' awareness of and engagement in carbon reduction initiatives.
- In 2025, the Group completed the replacement of energy-efficient air-conditioning systems at 40 locations and LED lighting systems at 70 locations. The projects are expected to achieve annual electricity savings of 935,707 kWh and reduce greenhouse gas emissions by 444 tCO₂e.
- To strengthen the linkage between the internal carbon pricing mechanism and corporate decarbonization targets, Taishin Bank, Taishin Life, and Taishin Securities launched energy-saving competitions among business units in 2025, achieving a 7.4% reduction in electricity consumption compared with the same period in 2024, equivalent to approximately 326.37 tCO₂e of emissions reductions.
- In 2025, Shin Kong Life Insurance upgraded lighting and air-conditioning systems and installed regenerative power systems for elevators. These measures are expected to save approximately 415,000 kWh of electricity. In addition, the company voluntarily participated in Taipower's demand bidding program 115 times, by reducing electricity consumption during peakdemand periods and selling the saved electricity back to the Taipower in exchange for electricity bill rebates.



Establishing a Systematic Energy and Carbon Emissions Management

- Conduct annual verification in accordance with ISO 14064-1 Greenhouse Gas Inventory Standards (covering the consolidated financial reporting boundary), ISO 14001 Environmental Management System Certification (for major buildings of selected subsidiaries across the Group), and ISO 50001 Energy Management System Certification (for major buildings of selected subsidiaries across the Group). Relevant training programs are also provided to monitor and manage greenhouse gas emissions.
- TS Holdings focuses on the energy consumption of information systems by implementing Power Usage Effectiveness (PUE) monitoring at the data centers of its banking, life insurance, and securities subsidiaries. The monitoring results serve as the basis for establishing short-, medium-, and long-term energy efficiency targets for data centers.
- In 2025, the PUE of Shin Kong Life's BeiWa Data Center remained between 1.52 and 1.64, meeting the Silver-level standard recognized by the Green Grid. During the second half of 2025, the average PUE of four data centers operated by Taishin Bank, Taishin Life and Taishin Securities ranged from 1.50 to 1.63, with data center energy efficiency enhancement projects planned for implementation in 2026.
- Shin Kong Bank advanced server virtualization by deploying 1,171 servers, reducing the need for 59 server racks and achieving annual electricity savings of approximately 2.347 million kWh, equivalent to approximately 1,113 tCO₂e in emissions reductions.



Smart Resource Recycling Machine

"Smart Resource Recycling Machines" were installed at 27 locations across Taiwan, including TS Holdings premises, university campuses, and metro stations. In 2025, the initiative reduced carbon emissions associated with plastic recycling by approximately 18.9 tCO₂e.

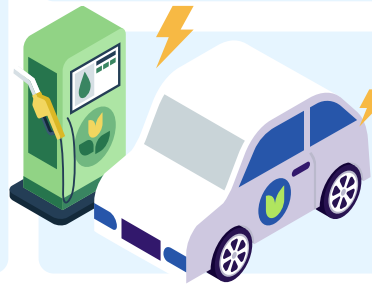


Green Procurement

- TS Holdings and its subsidiaries comply with the "Supplier Management Regulations". Suppliers entering into procurement relationships with the Group are required, upon contract execution, to sign a "Supplier Commitment Statement" or "Supplier Principles", and the annual signing rate reached 100%. These documents cover topics including business ethics and integrity, risk management, labor and human rights, social responsibility, and environmental protection. In 2025, total green procurement expenditures amounted to NT\$302,700 thousand, representing 4% of total procurement expenditures.
- In 2025, Shin Kong Bank recorded green procurement expenditures of NT\$3,437 thousand for office and administrative equipment, accounting for 20.67% of eligible green procurement items.
- During the renovation of its business premises, MasterLink Securities adopted environmentally friendly green building materials and prioritized products certified with recognized environmental labels when procuring equipment such as computer hardware and monitors. In 2025, its green procurement expenditures totaled NT\$22,786 thousand, representing 55.96% of eligible green procurement items.
- Shin Kong Life Insurance prioritizes products bearing recognized environmental certifications and eco-labels in the procurement of office supplies, information technology equipment, air-conditioning replacement projects, and construction materials. In 2025, its green procurement expenditures amounted to NT\$77,940 thousand, accounting for 32% of eligible green procurement items.

Green Building Certification

- Since 2020, TS Holdings has progressively applied for green building certification for its self-owned buildings. As of 2025, the group obtained 21 green building certification.
- As of 2025, Shin Kong Life Insurance had applied for green building certification for a cumulative total of 10 buildings, including 6 Green Building Certificates, 4 Candidate Green Building Certificates, 1 Candidate Building Energy Efficiency Certificate, 1 Candidate Low-carbon Building Certificate, and 1 LEED Certification.



Company Vehicle Replacement and Promotion of Electric Vehicle-related Supporting Measures

- Since 2022, only hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs) have been procured for company vehicle replacement.
- As of 2025, a cumulative total of 19 electric vehicle charging stations had been installed.

Energy Generation and Energy Procurement

In addition to enhancing energy efficiency and reducing energy consumption through energy-saving initiatives, TS Holdings actively promotes both energy generation and energy procurement to increase the share of renewable energy in its energy mix and reduce dependency on conventional energy sources.

Energy Generation



Solar photovoltaic (PV) systems have been installed on the rooftops of self-owned buildings to supply electricity for building operations and increase the proportion of renewable energy consumption. As of 2025, a cumulative total of 12 solar power generation systems had been installed.

Energy Procurement



To align with its Science Based Targets (SBTs), TS Holdings began purchasing Taiwan Renewable Energy Certificates (T-RECs) in 2017 and entered into renewable electricity procurement agreements with renewable energy suppliers starting in 2022. The Group has progressively increased its renewable energy consumption year by year. In 2025, total purchases of renewable electricity and renewable energy certificates reached 12.8 million kWh.

2.2.1.2 Internal Carbon Pricing

TS Holdings has established an internal carbon pricing mechanism based on a shadow price approach. The carbon price is determined with reference to internal decarbonization costs and developments in domestic and international carbon markets. The mechanism is currently applied to the evaluation of energy-consuming equipment procurement, enabling the identification of the most cost-effective options from both economic and carbon reduction perspectives. The internal carbon price is set at NT\$2,400 per ton of carbon.

In 2025, the internal carbon pricing mechanism was applied to the evaluation of 32 procurement projects, including computer equipment, air-conditioning systems, firewall equipment, and LED lighting fixtures. As of December 2025, the use of internal carbon pricing assessments had generated estimated annual emissions reductions of approximately 157 tCO₂e. In 2026, in alignment with the Company's Science Based Targets (SBTs), decarbonization targets will be allocated to individual subsidiaries. Progress toward target achievement will be reviewed, and carbon fee simulations will be conducted to support the evaluation and budgeting of energy-saving projects for the following year.

In response to the expanded scale of operations following the merger, the Group plans to incorporate the historical costs of decarbonization projects undertaken by the former Shin Kong Financial Holding Co., Ltd.'s subsidiaries into its assessment framework in 2026 and reassess the appropriateness of the current carbon price.

2.2.2 Net-Zero Carbon Emissions in Financial Business

The primary source of funding for the implementation of TS Holdings' climate-related strategies and action plans is internally generated capital. To address the anticipated impacts of climate-related risks and opportunities, the Group allocates resources to participate in international initiatives and integrates climate considerations into its business strategy. This includes incorporating climate-related risk considerations into the assessment of both traditional financial products and emerging green products and services. In addition to internal funding, TS Holdings plans to secure funding through the issuance of green bonds and sustainability bonds. By attracting investors who are focused on climate change and sustainability-related issues, the Group intends to utilize the proceeds as an important financing tool to support and advance its sustainable development investment initiatives.

2.2.2.1 Expanding Financial Influence

TS Holdings actively participates in domestic and international climate-related initiatives to stay aligned with global transition trends and collaborates with initiative partners in advancing toward net-zero emissions goals.



From left to right: Dr. Eugene Chien, Chairman of Taiwan Institute for Sustainable Energy (TAISE); Wu, Tong-Liang, Chairman of the Chinese National Association of Industry and Commerce (CNAIC), Chairman of TS Holdings and Taishin International Bank; Dr. Jin-Lung Peng, Chairperson of the Financial Supervisory Commission (FSC); and Liang Yung-Huang, Publisher of Business Today.

Climate-Related Action Initiative	Explanation
	Since 2015, the Group has participated in the CDP Carbon Disclosure Program, using its questionnaires as a self-assessment tool to continuously strengthen carbon management practices. In 2025, the Group achieved an "A" rating in the Climate Change assessment.
 	The Group initiated the adoption of the TCFD framework in 2018 and officially became a supporter of TCFD in 2019, demonstrating its commitment to addressing climate-related issues. The Group continues to enhance its management of climate-related risks and opportunities and was recognized with TCFD Conformance Level 5+: Excellence in 2024.
 	In 2021, the Group became a founding member of the "Association of Taiwan Net Zero Emissions" and joined the "Taiwan Alliance for Net Zero Emissions". Together with alliance members, it pledged to achieve 2030 carbon reduction targets and continues to implement a range of energy-saving and emissions reduction initiatives to minimize the environmental impacts of its operations.
 	Proactively committed to establishing Science-Based Targets (SBTs) and obtained validation of its emissions reduction targets from the Science Based Targets initiative (SBTi). Furthermore, it has committed to the SBT Net-Zero Standard, advancing progressively toward its long-term net-zero ambition.
 	In 2023, the Company became a signatory to the Partnership for Carbon Accounting Financials (PCAF), focusing on measuring and managing Scope 3 financed emissions. Through its financing activities, the Company seeks to leverage capital allocation as a driver of industry transition toward a low-carbon economy.
 	In 2023, the Company joined the Business Council for Sustainable Development Taiwan (BCSD Taiwan) and participated in "Taiwan Nature Positive Initiative". Through active engagement with BCSD Taiwan and other enterprises committed to sustainability and nature-related issues, the Company ensures access to the latest developments and aligns its practices with evolving international trends and best practices.

TS Holdings hosted the "2025 TS Holdings Net Zero Summit" on August 22, 2025, bringing together experts from government, industry, and academia, as well as corporate representatives, to discuss the practical challenges and opportunities arising from Taiwan's alignment with the IFRS Sustainability Disclosure Standards S1 and S2. The forum also provided a platform for enterprises to share their experiences in implementing sustainability disclosure standards. The forum focused on how the financial sector can support industrial transformation through capital allocation and financing activities, as well as how international standards can serve as an institutional bridge to enhance corporate competitiveness in global capital markets. TS Holdings has hosted the Net Zero Summit annually, attracting more than 4,500 directors, supervisors, and senior executives from the corporate sector through both online and in-person participation. Looking ahead, the Company will continue to expand its sustainable finance services to support corporate low-carbon and net-zero transitions, while helping businesses respond proactively to evolving international sustainable finance trends and developments.

2.2.2.2 Climate Transition Engagement Program

TS Holdings actively promotes carbon management across its financial assets and collaborates with value chain stakeholders to mitigate the physical and transition risks associated with its financing and investment portfolio. Through a systematic engagement framework, the Company assesses clients' transition readiness based on sustainable economic activity classifications and conducts climate-related dialogue and engagement actions with high carbon emission industry and those demonstrating significant transition potential. By integrating financial instruments with ESG rating data, the Company strengthens its influence in supporting the low-carbon transition of its financing and investment counterparties.

Engagement Policy and Management Mechanism

To enhance its impact on climate change mitigation and sustainable development, TS Holdings has established client classification and management mechanisms for its lending, investment, asset management, and insurance underwriting businesses, with reference to the "Guidelines for the Determination of Sustainable Economic Activities". Based on these mechanisms, the Company has developed differentiated engagement strategies to promote clients' low-carbon transition and strengthen their climate resilience.

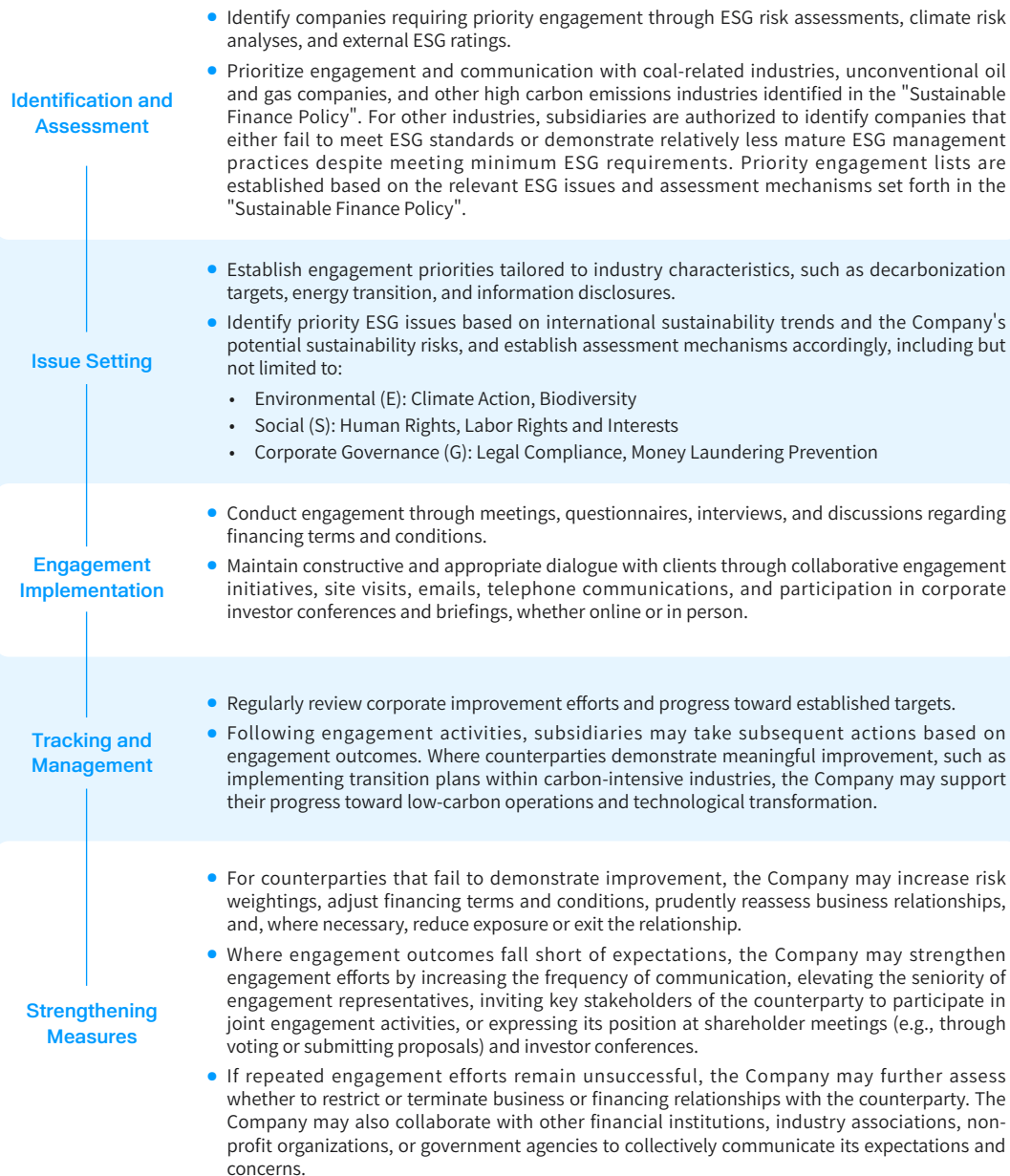
Sustainable Economic Activity Classification

In line with its commitment to promoting green and sustainable finance, Taishin Bank incorporates the assessment of "environmental", "social", and "governance" risks associated with its counterparties into its credit risk management framework. The Bank's "Credit Business Guidelines" stipulate that, when conducting corporate lending activities, due consideration should be given to borrowers' performance in environmental protection, ethical business conduct, and social responsibility. When granting "green," "ESG," or "sustainable" credit to enterprises, it is recommended to refer to the "Reference Guidelines for the Recognition of Sustainable Economic Activities" issued by government agencies to promote sustainable development and carbon reduction transformation. In addition, ESG considerations and the Equator Principles are integrated into the credit assessment and approval process. Through enhanced Know Your Customer (KYC) procedures, the Bank identifies and manages ESG-related credit risks associated with high-sensitivity industries.

General / Supportive Economic Activity	Name of Economic Activity	Technical Screening Criteria	Significant Impact on the Environment	Significant Impact on Society	Sustainability Assessment Result (Self-Assessment)
Supportive	Renewable Energy Generation, Facilities, and Related Components	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
Supportive	Renewable Energy Generation, Facilities, and Related Components / Smart Grid System Development and Infrastructure	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
Supportive	Climate Change Adaptation Engineering, Equipment, and Consulting Services	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
Supportive	Smart Grid System Development and Infrastructure	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
Supportive	Infrastructure Supporting Low-Carbon Water Transport	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
Supportive	Other Applications of Low-Carbon and Circular Economy Technologies	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.
General	Glass Manufacturing	Meets the requirements.	Meets the requirements.	Meets the requirements.	Meets the requirements.

Engagement Mechanism and Implementation Approach

TS Holdings has established a structured engagement process encompassing the following steps:



Engagement and Interaction with Investee Companies in 2025

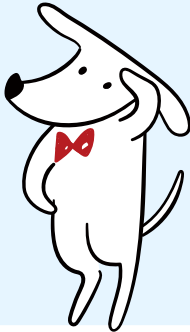
Unit | company-occurrences

Engagement Method	Number of Engagements (Company-Occurrences)						Total
	Taishin Bank	Shin Kong Bank	Taishin Securities (including MasterLink Securities)	Shin Kong Life Insurance (including Taishin Life)	Taishin Securities Investment Trust	Shin Kong Venture Capital International	
Participation in Investor Conferences and Earnings Calls (with Active Interaction)	0	54	181	6	2	20	263
Participation in Shareholders' Meetings (with Active Interaction)	0	0	0	3	0	8	11
Participation in Forums (with Active Interaction)	0	45	0	30	178	5	258
In-Person Meetings	6	56	98	45	0	10	215
Virtual Meetings	40	43	0	6	0	10	99
Telephone Discussions	0	10	79	0	0	5	94
Public Forums	0	18	0	6	0	0	24
Email	29	5	50	71	0	10	165

Note 1: In alignment with the regulatory timeline for the "Stewardship Report", Taishin Bank collects information on engagement activities from the previous year in Q3. Accordingly, the information disclosed in this table for Taishin Bank reflects engagement activities for 2024.



2025 Engagement Activities and Outcomes

Engagement Counterparty	Upstream Supply Chain	Downstream Financing Counterparty	Downstream Investment Counterparty
	Supplier Conference on "Transitioning Through Plastic Reduction Initiatives"	Organize a Forum	Email Discussion
	Engagement Method	Engagement Method	Engagement Method
	Number of Engagements	Number of Engagements	Number of Engagements
Description of Engagement Activities	1 session	1 session (Taishin Bank)	24 cases (Taishin Securities)
	TS Holdings has organized an annual Supplier Conference for seven consecutive years since 2019. Previous themes have focused on "sustainable procurement and carbon management trends", "human rights management", "internal carbon pricing", and "green procurement", with the objective of enhancing suppliers' sustainability awareness and capabilities. In 2025, under the theme "Transitioning Through Plastic Reduction Initiatives," the Company invited nearly 200 key suppliers to discuss plastic reduction strategies and circular economy development trends, while also recognizing outstanding suppliers for their performance. The conference featured discussions on the Draft of the Global Plastics Convention and emerging policy trends related to plastic reduction, further strengthening supply chain awareness of plastic reduction and resource circularity. 	In 2025, Taishin Bank focused its client engagement efforts on helping small and medium-sized enterprises (SMEs) address emerging tariff policies and sustainability transition challenges. To support this objective, the Bank organized the "SME Innovation Forum" to accelerate sustainable transformation. The forum brought together experts from government, industry, and academia, along with representatives from 90 SMEs, to discuss actionable strategies across four key dimensions: industrial and economic analysis, practical implementation experience, financial policies, and digital transformation. Through resource connectivity and financial support, the Bank will continue to help SMEs strengthen their resilience for sustainable transformation and navigate global challenges. 	To fulfill its stewardship responsibilities, Taishin Securities regularly monitors the operational performance and ESG performance of its investee companies. The Company engages with investee companies demonstrating relatively weaker ESG performance through email communications to promote ESG risk identification and management. These engagements encourage investee companies to strengthen practices related to environmental protection and decarbonization, workplace safety, and corporate governance, while also providing recommendations for improvement to enhance long-term sustainability resilience.

2.2.2.3 Procurement of Green Finance Products

In response to the market opportunities arising from the low-carbon transition, TS Holdings continues to invest in a diversified portfolio of sustainable finance instruments. Investment targets include green bonds, sustainability bonds, sustainability-linked bonds, and sustainability-related equity investments. Through strategic capital allocation, the Company supports corporate sustainability transformation and the transition toward a low-carbon economy. The related investment results are presented below:

Investment in Green-related Financial Products	Total Amount Purchased in 2025 (NT\$ thousand)
Green Bonds (56 issuances)	46,720,567
Sustainability Bonds (23 issuances)	20,247,081
Sustainability-Linked Bonds (1 issuance)	126,010
Equity Investments in Constituents of Sustainability-Related Indices or Ratings (21 holdings)	2,681,976

Prior to making investment decisions, Taishin Bank incorporates ESG considerations into its investment evaluation process. For equity investments, the Bank selects companies from ESG-related constituent stocks that demonstrate strong corporate governance practices (with reference to ESG ratings such as MSCI ESG Ratings), high levels of financial transparency, and sound operational performance. Examples of selection criteria include stable net profit growth over three consecutive years and debt ratios below industry averages. For bond investments, the Bank also references Bloomberg ESG Scores and prioritizes issuers that meet established ESG performance thresholds within their respective industries and exhibit lower sustainability-related risks.

Implementation Status for 2025

- As of December 31, 2025, the total scale of ESG fund investments amounted to approximately **NT\$12,163,720** thousand.
- Taishin ESG Emerging Market Bond Fund (the Fund invests a significant portion of its assets in non-investment-grade high-yield bonds and distributions may be paid from principal): **NT\$1,761,667** thousand
- Taishin ESG Global Environmental Growth Equity Fund: **NT\$725,801** thousand
- Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF Fund: **NT\$9,676,251** thousand
- As of December 31, 2025, the total scale of investments meeting SRI criteria amounted to approximately **NT\$72,166,419** thousand.



2.2.2.4 Promoting Green Energy and Sustainability-Related Credit and Investment

TS Holdings offers a diverse range of sustainable finance products, including renewable energy project financing, ESG-related loans, environmentally friendly loans, and sustainability-linked loans, to support corporate low-carbon transition and sustainable development.

Unit: NT\$ thousand

Classification	Outstanding Loan Balance at Year-End 2024	ESG Product Ratio in 2024 (%)	Outstanding Loan Balance at Year-End 2025	ESG Product Ratio in 2025 (%)
Renewable Energy Loans	13,470,111	1.79%	20,312,277	1.60%
ESG Industry Loans	50,025,341	6.64%	89,540,941	7.04%
Socially Responsible Loans	-	-	73,841,576	5.80%
Environmentally Sustainable Loans	-	-	3,256,863	0.26%
Sustainable Water Resources and Wastewater Treatment	272,774	0.04%	468,770	0.04%
Society-Friendly Transportation	274,556	0.04%	775,000	0.06%
Sustainability-Linked Loan	44,394,491	5.89%	84,915,266	6.67%
Total Sustainable Products	108,437,273	14.40%	272,110,693	21.47%

Note 1: As the categories used for sustainable finance product statistics have been adjusted in response to business development and management needs, certain categories were newly incorporated into the reporting scope beginning in 2025. Accordingly, no corresponding data are available for 2024, and such items are indicated by "-".

Note 2: Due to changes in the disclosure scope following the merger, the 2025 data include relevant business data from both Taishin Bank and Shin Kong Bank. The figures have been consolidated using a consistent methodology; therefore, the basis for comparison with the prior year may differ.

Promoting Sustainable Industry Transition

Unit: NT\$ thousand

Taishin Bank Bond Underwriting Category	Issuance Amount in 2024	Ratio in the Total Underwritten Bond Amount	Issuance Amount in 2025	Ratio in the Total Underwritten Bond Amount
Green bonds	4,736,000	18.11%	9,021,975	31.98%

Supporting the Development of the Green Energy Industry

1. Responding to green sustainability trends and the government's renewable energy policies, Taishin Bank takes concrete action to support green electricity and promote energy conservation and carbon reduction, helping enterprises invest in green projects such as clean energy and energy storage systems. The Bank has established the "Guidelines for Solar Power Plant Project Financing" to provide customers with financing for the construction, acquisition, and refinancing of solar power plants. In recent years, the Bank's solar photovoltaic power plant financing performance has continued to grow.

Implementation Status for 2025

- Outstanding solar energy loans amounted to NT\$9,154,595 thousand, while outstanding wind energy loans amounted to NT\$10,785,921 thousand.
- Total electricity generation reached 631,728.15 MWh, avoiding approximately 299,439 tCO₂e.

Note 1: Avoided emissions were calculated using the 2024 electricity carbon emission factor of 0.474 kgCO₂e/kWh published by the Energy Administration, Ministry of Economic Affairs.

Note 2: The calculation scope includes Taishin Bank's solar and wind energy financing portfolio and Shin Kong Bank's solar energy financing portfolio.

2. Shin Kong Life Insurance actively invests in the renewable energy sector. As of 2025, cumulative investments in renewable energy projects amounted to NT\$6,530,000 thousand. These investments are expected to generate approximately 1,950.17 million kWh of electricity annually and avoid approximately 924,383 tCO₂e of carbon emissions each year. Shin Kong Life Insurance will continue to support and invest in promising renewable energy sectors.
3. Taishin Venture Capital Investment continues to focus on sectors including renewable energy, smart grids, and green electricity trading. As of 2025, total investments in these areas amounted to NT\$87,493 thousand, providing capital support for the growth and development of companies operating in these sectors.
4. Shin Kong Bank actively supports the renewable energy industry. In 2025, approved financing commitments for renewable energy power plant development and construction projects reached NT\$23,178 thousand, supporting projects with a total installed capacity of 864.28 kW.

Guiding Funding Toward ESG-Related Industries

Taishin Securities Investment Trust has launched the "Taishin ESG Global Environmental Growth Equity Fund", the "Taishin ESG Emerging Market Bond Fund (the Fund invests a significant portion of its assets in non-investment-grade high-yield bonds and distributions may be paid from principal)", and the "Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF Fund (distributions may be paid from income equalization reserves, and neither investment returns nor distributions are guaranteed)". To align with the principles of Socially Responsible Investment (SRI), Taishin Securities Investment Trust has incorporated high-quality companies that meet ESG criteria into its Taiwan equity MainList (stock pool) for both Taiwan equity funds and discretionary government fund mandates. Investment targets are selected with priority given to companies that satisfy ESG requirements, and the investment universe is reviewed and adjusted on a quarterly basis.

Green Leasing Services

In support of the government's "Taiwan Renewable Energy Certificate (T-REC) Single Meter Multiple Users Transaction Guidance Demonstration Program", Shin Kong Life Insurance procures renewable electricity to replace a portion of conventional electricity consumption. The Company also facilitates matching services between renewable energy suppliers and building tenants, enabling tenants to obtain renewable electricity and Renewable Energy Certificates (RECs). In response to the government's "Green Leasing 2.0" program, Shin Kong Life Insurance has introduced renewable electricity into its self-owned properties, including the Shin Kong Tower, Nanjing Technology Building, and Xinyi Financial Building. In 2025, a total of three leasing locations participated in the program, incorporating approximately 1.169 million kWh of renewable electricity per year. Going forward, the Company will assist more building tenants in adopting renewable energy solutions, increasing their use of green electricity and reducing environmental impacts.



2.2.2.5 Provide Personal Green Loans

Encouraging Sustainable Lifestyle Transition

1. Taishin Bank has launched preferential loans linked to the "Green Building Label." Newly originated borrowers purchasing real estate, or pledging collateral that meets the "Green Building Label" requirements, are eligible for preferential loan interest rates.

Implementation Status for 2025

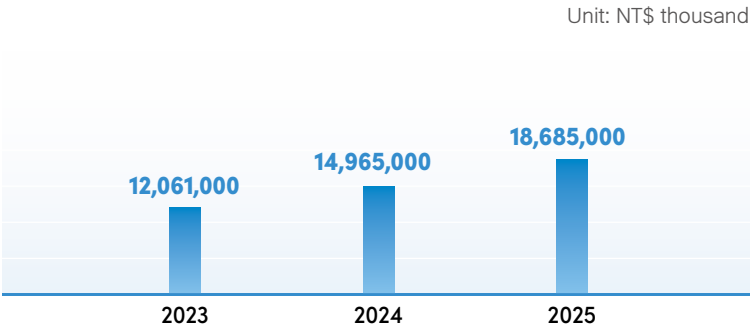
Achieve new green building mortgage disbursements of NT\$**1,309,000** thousand.

2. Taishin Bank launched the "Energy-saving and Carbon Reduction Preferential Auto Loan Program", under which consumers purchasing battery electric vehicles (BEVs) or hybrid vehicles are eligible for preferential financing rates. The Bank also offers "Preferential Green Loans" for the purchase of energy-efficient or water-efficient appliances certified with recognized energy-saving or water-saving labels.

Implementation Status for 2025

- Achieve new electric vehicle loan disbursements of NT\$**18,685,000** thousand.
- Achieve new preferential green loan disbursements of NT\$**31,090** thousand.

Amount of Newly Disbursed Electric Vehicle Loans



3. Credit Card Certified with a Product Carbon Footprint Label

Taishin Rose Giving Card

In March 2023, the Taishin Rose Giving Card obtained the "Product Carbon Footprint Label" from the Ministry of Environment. The Bank committed to reducing emissions by 3% within five years. Implementation measures include promoting e-statements and online card transactions, reducing carbon emissions from paper usage by lowering the use of physical cards, and collaborating with card manufacturers on energy-saving projects to reduce emissions from the production process.



Note: The "Taishin Rose Giving Card" was renamed the "Taishin Richart Card" effective September 1, 2025.



Shin Kong Bank ESG Credit Card

To demonstrate its commitment to carbon reduction, Shin Kong Bank adopted eco-friendly PETG material for its ESG credit card to significantly reduce environmental impact. The Bank also encourages customers to apply for credit cards through digital channels, promotes the use of e-statements, and organizes green spending reward campaigns to raise awareness and engage cardholders in supporting carbon reduction and sustainability efforts. As of 2025, the ESG Bank Card continues to maintain verification under ISO 14067:2018 for Product Carbon Footprint. The carbon footprint of each ESG Bank Card is 949 grams of CO₂e, representing an approximately 9.2% reduction compared with the previous carbon footprint assessment. In August 2025, the Bank continued to purchase corresponding carbon credits through the Gold Standard carbon credit platform to offset residual emissions, demonstrating its commitment to reducing the carbon footprint of its credit card products.



2.3 Climate Change Scenario Analysis and Resilience Assessment

To quantitatively assess the extent of climate-related risks and their potential impacts on TS Holdings, scenario analyses were conducted for its investment and financing portfolio, own operations, and suppliers based on the results of the climate-related risk materiality assessment. Considering both climate transition risks and physical risks, the analyses evaluated potential financial impacts and were used to review the effectiveness of climate strategies. The results also serve as a basis for timely adjustments to strategic directions and management processes, thereby enhancing climate resilience.

2.3.1 Scenario Analysis of Investment and Financing Portfolio

The Company conducted climate scenario analysis with reference to the "Operation Plan for Domestic Banks Handling of Climate Change Scenario Analysis (2024 Edition)" (hereinafter referred to as the "Supervision-based Climate Scenario Analysis"). Based on short-term scenarios involving the recurrence and adjustment of intensity of Typhoon Morakot (assuming a 25% increase in rainfall) and the implementation of a domestic carbon fee, the Company estimated the expected losses that may arise over a one-year horizon. In addition, the Company referenced climate scenario data published by the NGFS and IPCC to estimate the expected losses attributable to climate-related risks under different scenarios in 2030 and 2050. To support the ongoing management of climate-related risks within the investment and financing portfolio, the Company further assessed the climate risk levels of industries associated with its exposure portfolio and identified climate-sensitive industries for portfolio monitoring. (For details, please refer to **Section 3.2.2, Investment and Financing Risk Management**, of this Report.)

Note: It is assumed that all domestic industries are subject to a carbon fee of NT\$1,000/tCO₂e.

Material Areas of Uncertainty Considered in Climate Change Scenario Analysis and Resilience Assessment

Policy Changes  Net-zero emission policies adopted by major countries around the world may be affected by changes in geopolitical conditions, economic and trade developments, and climate change trends, which could hinder the progress of related policy implementation and development.	Technological Advancement  If technological innovations cannot be widely adopted and deployed, renewable energy costs may increase, potentially leading to higher inflationary pressures.	Changes in Market Demand  Market demand for low-carbon products and services may fluctuate over time and in response to changes in the macroeconomic environment. As a result, the future revenue performance of the Company's investment and financing clients cannot be estimated with certainty.
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Scenario Assumptions

NGFS	IPCC	Goal of warming control	Climate scenario assumption	Scenario parameters	GDP growth rate (%)	Unemployment rate (%)	Inflation rate (%)	Long-term interest rate (%)
Net Zero 2050	SSP 1-1.9	< 1.5° C	→ Orderly Transition Scenario Through strict policy and innovative technology, we aim to achieve net zero carbon emissions in 2050 and effectively control global warming within 1.5° C.	2030	3.50	1.31	1.58	2.15
				2050	1.98	2.82	2.32	2.05
Delayed Transition	SSP 1-2.6	< 2° C	→ Disorderly Transition Scenario Carbon emissions all over the world fails to be reduced before 2030. Subsequently, along with strict policy in carbon reduction by each country, global warming is controlled within 2° C.	2030	3.13	4.90	1.84	2.07
				2050	1.98	4.18	2.20	2.15
Fragmented World	SSP 2-4.5	< 3° C	→ Fragmented World Scenario Countries that have set goals for net zero only achieve part of their goals while the rest of countries maintain their original policy. The delayed and divergent climate policy causes higher risks.	2030	3.13	4.54	1.85	2.09
				2050	1.86	6.16	2.33	2.14

Climate Scenario Analysis Results Summary (Short-, Medium-, and Long-Term)

Short-Term Scenario Analysis Results

	Physical Risk Adjustment of intensity of Typhoon Morakot	Transition Risk Carbon Fee Imposition
Expected Loss to Net Value Ratio	3.82%	2.99%

Medium- and Long-Term Scenario Analysis Results

	Baseline Scenario	Net Zero (Orderly Transition) Scenario		Disorderly Transition Scenario		Fragmented World Scenario	
		2030	2050	2030	2050	2030	2050
Expected Loss to Net Value Ratio	4.34%	5.01%	5.93%	5.94%	6.59%	5.72%	8.01%

- Note 1: The scenario time horizons defined under the methodology of the "Supervision-based Climate Scenario Analysis" are as follows: the Baseline Scenario represents the short term (the next year); 2030 represents the medium term (the period from the next one year up to 2030); and 2050 represents the long term (beyond 2030).
- Note 2: Scope of assessment: The assessment covers domestic and overseas lending exposures, as well as domestic and overseas financing, AC, FVOCI, and FVPL bonds, bills and equity investments of Taishin Bank, Shin Kong Bank, Shin Kong Life Insurance, Taishin Life, MasterLink Securities, and Taishin Securities. Due to methodological limitations in the short-term scenario analysis and in accordance with the assessment approach adopted, the analysis is limited to domestic financing and investment portfolios.
- Note 3: The Net Value of the base year is derived from the consolidated financial statements of TS Holdings for fiscal year 2025.
- Note 4: Under the short-term scenario analysis, the estimated expected loss arising from the physical risk scenario with adjusted typhoon intensity is approximately NT\$18,489.97million, while the estimated expected loss arising from the transition risk scenario is approximately NT\$14,490.71million.

The short-term scenario analysis indicates that, over the next year, the expected losses arising from physical risks to the domestic investment and financing portfolio are higher than those associated with transition risks. Under the medium- and long-term climate scenarios, both the Orderly Net-Zero Scenario and the Fragmented World Scenario indicate that expected losses in 2050 are generally higher than those under the Baseline Scenario, reflecting the gradual accumulation of climate change impacts and the increasing significance of long-term financial impacts. Under the Disorderly Transition Scenario, the implementation of decarbonization policies is delayed, requiring enterprises to respond to more abrupt policy and market changes within a shorter timeframe. As a result, expected losses in 2030 are relatively higher. In contrast, under both the Orderly Net-Zero Scenario and the Fragmented World Scenario, the continued accumulation of long-term climate-related risks and transition pressures results in higher expected losses in 2050 than in 2030. This demonstrates that different transition pathways may each give rise to significant long-term financial impacts on the investment and financing portfolio.

Identification and Resilience Assessment of Climate Risks in Specific Industries

Amid the global transition toward net-zero emissions, governments and regulatory authorities worldwide are actively promoting low-carbon transformation across industries, which may have significant implications for corporate operations. In particular, industries characterized by high carbon emission and intensive energy consumption are likely to face substantial transition pressures. For example, the development and adoption of low-carbon technologies may increase operating costs, while the implementation of carbon emission allowance schemes and carbon trading mechanisms may impose additional carbon-related expenses on businesses. These factors may reduce profitability and give rise to financial risks, which could in turn indirectly result in losses for the Company. To further understand the extent of the Company's exposure to climate-related risks, climate risk identification and resilience assessments were conducted for high climate-risk industries based on the corporate lending portfolios of Taishin Bank, Shin Kong Bank, and Shin Kong Life Insurance; and the debt securities, bills, and equity investment portfolios of Taishin Bank, Shin Kong Bank, Shin Kong Life Insurance, Taishin Life, MasterLink Securities, and Taishin Securities.

Identification of Industry Risk Concentration

- Scope of assessment: Credit and investment exposure amounts by industry for Taishin Bank, Shin Kong Bank, Shin Kong Life Insurance, Taishin Life, MasterLink Securities, and Taishin Securities.
- A two-dimensional comparison was conducted based on the top 25% of industries ranked by the proportion of financing and investment exposures; and industry carbon intensity classifications under the regulatory climate scenario analysis framework.
- The results were cross-referenced against the "Company's Sensitive Industry List".

Climate Scenario Analysis for High Climate-Risk Industries

- Assessment method: "the Climate Change Scenario Analysis Operation Planning" is adopted for expected loss assessment in different scenarios.
- Scope of assessment: The assessment covers domestic and overseas lending exposures, as well as domestic and overseas AC, FVOCI, and FVTPL debt and equity investments of Taishin Bank, Shin Kong Bank, Shin Kong Life Insurance, Taishin Life, MasterLink Securities, and Taishin Securities. Due to methodological limitations in the short-term scenario analysis and in accordance with the assessment approach adopted, the analysis is limited to domestic financing and investment portfolios.

Note: The scale of risk exposure adopted the credit and investment amount to each industry by the end of December 2025.

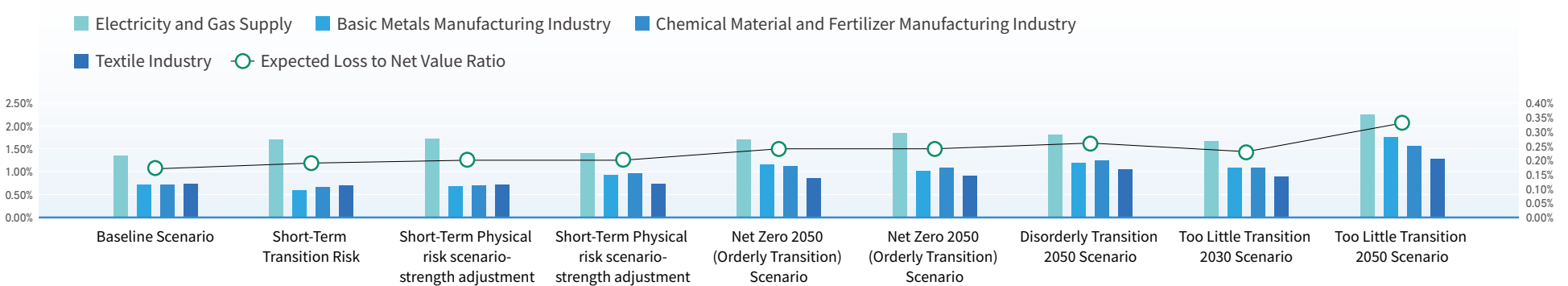
Corporate Credit Positions – Identification of Industry Carbon Intensity and Exposure Concentration, and Resilience Assessment

Based on the identification methodology described above, the corporate lending portfolios of Taishin Bank, Shin Kong Bank, and Shin Kong Life Insurance identified the "Electricity and Gas Supply Industry", "Basic Metal Manufacturing Industry", "Chemical Material and Fertilizer Manufacturing Industry", and "Textile Industry" as high climate-risk industries. Climate scenario analyses were subsequently conducted to assess the expected losses associated with these industries.

The analysis results indicate that, under the short-term scenario, the "Electricity and Gas Supply Industry" accounts for a relatively larger proportion of domestic lending exposures than other industries. As a result, its average loss rate increases by approximately 3 to 8 basis points compared with the Baseline Scenario. Under the 2050 long-term climate scenario analysis, the average loss rates of high climate-risk industries—including the electricity and gas supply industry, basic metal manufacturing industry, chemical materials and fertilizer manufacturing industry, and textile industry—are projected to increase by approximately 13 to 83 basis points across the three climate scenarios compared with the baseline scenario. Under the Fragmented World Scenario, in particular, the slow pace of policy transition and the anticipated failure to achieve the temperature target are expected to significantly intensify the risks faced by enterprises, resulting in a substantial increase in loss rates. Furthermore, for these high climate-risk industries, the ratio of expected losses to net value remains below 1% across the short-term scenario, Orderly Net-Zero Scenario, Disorderly Transition Scenario, and Delayed Transition Scenario. Accordingly, the overall financial impact on the Group is considered limited, indicating that the current asset portfolio exposure to high climate-risk industries demonstrates a certain degree of climate resilience.

Expected Loss Ratio and Expected Loss-to-Equity Ratio for High Climate-Risk Industries under Different Scenarios

Expected Loss Ratio for High Climate-Risk Industries under Different Scenarios – Corporate Credit Position



Note: Net value refers to the value reported in the 2025 consolidated financial statements of TS Holdings

Management Mechanism

TS Holdings has obtained validation from the Science Based Targets initiative (SBTi) and has publicly committed to a range of carbon reduction targets. To ensure effective implementation, an SBT Task Force has been established to formulate annual target milestones, regularly review progress, and report achievement status. In addition, in accordance with the principles set forth in the "Sustainable Finance Policy", "Climate and Nature Risk Management Guidelines", and "Announcement of Environmental and Social Risk Management Sector Guidelines", the Company has established a list of sensitive industries, including high carbon emission industries, for industries exposed to elevated climate-related risks. Exposure to these industries is monitored on a regular basis, with the results reported to the Risk Management Monthly Meeting, the Risk Management Committee, and the Board of Directors to strengthen climate governance.

Furthermore, the Company actively encourages enterprises to advance their sustainable transition. Based on their respective business characteristics, each subsidiary has established its own credit approval and review mechanisms and implemented corresponding risk control measures.

Subsidiary	 Taishin Bank	 Shin Kong Bank	 Shin Kong Life Insurance
Credit Review Mechanism	When processing corporate banking credit applications, sustainability- and climate-related risks associated with both the borrower and the proposed credit facility are assessed as key considerations in evaluating potential lending relationships. All corporate credit applications are required to be accompanied by an "ESG Checklist for Corporate Banking Credit Application" to facilitate a prudent evaluation of the borrower's risk profile. In addition, the Bank has established the Sustainability-Linked Loan Guidelines for its corporate banking business. Under these guidelines, ESG performance-linked lending terms are negotiated with borrowers during the credit approval process. Borrowers that achieve the agreed sustainability performance targets may be eligible for preferential interest rate reductions. The establishment of climate-related targets and management mechanisms aims to mitigate the impacts of climate change and ultimately support sustainable development.	Since 2021, credit application and approval processes have required the completion of the "Equator Principles and ESG Credit Assessment Checklist" to evaluate whether financing applicants operate within industries classified as having "elevated ESG risks or "high carbon emission". The ESG assessment results are based on external ESG ratings obtained from counterparties through the ESG Investor Relations (ESG IR) Platform database, including assessments provided by S&P, MSCI, and corporate governance evaluation systems. Where a financing applicant belongs to a high ESG-risk or high carbon-emitting industry, the relevant mandatory assessment items specified in the checklist must be completed. If any assessment requirements cannot be satisfied, the rationale for proceeding with the transaction must be clearly documented. Furthermore, the "Sustainable Finance Policy" incorporates the definitions and principles set forth in the competent authority's guidelines on "Green Credit", "Sustainability-Linked Finance", and the "Reference Guidelines for the Identification of Sustainable Economic Activities". Financing applications involving activities that meet the criteria for sustainable economic activities may be given priority consideration and offered appropriate financing support and preferential terms. This approach is intended to encourage borrowers to allocate capital toward projects that generate positive environmental or social impacts.	Established relevant internal procedures, including the "ESG Risk Assessment Procedures for Corporate Lending", to integrate ESG considerations into credit underwriting, approval processes, and post-lending management. During financing assessments, due consideration is given to the borrower's environmental stewardship, corporate social responsibility performance, and alignment with the "Reference Guidelines for the Recognition of Sustainable Economic Activities". ESG assessment criteria have been incorporated into the standard credit investigation report format. Key assessment items include identifying whether the borrower operates within a high carbon emission industry and initiating climate risk assessments based on indicators such as greenhouse gas emissions performance over the past three years and greenhouse gas inventory planning. Corporate ESG performance is further incorporated into the evaluation of interest rate incentive eligibility. Borrowers demonstrating positive ESG impacts or contributing to the achievement of the SDGs may receive appropriate financing support and preferential lending terms. Through these measures, the company encourages borrowers to allocate funds toward projects that create positive environmental and social benefits, thereby facilitating corporate decarbonization, sustainable transition, and sustainable development.

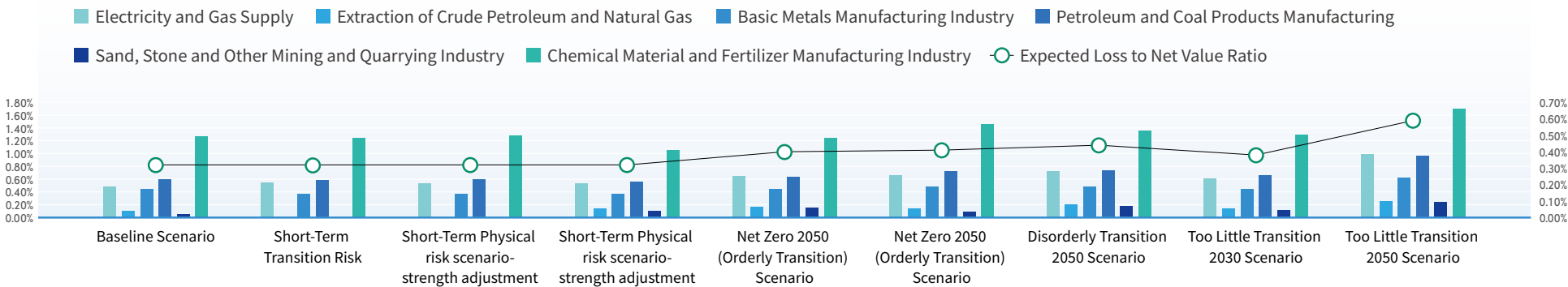
Investment Positions – Identification of Industry Carbon Intensity and Exposure Concentration, and Resilience Assessment

Based on the identification methodology described above, the bond, bills, and equity investment portfolios of Taishin Bank, Shin Kong Bank, Shin Kong Life Insurance, Taishin Life, MasterLink Securities, and Taishin Securities identified the following sectors as high climate-risk industries: the electricity and gas supply industry, petroleum and natural gas extraction industry, basic metal manufacturing industry, petroleum and coal products manufacturing industry, sand, stone, and other mining and quarrying industry, and chemical materials and fertilizer manufacturing industry. Climate scenario analysis was subsequently conducted to assess the expected losses associated with these sectors.

Under the short-term climate scenarios, the average loss rates across the three scenarios are projected to increase by approximately 6 to 7 basis points compared with the baseline scenario. Under the 2030 long-term scenarios, the Disorderly Transition Scenario is expected to result in the most significant impact among the three scenarios, as the government's aggressive implementation of carbon-related policies is anticipated to exert a substantial effect on the overall economy. Under this scenario, the expected loss rate increases by approximately 10 basis points relative to the baseline scenario. With respect to the 2050 long-term scenarios, the Delayed Transition Scenario is expected to have the greatest impact, with the expected loss rate increasing by approximately 30 basis points compared with the base scenario. Furthermore, for these high climate-risk industries, the ratio of expected losses to net value remains below 1% across the short-term scenario, Orderly Net-Zero Scenario, Disorderly Transition Scenario, and Fragmented World Scenario. Accordingly, the overall financial impact on the Group is considered limited, indicating that the current asset portfolio exposure to high carbon emission industries demonstrates a certain degree of climate resilience.

Expected Loss Ratio and Expected Loss-to-Equity Ratio for High Climate-Risk Industries under Different Scenarios

Expected Loss Ratio for High Climate-Risk Industries under Different Scenarios – Investment Position



Note: Net value refers to the value reported in the 2025 consolidated financial statements of TS Holdings

Management Mechanism

The Company promotes carbon management of its financial assets and collaborates with value chain stakeholders to mitigate the physical and transition risks associated with its financing and investment counterparties. The corresponding response measures include: (1) incorporating ESG-related risks into transaction and investment decision-making processes through its Sustainable Finance Policy, while establishing decarbonization commitments and phase-out timelines for coal-related industries and unconventional oil and gas businesses; (2) engaging with counterparties in alignment with Science Based Targets (SBTs) pathways to encourage the implementation of decarbonization actions and transition strategies; and (3) establishing a list of sensitive industries (including high carbon emission industries), which is incorporated into the investment review procedures or decision-making management mechanisms of its subsidiaries to prudently assess counterparties' climate-related risks.

Subsidiary	Investment Review Mechanism
Taishin Bank	The "Equity and Bond Investment Pre-investment Evaluation and Post-investment Management Guidelines" have been revised to incorporate the TS Holdings' decarbonization commitments and high carbon emission industries, as stipulated in its Sustainable Finance Policy, as factors in investment decision-making. As a result, exposure to industries with elevated climate-related risks is maintained at a controlled proportion relative to overall exposure, thereby reducing the potential impacts of climate change and ensuring that climate-related risks remain manageable.
Shin Kong Bank	For proprietary investment activities, the "Sustainable Investment Policy" and "Sustainable Investment Operating Guidelines" have been established to integrate TS Holdings' decarbonization commitments and high carbon-emitting industries into investment target evaluation, investment decision-making, and post-investment management processes. For investments in high carbon-emitting industries, quarterly reports are submitted to the Investment Review Committee regarding the investees' financial and operational performance, as well as any material adverse ESG incidents.
Taishin Life	The "Pre-investment Assessment and Post-investment Management Guidelines" have been established to incorporate TS Holdings' Sustainable Finance Policy with its decarbonization commitments and high carbon emission industries as key investment assessment factors, while also defining post-investment management procedures. Consequently, investment positions that are more susceptible to climate-related risks can be continuously monitored, and changes in their risk profiles can be closely tracked.
Shin Kong Life Insurance	"Policy and Procedures for Sustainable Investing in Securities" have been formulated to integrate TS Holdings' Sustainable Finance Policy with its decarbonization commitments, together with the assessment and management processes for high carbon emission industries, into the investment analysis framework. Prior to investment, investment targets are evaluated based on industry-specific guidelines to support investment decisions, and ESG assessments, including evaluations of high carbon-emitting industries, are conducted. Following investment, stewardship activities are undertaken through regular and ad hoc monitoring of investees' operational and financial performance, as well as ESG-related event risks. Engagement is conducted with companies exhibiting elevated ESG risks or significant carbon emissions to mitigate sustainability-related risks and strengthen post-investment ESG management. At the same time, efforts continue to identify sustainable investment opportunities, capture ESG-related investment themes, and allocate capital to sustainable development sectors in order to generate positive sustainability impacts.
Masterlink Securities	"The Sustainable Investment Policy" is implemented throughout the entire investment process. Prior to investment, enhanced assessments are conducted for high carbon-emitting investment targets. Following investment, risk monitoring is supported through Bloomberg data, TESG ratings, and diversified ESG indices. In the event of significant environmental or governance controversies, proactive engagement is undertaken through company visits and direct dialogue to ensure that investees operate in alignment with sustainability principles and to safeguard long-term investment value.
Taishin Securities	In line with TS Holdings' "Sustainable Finance Policy", ESG- and climate-related risks are integrated into the evaluation and management processes of its underwriting and proprietary investment businesses. For underwriting activities, the Company follows "Methods for Underwriting and Position Management by Capital Market Business Division". Prior to accepting underwriting mandates, due diligence and prudent assessments are conducted to understand the issuer's performance across ESG aspects, and the findings are incorporated into the underwriting decision-making process. For proprietary investment activities, the Company follows the "Guidelines for Proprietary Trading Operations Management" and "Pre-Investment Evaluation and Post-Investment Management Guidelines". ESG risk assessments are performed before investments are made, while quarterly reviews of investee companies' ESG risk ratings and exposure to high carbon emission industries are conducted after investment. These assessments serve as important references for portfolio management and risk control.

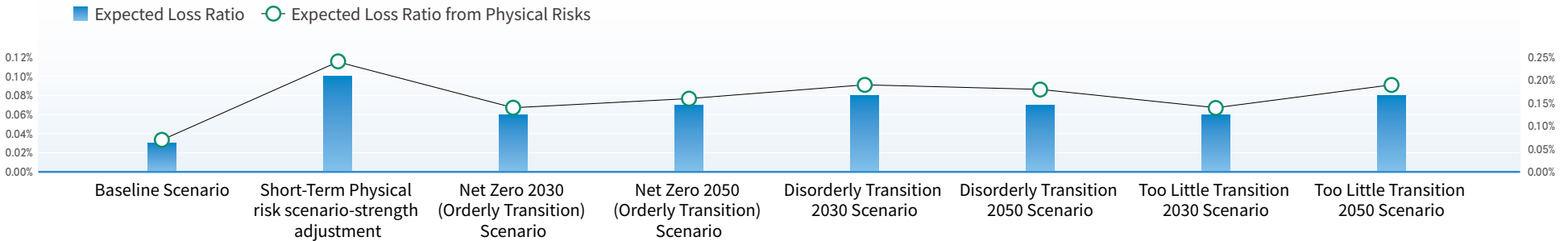
Identification and Resilience Assessment of Physical Risks for Mortgage Portfolios

According to the State of the "State of the Global Climate 2025" published by the World Meteorological Organization (WMO), the period from 2015 to 2025 represents the warmest eleven-year span on record. Extreme weather events, including heatwaves, heavy rainfall, and typhoons, have occurred with increasing frequency around the world. Intense typhoons and torrential rainfall may cause flooding and waterlogging, resulting in impairment of the value of mortgage collateral and consequently financial losses for banks. As climate change intensifies, the immediate physical risks faced by financial institutions are expected to become increasingly severe. With reference to the Operation Plan for Domestic Banks Handling of Climate Change Scenario Analysis (2024 Edition) issued by the Bankers Association of the Republic of China, the Company classified the mortgage collateral portfolios of Taishin Bank, Shin Kong Bank, and Shin Kong Life Insurance into five physical risk levels (Levels 1 – 5) based on the location of the collateral by county/city and township/district, and conducted relevant climate scenario analyses.

Expected Loss Rates of Domestic Mortgage Portfolios under Different Scenarios

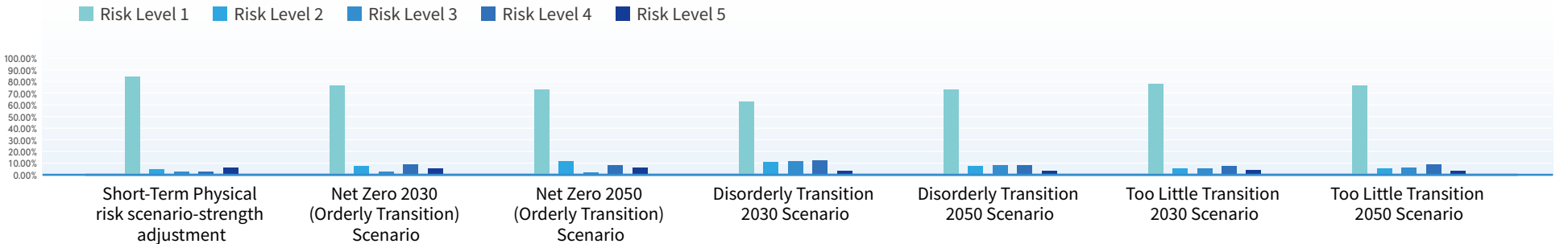
Under the short-term intensity-adjusted scenario, the historical rainfall data associated with Typhoon Morakot were adjusted to reflect increased precipitation intensity under climate change conditions. The increase in rainfall results in greater collateral value impairment, leading to a significant rise in the expected loss rate. The long-term scenario analysis indicates that, under the orderly net-zero transition pathway, where net-zero emissions are achieved progressively by 2050, the expected loss rate increases by 2030 and declines slightly thereafter by 2050. Under the disorderly transition pathway, where transition actions are initiated later and implemented more abruptly, the expected loss rate rises by 2030 and does not exhibit a significant reduction by 2050. Under the Fragmented World Scenario pathway, where transition efforts are postponed and decarbonization targets are not achieved, resulting in more severe warming conditions, the expected loss rate in 2050 exceeds that in 2030 as the time horizon lengthens. Furthermore, under all assessed scenarios—including the short-term scenario, orderly net-zero transition, disorderly transition, and fragmented world scenario—the ratio of expected losses from mortgage portfolios to net value remains below 1%, indicating a limited financial impact on the overall financial holding company. In addition, mortgage collateral is predominantly concentrated in Physical Risk Level 1 areas, demonstrating that the current mortgage portfolio possesses a relatively strong degree of climate resilience.

Expected Loss Ratio for Physical Risk Industries under Different Scenarios – Mortgage Position



Note: Net value refers to the value reported in the 2025 consolidated financial statements of TS Holdings

Distribution of Mortgage Exposure by Physical Risk Level Based on Collateral Value Impairment



Management Mechanism

In accordance with the "Consumer Banking Real Estate Appraisal Regulations", Taishin Bank classifies metropolitan and rural areas throughout Taiwan into Zones A, B, and C based on the degree of real estate market supply-demand absorption and related indicators, including population and population density, transaction volume and price trends over the past three years, and professional market assessments conducted by appraisers within the Personal Credit Management Department. These three zones generally correspond to urban areas, suburban areas, and remote areas (including agricultural development zones, coastal regions, and hillside areas), respectively. By integrating this zoning framework with the five physical risk levels (Levels 1–5) described above, Taishin Bank has established an appropriate climate risk-based credit management mechanism. Relevant information is updated occasionally by the responsible mortgage lending and property appraisal units within the Personal Credit Management Department.

In addition to conducting climate risk scenario analysis, Taishin Bank has implemented various adaptation measures for its residential mortgage business. Certain areas identified as having elevated climate-related physical risks are designated as ineligible collateral locations. For collateral located in higher-risk areas that remain eligible for lending, the Bank adopts stricter risk mitigation measures, including lower loan-to-value (LTV) ratios and higher lending rates. Furthermore, the Personal Banking Property Appraisal System maintains records of areas affected by flooding or landslide events, providing an ongoing monitoring and early-warning mechanism. During the credit approval process, credit officers review these risk indicators as well as relevant disclosures contained in property transaction agreements. Where necessary, business units are required to provide safety inspection reports issued by qualified professional engineers or accredited organizations to ensure that collateral values are not subject to recurring impairment resulting from climate-related disasters.

These measures enable mortgage business personnel, property appraisers, and credit officers to identify climate-related physical risks associated with collateral at the earliest stage, thereby supporting business development and informed credit decision-making.

Under the current Residential Mortgage Credit Guidelines, collateral located in Zone C areas and the corresponding credit control measures are categorized into three risk management categories. As indicated in the table below, Taishin Bank maintains very limited exposure to properties located in Zone C areas with Climate Physical Risk Levels 4 and 5, which represent high climate-related physical risk areas. From 2023 to 2025, the combined annual lending amount associated with these high-risk categories accounted for less than 1% of the Bank's total annual mortgage disbursements.

Collateral Category	Definition under the Residential Mortgage Credit Guidelines	Credit Control Measures	Percentage of Total Mortgage Disbursements in 2023	Percentage of Total Mortgage Disbursements in 2024	Percentage of Total Mortgage Disbursements in 2025
Collateral located in Zone C areas with Climate Physical Risk Levels 1 – 3	Collateral subject to prudent assessment	Maximum loan-to-value (LTV) ratio capped at 60% of the appraised net value	0.84%	0.70%	0.97%
Collateral located in Zone C areas with Climate Physical Risk Level 4	Collateral subject to prudent assessment	Maximum loan-to-value (LTV) ratio capped at 50% of the appraised net value	0.59%	0.37%	0.56%
Collateral located in Zone C areas with Climate Physical Risk Level 5	Ineligible collateral	New applications are generally not accepted	0.14%	0.00% (0.0038%, rounded to 0.00%)	0.24%

Note 1: High climate-related physical risk areas refer to locations classified as Zone C under the Metropolitan and Rural Zoning framework and assigned Climate Physical Risk Levels 4 or 5.

Note 2: Taishin Bank's total personal mortgage loan disbursements amounted to NT\$169,046 million, NT\$157,600 million, and NT\$120,735 million in 2023, 2024, and 2025, respectively.

Shin Kong Bank, in accordance with the "Taiwan Shin Kong Commercial Bank Real Estate Climate Risk Assessment Guidelines", utilizes physical risk data generated by the XDI climate risk model recognized by the United Nations Environment Programme Finance Initiative (UNEP FI). Based on the location of collateral by county/city and township/district, collateral properties are classified into three physical risk categories—Levels A, B, and C—with Level C representing areas of high physical risk. The corresponding risk classification is disclosed in property appraisal reports. For consumer lending cases secured by collateral located in high physical risk areas, authorization approval controls have been established. Except for Xinyi District in Keelung City and Dajia District in Taichung City, where the Bank maintains branch operations and possesses a higher degree of local market familiarity, approval authority at the business-unit level has been revoked for all other high physical risk areas, and such cases are required to be escalated to Head Office for review and approval. In addition, outstanding loan balances secured by collateral located in high physical risk areas (Level C) account for approximately 0.78% of the Bank's total real estate lending portfolio. These exposures are included in a monitoring watchlist in accordance with internal policies and are subject to ongoing monitoring to facilitate the management of climate-related physical risks, particularly those associated with natural hazards affecting real estate collateral.

Under the "ESG Risk Assessment Procedures for Corporate Loans", Shin Kong Life Insurance conducts hazard potential and physical risk assessments for loan applications secured by real estate collateral. The assessment results are incorporated into the credit investigation report as a basis for credit decision-making and as a key focus of post-loan monitoring and management.

Based on the results of the aforementioned climate scenario analyses, Taishin Bank has formulated and enhanced relevant credit policies, including system-level adjustments, as follows:

June 2023 → Added a Climate Physical Risk Level field to the Personal Banking Property Appraisal System appraisal worksheet and incorporated climate physical risk levels into residential mortgage credit assessment guidelines.

January 2024 → Added Metropolitan/Rural Zoning and Climate Physical Risk Level fields to the preliminary assessment module of the Personal Banking Property Appraisal System.

May 2024 → Added a Climate Physical Risk Level field to the Personal Banking Mortgage IPMS system.

March 2025 → Updated the Climate Physical Risk Level fields within both the Personal Banking Property Appraisal System and the Mortgage IPMS system.

Scenario Analysis of Investment real estate of Shin Kong Life Insurance

Shin Kong Life Insurance utilizes the "Financial Industry Climate Physical Risk Information Platform" published by Join Credit Information Center for further analysis. Based on 3 key factors of the flooding risk category, namely hazard (probability of flooding), vulnerability (impairment ratio), and exposure, the impacts on investment real estate and operational sites under different climate scenarios are assessed. According to the analysis results for 2050, under the SSP5-8.5 scenario, which represents the highest level of warming by the end of the century, the repair costs associated with flood-induced asset impairment to investment real estate account for approximately 0.51% of the total asset value in 2025. Detailed assessment results are shown in the table below:

2050	Metrics	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Operational sites	The proportion of repair costs for asset	0.28%	0.33%	0.26%	0.53%
Investment real estate	impairment to the total asset value	0.23%	0.28%	0.20%	0.51%

In addition, under various SSP scenarios for the year 2050, an assessment was conducted on the number of investment real estate and operational sites located in areas classified under the "high risk" physical risk level for climate sensitivity. A total of 3 investment real estate assets fall into this category, accounting for approximately 0.17% of the total asset value. Detailed assessment results are presented in the table below:

2050	Metrics	SSP1-2.6	SSP2-4.5	SSP3-7.0	SSP5-8.5
Operational sites	Number of Sites (Percentage of Total Asset Value)	0 (0.00%)	1 (0.02%)	0 (0.00%)	6 (2.12%)
Investment real estate		0 (0.00%)	0 (0.00%)	0 (0.00%)	3 (0.17%)

- Note 1: "High risk" refers to a hazard level multiplied by vulnerability exceeding 5%.
 Note 2: The data used in this assessment are based on the "Financial Industry Climate Physical Risk Information Platform"; therefore, the assessment results may be subject to limitations of the platform data.
 Note 3: Investment real estate refers to properties where Shin Kong Life Insurance does not have operational site in the building; operational site refer to properties where Shin Kong Life Insurance has operational presence in the building.

2.3.2 Scenario Analysis for Own Operational Sites and Suppliers

2.3.2.1 Physical Risk – Own Operational Sites and Suppliers

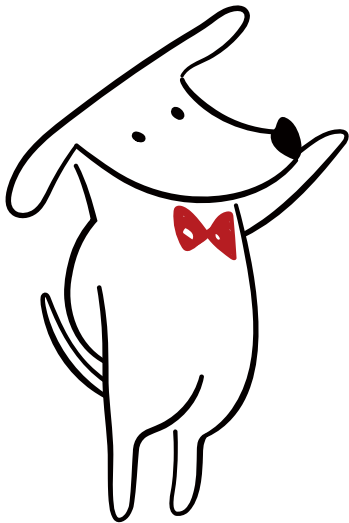
"Growing frequency and severity of natural disasters" has been identified as one of the material climate-related risks identified by TS Holdings. Accordingly, scenario analysis has been conducted for the Group's own operational sites and suppliers located within Taiwan. The physical risk assessment is based on extreme precipitation under climate change as the hazard factor, while flooding, landslides, and debris flows resulting from extreme precipitation are considered vulnerability factors, and the locations of operational sites and suppliers are treated as exposure factors. For hazard assessment, the Company referenced the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC). The climate change scenarios incorporate findings from multiple international climate research communities and adopt combinations of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs). Four scenario matrix combinations were selected—SSP1-RCP2.6, SSP2-RCP4.5, SSP3-RCP7.0, and SSP5-RCP8.5—to estimate extreme precipitation hazards across different time horizons, including: Short-term: 2021 – 2040; Medium-term: 2041 – 2060; Medium-to-long-term: 2061 – 2080; Long-term: 2081 – 2100. For vulnerability assessment, disaster maps and hazard information publicly released by relevant government authorities in Taiwan were used to analyze the geographical extent and severity of potential disasters. For exposure assessment, the analysis covered 213 self-owned and self-operated business locations within Taiwan across TS Holdings and its subsidiaries and sub-subsidiaries, as well as 554 supplier locations associated with significant suppliers of TS Holdings and its subsidiaries and sub-subsidiaries.

Following the classification and quantification of hazard, vulnerability, and exposure factors, an overall risk score was calculated. Risk scores range from 0 to 15, with classifications defined as follows: No Risk: 0; Low Risk: 1 – 4; Moderate Risk: 5 – 10; High Risk: 11 – 15. The resulting risk ratings serve as an important basis for determining the prioritization and implementation of subsequent climate adaptation measures.

Physical Risk Assessment Results and Response Measures for Own Operational Sites

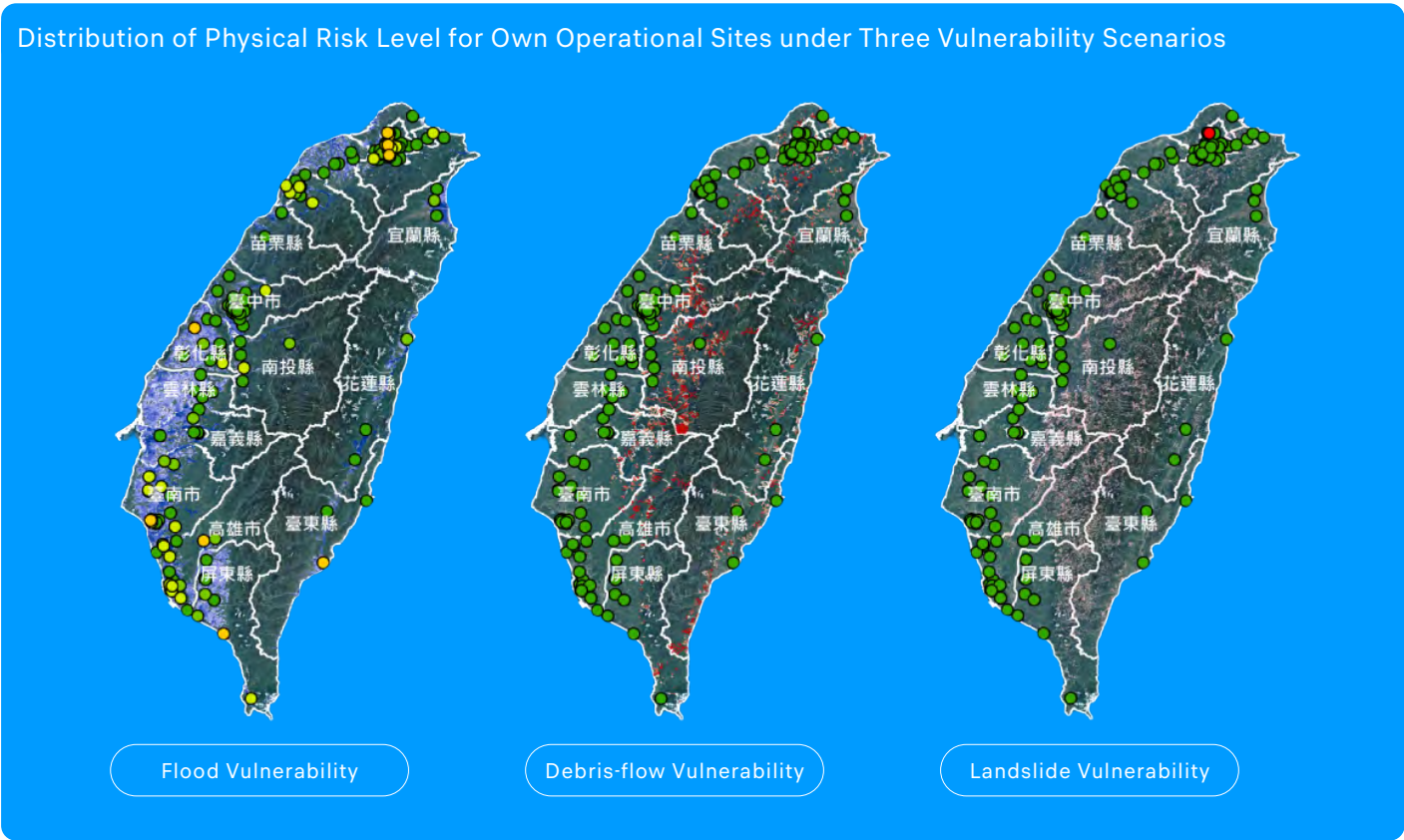
Among the Group's owned operational sites, 147 locations (69%) were assessed as having no risk factors associated with flooding, debris flows, or landslides under the climate change scenarios and were therefore classified as no-risk sites. The remaining 66 locations (31%) were primarily exposed to flood risk. Under the long-term SSP5-RCP8.5 scenario, the number of sites classified as high risk increased by four, all of which are Shin Kong Life Insurance locations situated in Changhua County, Tainan City, Kaohsiung City, and Pingtung County.

TS Holdings will continue to closely monitor changes in disaster susceptibility at sites classified as medium- and high-risk. Response measures include regularly reviewing the adequacy and effectiveness of facility protection and safety measures, enhancing disaster prevention and flood control infrastructure, and establishing contingency and business continuity plans.



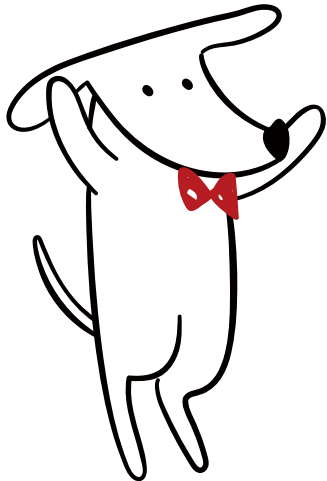
Risk Classification of TS Holdings' Own Operational Sites Across Climate Change Scenarios and Time Scales																		Unit : Location
Risk Level	Countermeasures Implemented	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5				
		Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	
No risk	Maintain existing operational sites	147				147				147				147				
Low risk		34	35	41		25	37	40	29	30	37	28	27	37	36	33	20	
Moderate risk	Enhance monitoring of changes in disaster susceptibility	31	30	24		40	28	25	36	35	28	37		28	29	31	42	
High risk	Strengthen disaster preparedness measures and conduct regular drills for contingency, recovery, and other adaptation plans	1				1				1				2	1	2	4	
Total		213				213				213				213				

Note 1: Different time scales are defined as short term (2021 – 2040), medium term (2041 – 2060), medium- to long-term (2061 – 2080), and long term (2081 – 2100).



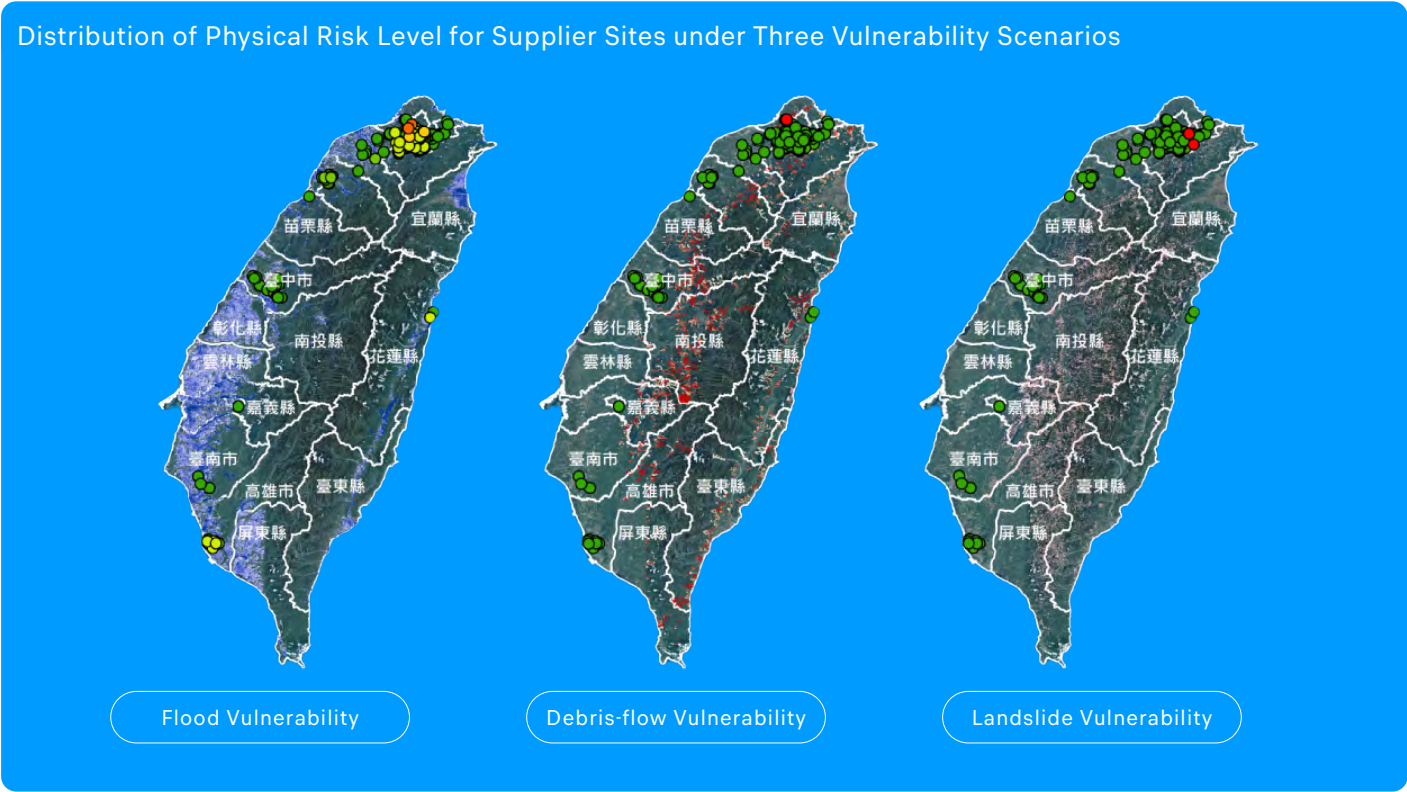
Physical Risk Assessment Results and Response Measures for Supplier Sites

Among the Group's supplier sites, 423 locations (76%) were assessed as having no susceptibility to flooding, debris flows, or landslides and were therefore classified as no-risk sites. The remaining 131 locations (24%) were primarily identified as being exposed to flood risk. Depending on the climate change scenario, the number of high-risk sites ranged from one to three, all of which were suppliers of Taishin Bank and Shin Kong Bank. As these suppliers are not manufacturing facilities, their potential impact on TS Holding's operations is considered limited. Nevertheless, the Group will continue to monitor changes in disaster susceptibility at these sites.



Risk Classification of TS Holdings' Supplier Sites Across Climate Change Scenarios and Time Scales																	Unit : Location
Risk Level	Countermeasures Implemented	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5			
		Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term
No risk	Maintain normal business engagement	423				423				423				423			
Low risk		93	91	117	119	61	111	115	94	90	115	89	88	114	112	111	86
Moderate risk	Maintain normal business engagement while closely monitoring changes in disaster susceptibility	36	38	13	11	68	18	14	35	39	15	40	40	15	17	17	43
High risk	Subject to the nature of the industry and the duration of the business relationship, evaluate the incorporation of disaster risk management provisions and breach-of-contract compensation mechanisms into contractual agreements	2		1		2			2		1	2	3	2		3	2
Total		554				554				554				554			

Note 1:Different time scales are defined as short term (2021 – 2040), medium term (2041 – 2060), medium- to long-term (2061 – 2080), and long term (2081 – 2100).



Water Scarcity Risk Assessment for Own Operational Sites

TS Holdings categorized its owned operational sites into nine regions based on their corresponding reservoir water supply systems. Assessments were conducted to evaluate both the historical frequency of water shortages associated with each reservoir and the potential frequency of water scarcity events under climate change scenarios. Among them, historical water shortage events are defined as situations in which a reservoir's water supply capacity becomes insufficient to maintain normal water supply operations due to inadequate storage levels. Such events typically occur when reservoir water levels or storage volumes fall below the lower operating threshold, resulting in the implementation of reduced-pressure water supply measures. The likelihood of water scarcity under climate change scenarios was assessed using the Standardized Precipitation Index (SPI) as a reference indicator. SPI is widely used to evaluate the severity of meteorological drought over a specified period and represents the standardized deviation of precipitation from its long-term average. SPI values at different time scales provide insights into different hydrological conditions: short-term SPI values reflect soil moisture conditions, while long-term SPI values indicate changes in groundwater resources and reservoir storage capacity. An SPI value greater than 0 indicates wetter-than-average conditions and a relatively low risk of water scarcity, whereas an SPI value below 0 indicates drier-than-average conditions. An SPI value below -1 is considered indicative of water scarcity risk. Finally, based on the historical frequency of water shortages and the projected likelihood of water scarcity under climate change scenarios, a water scarcity risk matrix was applied to determine the level of water scarcity risk under each climate change scenario and across different time horizons.

According to the assessment results, areas classified as high risk for water scarcity are primarily located in Taoyuan City, Linkou District of New Taipei City, Miaoli County, and Kaohsiung City. TS Holdings will continue to promote water conservation initiatives and, where necessary, develop water resource allocation and management measures to reduce dependence on reservoir water supplies.

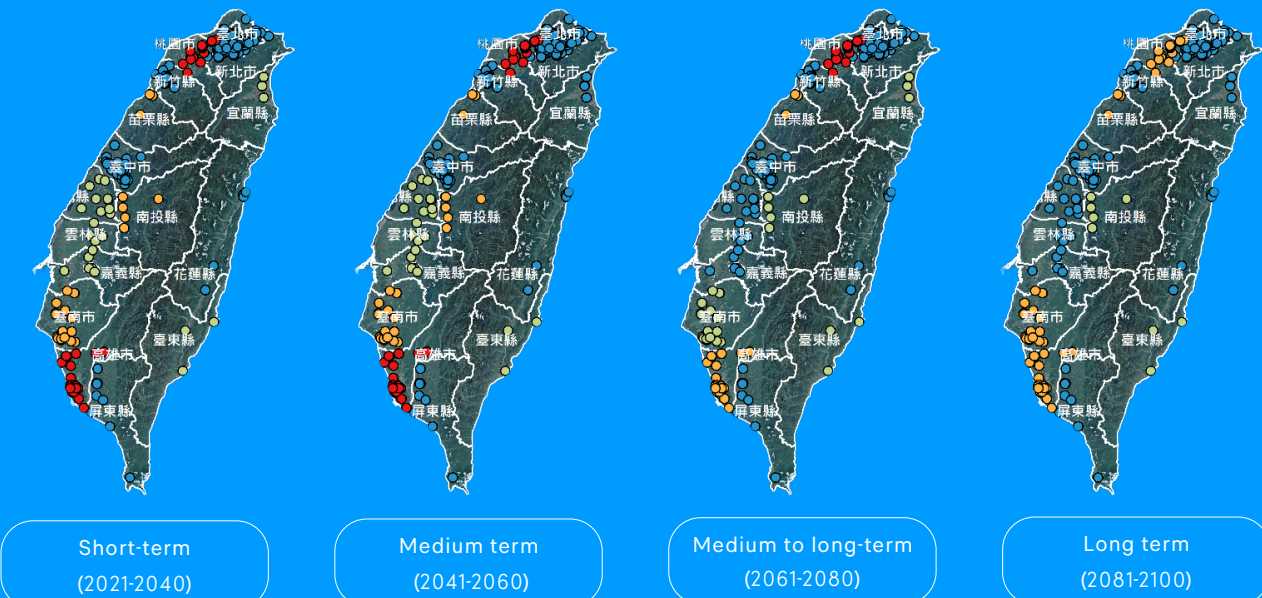
Water Shortage Risk Levels by Region under Climate Change Scenarios

Unit : Location

Risk Level	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5			
	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term
Low risk	131	135	151	155	96	80	86	96	80	3	12	0	96	115	12	12
Moderate risk	27	23	32	9	62	78	72	62	78	128	125	80	59	43	139	139
Moderate to high risk	27	27	24	48	27	27	25	25	25	27	46	78	30	25	32	32
High risk	27		5	0	27		29		29	54	29	54	27		29	
Total	212				212				212				212			

Note 1: Different time scales are defined as short term (2021 – 2040), medium term (2041 – 2060), medium- to long-term (2061 – 2080), and long term (2081 – 2100).
Note 2: One owned operational site located in Penghu was excluded from the assessment, as no reservoir serves the area.

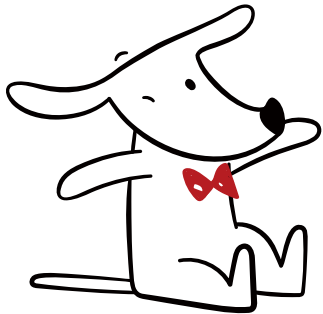
Distribution of Water Shortage Risk for Own Operational Sites under Different Scenarios



Analysis of Extreme High-Temperature Risks for Own Operational Sites

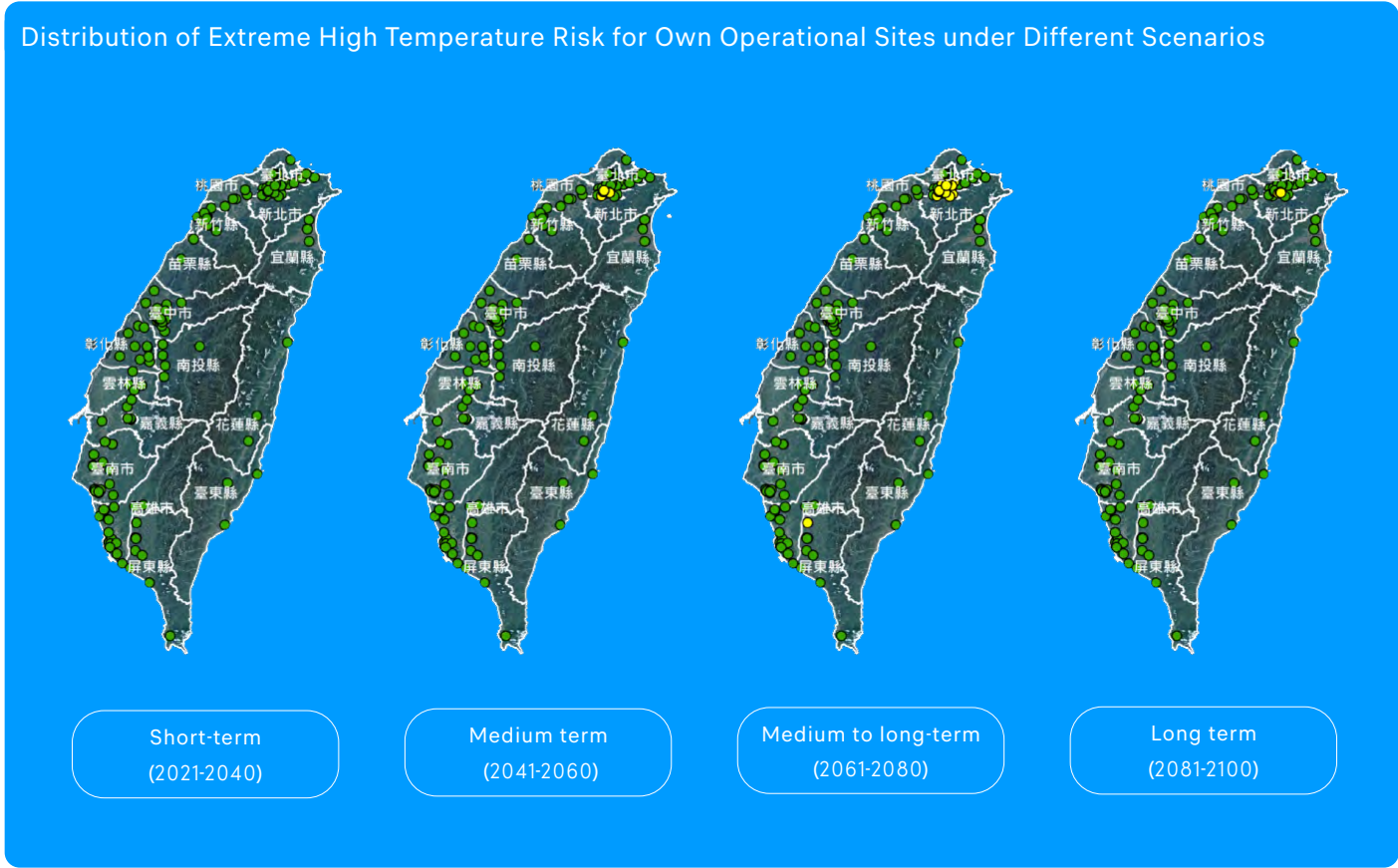
TS Holdings conducted scenario analysis based on the Shared Socioeconomic Pathways (SSPs) adopted in the IPCC Sixth Assessment Report (AR6) and daily maximum temperature data. Extreme heat risk was assessed with reference to the heat alert standards established by the Central Weather Administration (CWA), which classify heat events into three warning levels—Yellow, Orange, and Red—based on temperature intensity and duration. The level of operational exposure under each climate scenario was evaluated, and the annual average risk score of each site was subsequently used to consolidate risk levels into three management categories, thereby identifying hotspots of climate-related physical risk.

The assessment results indicate that, during the short-term horizon, the exposure of owned operational sites under all four climate scenarios remains manageable, with all sites classified as low risk. This suggests that existing operational protection and adaptation measures are sufficient to withstand short-term fluctuations in extreme heat conditions. However, systemic impacts emerge in the long-term horizon (2081–2100). Under the worst-case scenario (SSP5-RCP8.5), extreme heat hazards at all operational sites are projected to exceed the established risk tolerance threshold, resulting in all sites being classified as high risk. Notably, under the SSP1-RCP2.6 scenario in the long-term horizon, the majority of operational sites are projected to return to the low-risk category.



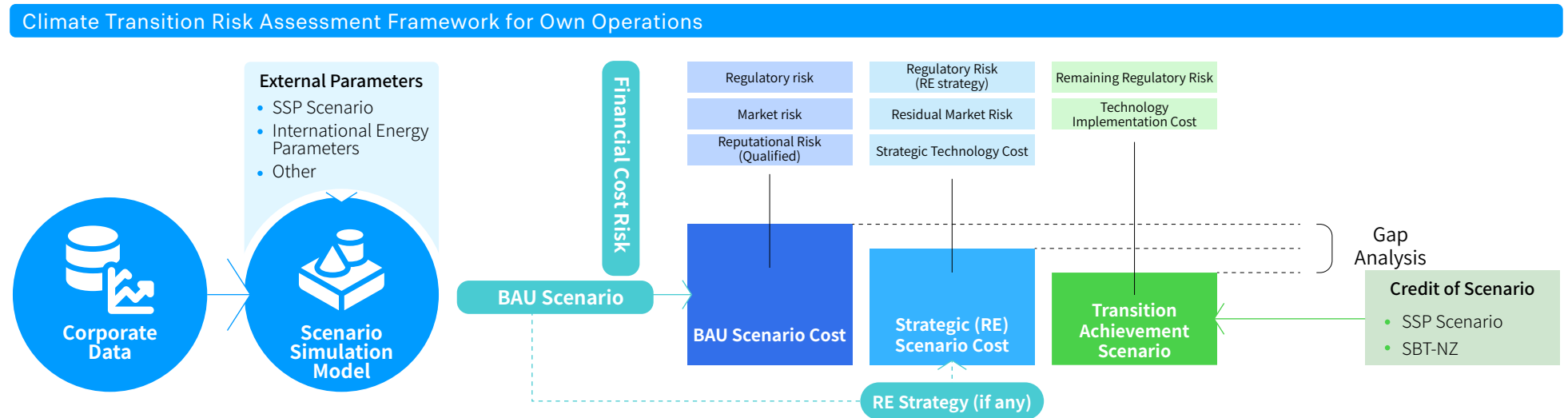
Risk Levels of Extreme High Temperatures by Region under Climate Change Scenarios																Unit : Location
Risk Level	SSP1-RCP2.6				SSP2-RCP4.5				SSP3-RCP7.0				SSP5-RCP8.5			
	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term	Short-term	Medium term	Medium to long-term	Long term
Low risk	213	206	160	210	213	185	146	113	213	157	109	19	213	152	35	5
Moderate risk	0	7	53	3	0	28	67	44	0	56	47	55	0	61	90	5
High risk	0				0				56				57			
Total	213				213				213				213			

Note 1: Different time scales are defined as short term (2021–2040), medium term (2041–2060), medium- to long-term (2061–2080), and long term (2081–2100).



2.3.2.2 Transition Risk - Own Operations

The climate transition scenario framework adopted by TS Holdings is illustrated in the figure below. This analysis utilizes TS Holdings' existing data and incorporates internationally recognized and credible scenario assumptions to assess the financial impacts associated with the Group's Business-as-Usual (BAU) and RE100 strategy under different transition scenarios, including potential financial impacts and the management costs required to meet external transition pressures. In addition, potential financial implications of strategies that have already been implemented or are planned for implementation were estimated and compared against the corresponding scenario outcomes to identify and evaluate the gap between the two pathways.



Note: Parameter sources include the IPCC AR6 (Sixth Assessment Report) SSP scenarios; internationally recognized and authoritative reports, including those published by the International Renewable Energy Agency (IRENA) and the International Energy Agency (IEA); energy-related parameters published by the Energy Administration, Ministry of Economic Affairs, and Taiwan Power Company; publicly available climate policies issued by national governments; and parameters provided by TS Holdings, including baseline emissions data and existing as well as long-term mitigation and transition strategies.

Assessment of the BAU Strategy under Different External Scenarios

- I. Local Government Scenario: At present, Taiwan's carbon fee scheme does not impose carbon fees on the financial sector. Accordingly, no carbon fee-related risk has been identified under this scenario, and no associated financial impact is expected.
- II. SBT-NZ Scenario: Assessed based on the decarbonization pathway required to achieve net-zero emissions under the Science Based Targets initiative (SBTi) framework.

As the SBT-NZ decarbonization pathway aligns with a 1.5°C transition scenario, it is associated with the highest carbon tax/carbon fee assumptions and the most aggressive emissions reduction trajectory. Furthermore, after achieving the SBT-NZ requirement of a 90% reduction in emissions, the remaining residual emissions must be neutralized through Beyond Value Chain Mitigation (BVCM) measures, such as carbon removal technologies or the purchase of carbon credits and other offset mechanisms, in order to achieve net-zero emissions.

Analysis Content	Analysis Content
Financial Impact Analysis	Green Electricity Gap Analysis
Under the SBT-NZ scenario, the carbon tax assumption is based on the carbon price trajectory of the SSP1-1.9 pathway. As TS Holdings plans to continue procuring renewable electricity in line with its SBT commitments, no carbon tax expenditure is expected if the SBT targets are successfully achieved. However, if the SBT targets are not met, the Group is projected to incur carbon tax liabilities of approximately US\$2,000 in 2050.	It is estimated that approximately 0.11097 billion kWh of renewable electricity will be required by 2050. To meet this demand, the Group is expected to incur additional electricity procurement costs of approximately US\$18.97 million. This estimate is based on the maximum projected procurement cost under an assumption of a 1% annual increase in electricity consumption.

Risk Management



To proactively address the potential impacts arising from climate change, TS Holdings has integrated traditional financial risks and climate-related risks into its risk management framework and adopted three-lines defense system for internal control to ensure the sound and sustainable development of its business operations.

3.1 Climate Risk Management Framework

3.2 Climate Risk Management Practices

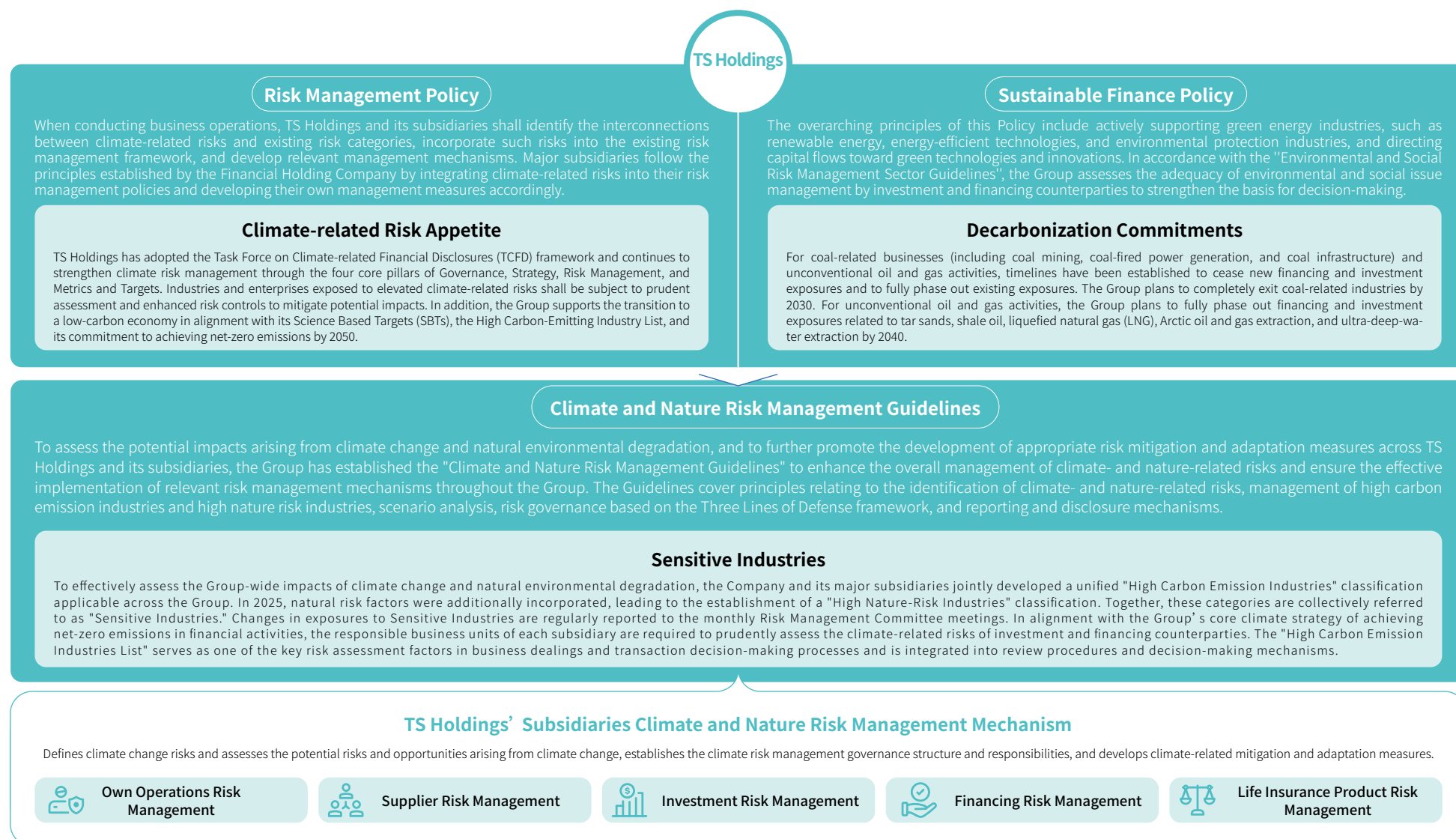
3.1 Climate Risk Management Framework

TS Holdings and its subsidiaries, including the banking, life insurance, and securities subsidiaries, have established the Risk Management Policy of TS Financial Holding Co., Ltd. in accordance with the enterprise risk management framework. Climate-related risks have been incorporated into the existing risk management system and integrated with traditional financial risks to establish a comprehensive risk management mechanism. In addition, to strengthen the management of climate-related risks, TS Holdings has separately formulated the "Climate and Nature Risk Management Guidelines", which establish climate change risk management standards for investment and financing activities as well as the Company's own operations. The Guidelines also set forth management mechanisms for climate-related risks associated with investment and financing portfolios, including risk appetite, risk identification and assessment, high carbon emission industries management, scenario analysis, and stress testing, thereby ensuring the appropriateness and effectiveness of risk management practices.



3.1.1 Climate Risk Management Policies and Procedures

To strengthen climate risk management and capture climate-related opportunities, TS Holdings has established the "Risk Management Policy", "Sustainable Finance Policy", and "Climate and Nature Risk Management Guidelines", and continues to enhance its climate risk assessment and management mechanisms in alignment with international trends, regulatory requirements, and market practices.



Climate-Related Risk Management Process

The climate-related risk management process adopted by TS Holdings comprises risk identification, evaluation, management and monitoring, and reporting. Each year, the Company assesses the internal and external operational risks that may arise from its financial business activities and incorporates climate-related issues into the risk assessment process to ensure that climate-related risks are embedded within the overall risk management mechanism. On an annual basis, the responsible units of each subsidiary are required to identify climate-related risks based on the characteristics of their respective business activities and assess the likelihood and potential impact of the identified climate-related risks. Subsequently, the responsible units of each subsidiary further quantify such risks according to their operational circumstances, evaluate the potential impacts that may be incurred, and develop corresponding management measures. The effectiveness and trends of the implementation of these management measures are continuously analyzed and monitored, and management actions are adjusted accordingly where necessary. Finally, each responsible unit regularly compiles relevant data and reports to the responsible supervisors for oversight and control. In addition, the risk management units of the holding company and its subsidiary banks, life insurance, and securities companies regularly report climate-related risk matters to the Risk Management Monthly Meeting, the Risk Management Committee, and the Board of Directors.

During the reporting year, the Group adjusted its processes for identifying and assessing climate risks and opportunities in response to the adoption of the IFRS Sustainability Disclosure Standards, with a focus on identifying sustainability-related information that may have a material financial impact. The process adopts diversified data sources and assessment methodologies to consolidate domestic and international climate change issues and industry trends. It also references the climate-related risk and opportunity categories recommended by the TCFD framework, as well as the IFRS S2 Industry-based Guidance, including Volume 15 – Asset Management & Custody Activities, Volume 16 – Commercial Banks, Volume 17 – Insurance, Volume 18 – Investment Banking & Brokerage, and Volume 19 – Mortgage Finance. The preliminary scope of identified climate-related risks and opportunities covers the Group's consolidated entities and upstream and downstream value chain activities, including suppliers, investments, credit, collaterals, and insurance underwriting.



Identification

Based on external trends and internal operational changes, taking into account industry characteristics and with reference to the applicability of the disclosure topics under the TCFD framework and the Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures, the Company identifies and screens climate-related risks and opportunities relevant to its business.



Evaluation

- Climate-related risks are categorized into Physical Risks and Transition Risks. Based on different transmission channels, qualitative factors are considered, including macroeconomic impacts on the Group's future operations and value chain (e.g., energy price fluctuations) as well as microeconomic impacts on individual counterparties and businesses (e.g., declining revenues and reduced profitability).
- Using a Climate Risk and Opportunity Matrix, the identified climate-related risks and opportunities are prioritized based on the results of internal surveys and assessed across two dimensions: "Likelihood of Occurrence" and "Degree of Impact". Both Likelihood and Impact are classified into five levels: "Very Low, Low, Medium, High, and Very High". Scores ranging from 1 to 5 are assigned accordingly. Risk and opportunity significance is further quantified by calculating the average score derived from multiplying the Likelihood and Impact scores and ranking the results accordingly.



Management and Monitoring

- Following the assessment of climate-related risks and opportunities by the respective responsible units, response strategies are formulated and reviewed, and financial impact assessments are conducted for key risk and opportunity issues.
- To assess future climate change risks and their potential impacts on the Company's operations, climate scenario analysis and financial impact assessments are conducted annually. The results are used to identify climate-related risks and opportunities and to formulate or adjust corresponding response strategies.



Reporting

- Relevant statistical information is regularly reported by each responsible unit to the designated management personnel for oversight and control.
- The Risk Management Unit regularly reports climate-related risk matters to the Risk Management Monthly Meeting, the Risk Management Committee, and the Board of Directors.



Definition of Likelihood of Occurrence for Risks and Opportunities:

- "Very High": Relevant events are expected to occur more than once per year and have already affected the Company or resulted in realized opportunities and achievements.
- "High": Relevant events are expected to occur at least once within the next three years, and peer organizations have already experienced impacts or achieved related benefits.
- "Medium": Relevant events are expected to occur within three to five years. While impacts have not yet been observed within the industry, evidence of impacts or benefits has been identified in other industries.
- "Low": Relevant events are expected to occur only after more than five years, with observable trends or discussions indicating their potential emergence.
- "Very Low": Relevant events are unlikely to occur within the next ten years or longer, and no clear trends or discussions have yet been identified.

Definition of Degree of Impact for Risks and Opportunities:

- "Very High": May result in significant impacts on revenue or operations (e.g., greater than 30%). Failure to respond appropriately could lead to irreversible consequences and substantial public concern. Conversely, opportunities may generate exceptionally significant financial or operational benefits, accompanied by substantial co-benefits, potentially resulting in major changes to business strategy, overall operations, services, products, customer composition, or customer base, with benefits extending beyond ten years.
- "High": May result in significant impacts on revenue or operations (e.g., 20%–30%). If not adequately controlled, such impacts may lead to adverse publicity. Conversely, opportunities may generate moderate financial or operational benefits, including enhanced corporate reputation, attraction of new customer segments, and development of new products or services.
- "Medium": May result in moderate impacts on revenue or operations (e.g., 10%–20%), requiring dedicated resources to manage effectively. Conversely, opportunities may generate moderate financial or operational benefits but are unlikely to materially influence business strategy or create significant new business opportunities.
- "Low": May result in minor impacts on revenue or operations (e.g., less than 10%), with limited disruption or rapid recovery. Conversely, opportunities may generate only minor financial or operational benefits with limited overall value.
- "Very Low": No material impact or only negligible impact.

3.1.2 Integrated Risk Management Mechanism

To strengthen climate risk management and capture climate-related opportunities, TS Holdings and its subsidiary banks, life insurance, and securities companies, have incorporated climate-related risks into their existing risk management framework. The Group has established the "Risk Management Policy", "Sustainable Finance Policy", and "Climate and Nature Risk Management Guidelines", and continues to enhance its climate risk assessment and management mechanisms in alignment with international trends, regulations, and practical situations.



Roles and Responsibilities of the Three-Lines Defense

In consideration of risk management best practices, the Basel Accords, applicable domestic regulations, and the economic, social, and environmental risks arising from climate change and corporate sustainability, TS Holdings has established the Group's risk management principles and guiding policies. The Board of Directors serves as the highest authority responsible for risk management within the Group and has delegated authority to the Risk Management Committee to assist the Board in reviewing and overseeing the operation and overall implementation of the risk management framework. The Risk Management Committee also regularly reports the implementation status and results of risk management to the Board of Directors.

The Risk Management Committee is appointed by resolution of the Board of Directors and consists of no fewer than three members, with more than half of the members being independent directors. The Committee convenes at least twice annually and may hold ad hoc meetings whenever necessary. It regularly evaluates changes in risk conditions, oversees climate-related risks and opportunities, and periodically reports to the Board of Directors. The responsibilities delegated by the Board to the Risk Management Committee include reviewing risk management policies, regularly examining integrated risk management reports, and reviewing the Task Force on Climate-related Financial Disclosures (TCFD) Report.

To proactively address the potential impacts arising from climate change, the Group has integrated traditional financial risks and climate-related risks into its management framework and adopted the three-lines defense internal control system. Responsibilities and management mechanisms for climate risk management have been clearly assigned across each line of defense to maintain the effective and appropriate operation of the internal control system. The respective roles and functions of each line of defense are described as follows:

First Line of Defense

Consists of the risk-taking units. Business units are responsible for incorporating climate-related risks into business considerations within the scope of their functions and operations when carrying out relevant activities and operational processes. These units identify the interconnections between climate-related risks and other risk categories, manage day-to-day operational activities, and implement appropriate identification, assessment, and management procedures to ensure that risks are properly controlled at an early stage.

Second Line of Defense

Operates independently from the first line of defense and consists of management functions such as risk management and compliance units. These units are responsible for formulating overall policies and establishing management systems, assisting relevant departments in implementing climate-related risk management, and monitoring the execution of risk management by the first line of defense. They are also responsible for reporting risk management matters to the Risk Management Committee and the Board of Directors.

Third Line of Defense

Consists of the internal audit unit, which establishes the internal audit system and assists the Board of Directors and management in reviewing and evaluating the effectiveness of the internal control and risk management systems designed and executed by the first and second lines of defense, thereby ensuring the continuous and effective operation of the internal control system.

3.2 Climate Risk Management Practices

Relevant responsible units within TS Holdings assess the impacts of ESG- and climate-related risks through review procedures and decision-making management mechanisms in accordance with their respective responsibilities, and formulate corresponding measures to adapt to or mitigate such risks. In addition, the Group regularly reviews the extent to which each position is exposed to climate-related risks in order to strengthen climate risk management.

3.2.1 Own Operations and Supplier Risk Management

To strengthen emergency response capabilities in addressing major incidents arising from climate change and abrupt extreme weather events, pandemics, information security incidents, and human-induced risks, TS Holdings has developed a Business Continuity Management (BCM) strategy to ensure the continuous provision of critical operations at an acceptable minimum operational level, thereby safeguarding the interests of customers and shareholders.

TS Holdings has established the "Business Continuity Management Policy" to govern the Group's management framework and supervise subsidiaries in implementing business continuity management. The framework includes procedures for pre-event risk assessment, business impact analysis and planning, emergency response, internal and external notification mechanisms, continuity of critical business operations, and post-event review. In the event of emergencies caused by natural disasters or climate change-related incidents, corresponding emergency response procedures and business recovery operations will be activated based on the severity and reporting level of each event. To ensure the continuity of the Group's critical operations and the effectiveness of related backup mechanisms in the event of sudden natural disasters or force majeure events, TS Holdings conducts regular on-site drills annually. Since 2021, the Group has completed the implementation of physical risk assessments and adaptation plans for 100% of its self-owned operational sites, including newly added locations.

TS Holdings BCM Framework

BCM Governance	TS Holdings supervises its subsidiaries in establishing business continuity management regulations or business continuity plans in accordance with regulatory requirements, operational scale, and internal management needs.
Business Impact Analysis	As a critical component at the front end of the BCM cycle, business impact analysis is conducted to determine the Recovery Time Objective (RTO), Recovery Point Objective (RPO), recovery priorities, and minimum resource requirements for recovery, thereby enabling advance preparedness.
Notification Mechanism	In the event of an actual disaster incident requiring full or partial activation of the Business Continuity Plan (BCP), the monitoring and management units must be notified immediately. Where necessary, material information shall be publicly disclosed and reported to the competent authorities.
Business Continuity Plan (BCP)	The BCP consists of pre-established recovery procedures designed to respond to unexpected disaster events and ensure the continued provision of critical services to key customers at an acceptable minimum operational level. When normal business premises become unusable or are fully or partially damaged due to a disaster event, the BCP shall be activated immediately. The Information System Recovery Plan further ensures that, in the event of operational interruptions caused by disasters, relevant backup hardware and software systems can be activated as scheduled so that critical business operations may resume normal functioning within the target recovery timeframe.
Regular on-site Drills, Tests, and Discussion for Improvement	BCP drills and testing are conducted to ensure that the BCP can be activated immediately and effectively implemented following a disaster event, enabling critical operations to recover to the minimum acceptable service level within the designated RTO.

Physical Risk Adaptation Plans for the Operations of TS Holdings and Its Subsidiaries

Item	Implementation Actions		
	Ongoing	Periodic	Annually
Operations Locations and Owned Properties	- In the event of a disaster affecting the financial holding company's operating sites, an emergency notification mechanism is immediately activated to report the nature of the incident, property damage, and personnel injuries, thereby minimizing disaster impacts. - A BCM mechanism has been established to address critical situations such as natural disasters affecting operating sites, emergency fund allocation, information system disruptions, or human-induced incidents, ensuring the continuity of critical operations, the prompt restoration of normal business activities, and the minimization of operational interruptions.	- To mitigate potential flooding risks arising from the plum rain season and typhoons, regular drainage system dredging and maintenance operations are conducted. - Maintenance and inspections of electromechanical equipment and server rooms in the financial holding company building are carried out regularly.	Conduct annual assessments covering 100% of locations of owned buildings and newly added operating sites for disaster risk exposure to ensure the accuracy of risk assessments.
Upstream Suppliers' Operating Locations	- Achieve a 100% supplier commitment statement signing rate. - A total of 109 suppliers attended the 2025 supplier conference of the financial holding company. In addition, evaluations were conducted for 329 key suppliers across the financial holding company and its subsidiaries to monitor suppliers' operational conditions and address potential risk scenarios.	Maintain a 100% supplier commitment statement signing rate.	Conduct supplier evaluations for the financial holding company and its subsidiaries and hold supplier conferences on a rotating basis hosted by subsidiaries, including the bank, life insurance, and securities entities.
Planned New Operating Sites	Purchase relevant insurance coverage for new operating sites.	Planned New Operating Sites	Purchase relevant insurance coverage for new operating sites.

3.2.2 Investment and Financing Risk Management

3.2.2.1 Mitigation of Transition Risks

In alignment with the financial holding company's core climate strategy disclosed in the annual report, "Net Zero Emissions in Financial Business Operations," TS Holdings manages transition risks by conducting regular inventories of financed emissions and monitoring the proportion of high-risk exposures associated with investment and financing activities. Based on the assessment results, relevant management measures are adjusted accordingly. In addition, the Company collaborates with its subsidiaries to implement carbon management initiatives for financial assets across different dimensions, thereby strengthening the Group's management of transition risks.

1 | Decarbonization Strategy



Gradual Divestment
Coal-related Industries



Gradual Divestment
Unconventional Oil and
Gas Industries

2 | Science Based Targets (SBTs)



Phased
Decarbonization
Target Setting



Adjustment
of Investment
and Financing
Strategies



Annual Public
Disclosure of
Target Progress

3 | High Carbon Emission Industries

Electricity and Gas Supply
(excluding green energy
generation)

Petrochemical-Related
Industry

Extraction of Crude
Petroleum and Natural Gas

Pulp, Paper and Paper
Products Manufacturing
Industry

Basic Metals
Manufacturing
Industry

Textile
Industry

Cement
Industry

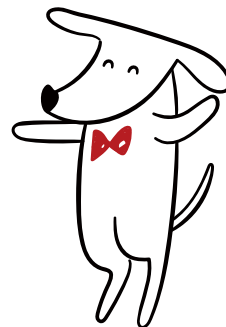
1 | Decarbonization Strategy

Under the "Sustainable Finance Policy" of TS Holdings, comprehensive timelines for no new investment and financing exposures, as well as complete phase-out deadlines, have been established for coal-related industries and unconventional oil and gas businesses. These measures are aligned with international decarbonization strategies and support global divestment initiatives.

- **Coal-related businesses:** No new investment and financing exposures from 2022 to 2025, with full phase-out by the end of 2030.
 - Coal mining
 - Coal-fired power plants
 - Coal infrastructure
- **Unconventional oil and gas industries:** No new investment and financing exposures from 2023 to 2030, with full phase-out by the end of 2040.
 - Tar sands
 - Shale oil & gas
 - Liquefied natural gas (LNG)
 - Arctic oil and gas
 - Ultra-deep-water oil and gas

2 | Science Based Targets (SBTs)

TS Holdings, together with its subsidiaries, including the banking, life insurance, and securities entities, will annually review and disclose the achievement status of investment and financing emission reduction targets in accordance with the established objectives. The aim is to guide investees and borrowers in jointly advancing decarbonization and transition efforts. For detailed targets and the latest progress on target achievement, please refer to Section 4.1, "Science Based Targets (SBTs) and Progress Status."



3 | High Carbon Emission Industries

Amid the global trend toward net-zero emissions, the monetization of carbon emissions has gradually become a key focus of national legislation. For example, the European Union's Carbon Border Adjustment Mechanism (CBAM) was trialed in 2023, and Taiwan's carbon fee is also published in 2024. High carbon emission industries are expected to become the primary targets for future carbon fee or tax imposition. To strengthen the management of high carbon emission industries, TS Holdings, together with its banking, life insurance, and securities subsidiaries, has jointly established a "High Carbon Emission Industry List" for the holding company. Referencing the Directorate General of Budget, Accounting and Statistics (DGBAS) industry classification codes, the list identifies industries more sensitive to transition risks, including Electricity and Gas Supply (Excluding Renewable Energy Generation), Extraction of Crude Petroleum and Natural Gas, Petrochemical-Related Industries, Manufacture of Paper and Paper Products, Manufacture of Basic Metals, Manufacture of Textiles, and Manufacture of Cement. In addition, Shin Kong Life Insurance has established an "Investment Exposure Limit for High Carbon Emission Industries" indicator, setting overall exposure limits for high carbon emission industries at 10% of total investment and lending portfolios, with a 9% threshold as an early warning indicator (represented by red and yellow alert levels). Through monthly monitoring and control, Shin Kong Life Insurance tracks its exposure to high carbon emission industries and compliance with exposure limits. On a quarterly basis, the status of exposure and limit management is reported to the Risk Management Monthly Meeting, the Risk Management Committee and the Board of Directors.

Business units within each subsidiary are responsible for carefully assessing the climate risks of investment and financing targets. They should incorporate the "High Carbon Emission Industries List" as one of the risk assessment factors in business relationship and transaction decisions, integrating it into approval processes or decision-making management mechanisms. Since 2023, exposure to high carbon emission industry investments and financing has been regularly reported to the Risk Management Monthly Meeting, the Risk Management Committee, and the Board of Directors. Through review of portfolio changes by investment and financing units, transition risks continue to be managed.

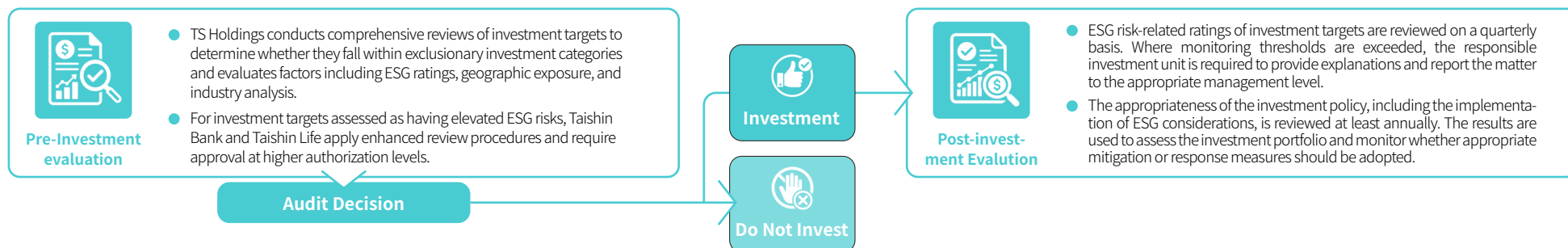
Investment Position Risk Management

TS Holdings proactively adheres to the United Nations Principles for Responsible Investment (PRI) by incorporating ESG considerations into its investment evaluation processes, thereby implementing the principles of sustainable corporate development and strengthening the management of climate-related risks. Through engagement and active dialogue with investee companies, TS Holdings further encourages investees to place greater emphasis on environmental protection, social responsibility, and corporate governance practices. The banking, securities, and life insurance subsidiaries have incorporated ESG and sustainable finance management measures into their non-trading investment activities. Such measures include conducting pre-investment assessments of ESG risks (including climate-related risks) by reviewing ESG ratings or ESG reports of investment targets. Following investment, the subsidiaries are also required to regularly review the proportion of high ESG-risk exposures within investment portfolios in order to implement differentiated management measures.

TS Holdings

Subsidiary	Proprietary Asset Category	Responsible Investment Management
Taishin Bank	Stocks and Bonds	- Review exclusion lists to avoid investing in restricted targets. Specific industries are screened and assessed through ESG risk ratings, ESG reports, or other relevant information. Investments identified as having high ESG risks are subject to enhanced review procedures and higher approval authority levels - Post-investment tracking and control measures are implemented, including quarterly reviews of ESG risk-related ratings of investment targets and at least annual reviews of the appropriateness of ESG implementation within investment policies.
Shin Kong Bank	Stocks and Bonds	- Established the "Sustainable Investment Guidelines" and adopted the Shin Kong Bank ESG Investment Checklist, with reference to external ratings for ESG risk assessment. - For investment targets belonging to controversial or high carbon emission industries, quarterly reports are submitted to the Investment Review Committee regarding their financial and business conditions, as well as any material negative ESG impact events.
Shin Kong Life Insurance	Stocks and Bonds	- Established the "Policy and Procedures for Sustainable Investing in Securities," incorporating ESG factors and information from independent third-party rating agencies into the investment analysis process for pre-investment assessments. - Investment targets included on the exclusion list (list of non-investable targets) are prohibited from receiving additional investments. For controversial industries, coal-related industries, and non-conventional oil and gas industries, investment decisions must follow the relevant sector-specific guidelines, and transactions are permitted only if such guidelines are satisfied. - The operational, financial, and ESG event risks of investee companies are monitored on a regular or ad hoc basis. Engagement is conducted with companies identified as having high ESG risks or high carbon emission in order to mitigate sustainability-related risks and strengthen post-investment ESG management.
Taishin Life Insurance	Stocks and Bonds	- Established the "Pre-Investment Evaluation and Post-Investment Management Guidelines," incorporating ESG indicators into the investment process. Reviews are conducted to determine whether the issuer, guarantor, or parent company of the Group (whichever is applicable) possesses ESG risk-related ratings. Investments identified as having high ESG risks are subject to enhanced review procedures and elevated approval authority levels. - Quarterly post-investment tracking and control measures are conducted to review ESG risk-related ratings of investment targets and periodically assess whether investee companies are effectively implementing ESG principles.
MasterLink Securities	Stocks and Bonds	- Established a Sustainable Investment Policy that incorporates ESG and SDGs into the long-term proprietary fund investment decision-making process. In accordance with international standards, regulations, or frameworks (such as PRI), ESG-, climate-, and nature-related risk factors are reviewed prior to investment in order to prudently assess the counterparties' overall ESG performance. - ESG due diligence is conducted for industries involving potentially controversial issues (including human rights risks) and high carbon emission industries, with reference to information provided by independent third-party rating agencies. Any entity included on the exclusion list is prohibited from engaging in new transactions until improvements have been made. - Following investment, the Company exercises its influence over investee companies through voting policies and engagement actions to enhance the long-term value of stakeholders, including customers, employees, and shareholders.
Taishin Securities	Stocks and Bonds	- ESG indicators are incorporated into the investment process prior to investment, and exclusion criteria for investment are established. - Quarterly post-investment management assessments are conducted, including reviews of the ESG rating distribution within investment portfolios. - Following investment, the Company exercises its influence over investee companies through voting policies and engagement actions to enhance the long-term value of stakeholders, including customers, employees, and shareholders.
Taishin Investment Trust	Equities (Funds / Discretionary Accounts)	- ESG risks associated with investment targets are mitigated in accordance with the "Taishin Securities Investment Trust Environmental, Social and Governance Investment Management Guidelines." Relevant ESG risk factors are incorporated into investment management evaluations, with continuous monitoring of related issues. - Post-investment tracking and control measures are implemented, including quarterly reviews of investment targets and the identification and disclosure of investments involving relatively higher ESG-related risks.

Pre- and Post-Investment Management Process for Non-Trading Investments



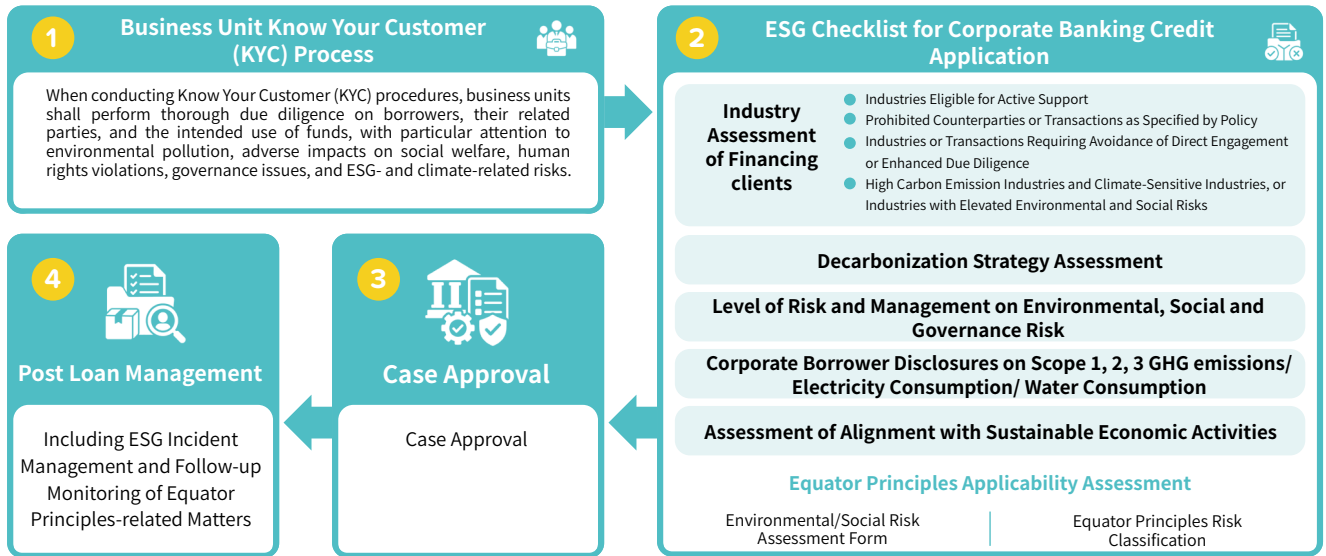
Financing Position Risk Management

TS Holdings also proactively adheres to the United Nations Principles for Responsible Banking (PRB), promoting more responsible financial services and governance frameworks under a sustainable development approach. In addition, Taishin Bank has become a signatory to the Equator Principles. A dedicated task force was established under the Corporate Banking Credit Management Division to formulate the "Equator Principles Financing Operation Guidelines ." Through the use of an "Environmental and Social Risk Assessment Form," project finance cases subject to the Equator Principles are assessed and managed under a risk classification framework.

Taishin International Bank has revised its "Credit Business Guidelines" by incorporating provisions requiring the assessment of ESG-related risks in newly extended credit facilities and establishing relevant review checklists. ESG-, climate-, and carbon-related factors, as well as the Equator Principles, have been integrated into the credit investigation and approval process. During engagement with clients regarding ESG-related risks and opportunities, all cases are assessed with reference to Joint Credit Information Center (JCIC) credit reports. In addition, pre-loan Know Your Customer (KYC) control mechanisms and post-loan case tracking and management are implemented to strengthen oversight of ESG-related credit risks associated with highly sensitive industries.

In addition to the above processes, reference is also made to research reports prepared by Taishin Investment Consulting. Through on-site visits to company facilities and participation in corporate investor conferences, these reports provide comprehensive assessments of companies' operational conditions and industry developments, including sustainability-related issues, corporate integrity, social responsibility, and the environmental impacts of business operations. The assessments are subsequently reviewed and confirmed by the Environmental and Social Risk Team, followed by the credit approval process in accordance with Taishin Bank's relevant regulations. Furthermore, for exposures to specific high carbon emission industries, financial resources are guided toward supporting enterprises in their decarbonization and transition efforts. For sectors subject to decarbonization commitments, exclusion targets and implementation timelines have also been established to continuously control and reduce exposure, thereby proactively strengthening transition risk management.

Taishin Bank Corporate Finance Financing Evaluation and Audit Process Flowchart



Shin Kong Bank has also established a "Sustainable Credit Policy," which stipulates that ESG risk factors must be incorporated into the credit investigation, approval, and review processes. During the credit review process, the "Equator Principles and ESG Credit Review Checklist" must be completed to assess whether financing counterparties belong to high ESG-risk, controversial, or high carbon emission industries for risk management purposes. At the same time, post-loan management and monitoring are conducted in accordance with the "Management Regulations of Lending Review and Tracking" and the "Lending Review Procedures." For credit facilities subject to the Equator Principles, enterprises are continuously monitored after loan disbursement based on the environmental and social risk monitoring items stipulated in the relevant contracts to track their improvement progress.

3.2.2.2 Adaptation to Physical Risks

Personal Finance Housing Loans Credit Risk Management

When extending mortgage loans, collateral (real estate) is required to maintain stable asset value. However, real estate is highly susceptible to acute physical risks, particularly flooding and landslide disasters caused by torrential rainfall in Taiwan. To address the increasingly severe "collateral risks," the Personal Banking Credit Management Division of Taishin Bank has incorporated climate physical risk ratings into its risk management framework since June 2023 and conducted its first revision in March 2025. For areas identified as having high climate physical risks, credit control strategies have been implemented, including lowering loan-to-value (LTV) ratios, raising interest rates, and suspending lending activities in certain areas. Furthermore, in October 2025, the interaction between Typhoon Fengshen and the northeast monsoon brought prolonged heavy rainfall to Northern Taiwan. As a result, slope failures and retaining wall collapses occurred in hillside residential communities and road sections, including Jinghua Villa in Taipei City's Wenshan District, Jinxiu Villa in New Taipei City's Xindian District, and Erjiou Road in Sanxia District. The responsible property appraisal units immediately implemented control measures within the appraisal system and notified business units to suspend new loan applications in the affected areas. At the same time, the mortgage management unit actively monitored existing mortgage customers within these regions. Such measures effectively mitigate the impact of extreme climate events on the quality of the Bank's mortgage asset portfolio.

Corporate Banking Collateral Risk Management

Taishin Bank closely monitors changes in the financial and operational conditions of its borrowers by regularly reviewing corporate financial statements, with the results reflected in the borrowers' credit ratings. Post-lending monitoring also involves continuously tracking material adverse news and regularly reviewing the borrowers' financial statements. If subsequent fluctuations in collateral value result in insufficient collateral coverage ratios, the Bank evaluates the borrower's overall business relationship and whether there is any immediate threat to the protection of the Bank's creditor rights. When necessary, borrowers may be required to provide additional collateral to restore the required collateral coverage ratio or to undertake early debt repayment, thereby strengthening the management of physical risks.

For collateral accepted in corporate banking credit operations, regional pricing impact factors are already incorporated into the appraisal process. Compared with general real estate properties, forestry land and areas prone to debris flows are more vulnerable to destruction or loss caused by climate-related natural disasters. Accordingly, the "Corporate Banking Division Property Collateral Appraisal Procedures" of Taishin Bank stipulate, in principle, that such properties shall not be accepted as collateral. For real estate properties susceptible to natural disasters, loan-to-value (LTV) ratios may be reduced or financing applications may be declined on a case-by-case basis in order to mitigate potential losses arising from physical risks.

Real Estate Risk Management

Shin Kong Bank has established the "Real Estate Climate Risk Assessment Guidelines" and adopted the "Real Estate Climate Risk Assessment Checklist" for use in business processes related to real estate investments, real estate financing, and the acquisition of self-owned properties. The checklist evaluates climate-related risks across three major dimensions: natural disasters, energy, and water resources. Properties identified as having high physical risks based on the assessment results are required to implement climate risk mitigation measures, be included on a monitoring list for ongoing management, and be subject to periodic reporting on the status of such management measures.



3.2.3 Life Insurance Product Risk Management

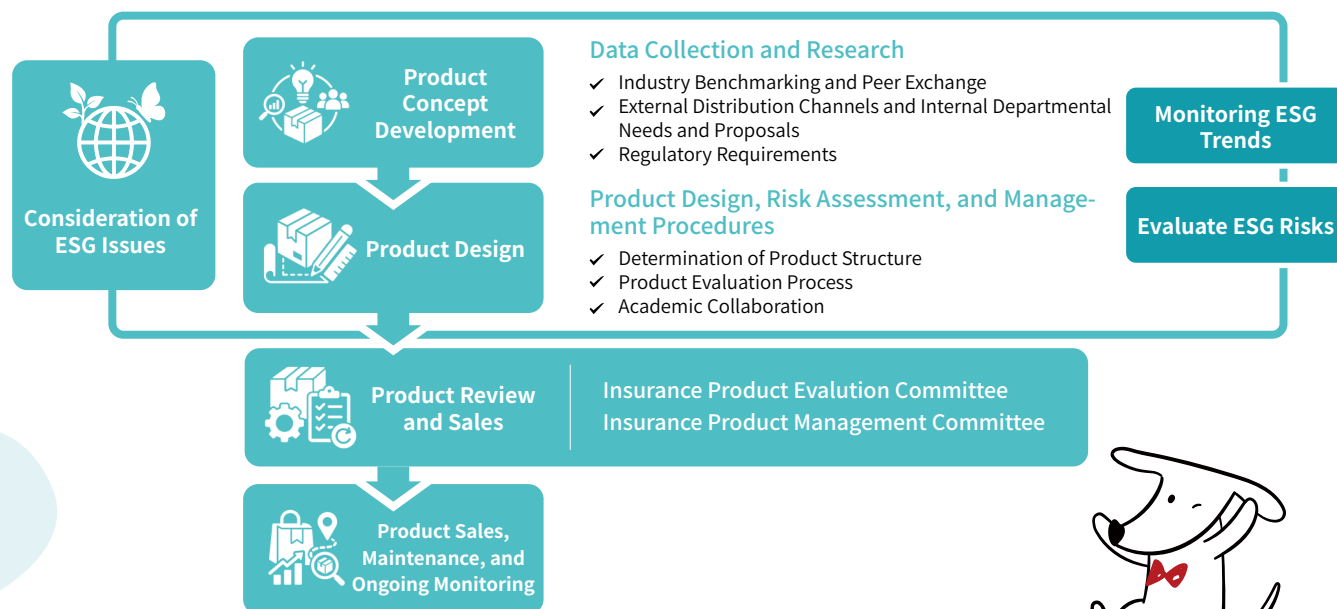
Shin Kong Life actively implements the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI). In alignment with the TCFD framework, the company incorporates environmental, social, and governance (ESG) considerations related to insurance operations into insurance product decision-making processes. The Company also actively develops sustainable insurance products to assist policyholders in addressing challenges arising from environmental changes and other emerging issues.

Sustainable Insurance Product Development Process

1. Product Design

- Continuously monitor ESG trends, incorporate ESG-related issues into the product development process, and establish an inclusive product assessment mechanism. The Company continues to provide insurance products that meet the needs of individuals across different life stages, thereby ensuring fair customer treatment and promoting inclusive and friendly financial services.
- During product development, all procedures are conducted in accordance with relevant regulations governing insurance product design and development. Prior to product launch, meetings of the "Insurance Product Management Committee" and the "Insurance Product Evaluation Committee" are convened. Following product launch, periodic post-sale reviews are conducted through the "Insurance Product Management Committee" review mechanism to evaluate sales performance and ensure sustainable operations as well as the protection of consumer rights and interests.

Product Development and Design Process



2. Sales and Advertising Promotion

- All product sales and marketing activities comply with regulatory requirements on information disclosure. Policy terms are prepared with reference to model clauses issued by the competent authorities, and are subject to review and approval in accordance with statutory procedures. In accordance with the "Regulations Governing Public Disclosure of Information by Life Insurance Enterprises," sample policy terms for all insurance products are disclosed on the Company's official website and product information sections to facilitate customer understanding.
- With respect to the review and validation mechanisms for sales materials, the Company has established internal control procedures, including "Insurance Product Sales Operations" and "Advertising and Press Release Operations," in accordance with the "Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises." Further, in compliance with the "Self-Regulation for Solicitation Advertisement in the Insurance Industry," the Company has established the "Management Regulations on the Use of Promotional Materials for Product Sales," which stipulate that all product information, advertisements, and solicitation activities must be accurate, truthful, and clearly presented, with appropriate disclaimers, to safeguard policyholder rights.
- For products or services marketed as "green" or "sustainable," the Company conducts internal reviews and pre-approval processes prior to disclosure of product information or issuance of external press releases, with reference to the "Reference Guidelines for Financial Institutions on Anti-greenwashing." This ensures the reasonableness, clarity, and consistency of sustainability-related claims and avoids misleading information. The Company has also established the "Product Development and Management Regulations" within its internal control framework, setting out fundamental principles for product design and management. For any future products involving "green" or "sustainability" concepts, the Company will, at the product development stage, assess policy objectives, implementation approaches, target markets, and consumer protection considerations in accordance with the above regulations and guidelines, ensuring that all claims are not false, deceptive, or exaggerated, thereby fulfilling professional management responsibilities and mitigating greenwashing risks.

3. Underwriting

- The Company has established "Risk Management Mechanisms" and "Insurance Product Sales Operations" within its internal control system to strictly manage new policy underwriting and approval processes. Underwriting operations are conducted in accordance with the "Underwriting Policies and Procedures" and the "Offshore Insurance Unit (OIU) Underwriting Policies and Procedures."
- An "Underwriting Risk-ranking Model" has been developed, incorporating big data analytics into underwriting risk management. By leveraging historical claims data and underwriting experience, combined with data mining techniques, risk screening is performed and applied in practice to conduct random medical check-ups for high-risk applicants.

4. Claims

- The Company continues to enhance claims assessment mechanisms and processes by establishing a claims risk model and implementing case differentiation. Low-risk cases are processed through automated claims assessment systems, enabling rapid settlement through system-generated calculations, with claim turnaround time reduced to within several hours.

Furthermore, the intensification of climate change may increase the severity of extreme weather events such as typhoons and floods, leading to higher mortality, morbidity, or accident rates, thereby elevating insurance risks. Shin Kong Life mitigates such risks through reinsurance arrangements and catastrophe reinsurance mechanisms, while continuously monitoring regulatory developments, market trends, and peer practices to timely adjust product strategies and structures, thereby strengthening risk management. In addition, rising temperatures caused by climate change may lead to specific illnesses or injuries (such as heatstroke, heat exhaustion, and heat cramps), which are included within the coverage scope of Shin Kong Life's insurance products (including medical insurance and life insurance). As a result, policyholders are provided with a certain level of protection against climate-related impacts, helping to transfer risks arising from climate change. Looking ahead, the Company will continue to assess and develop insurance products and services aligned with climate risk trends to maintain market competitiveness. For further details, please refer to **Shin Kong Life's 2025 TCFD Report**.

Major insurance risks caused by climate change	Risk management actions/ measures	Implementation status
A. Increase in mortality, morbidity, or accident incidence rates, causing actual experiences to deviate from expected claims costs.	A.1 The company reviews the experience rates annually and updates product assumptions based on the latest experiences.	Uses assumptions reflecting actual experiences for profitability testing of new and old products to reduce potential deviations due to climate change predictions.
	A.2 & B.1 For each policy/insured person, cede through quota share reinsurance or excess of loss reinsurance, and after aggregating the retentions of all life insurance policies, retention limit is set for each insured person.	When insurance risks exceed expectations due to climate change, losses can be controlled through reinsurance arrangements by Shin Kong Life Insurance.
B. Accidental disasters causing multiple people to claim at the same time, leading to a large amount of claims payments in a short period.	B.2 For each catastrophic event, a catastrophe retention limit is set for life and injury insurance; any excess is ceded through catastrophe reinsurance.	Based on the average retention risk amount per capita for the currently insured, the catastrophe reinsurance arranged by Shin Kong Life Insurance can cover over a hundred insured persons, thus reasonably ceded the insurance risk arising from catastrophic accidents caused by extreme weather.

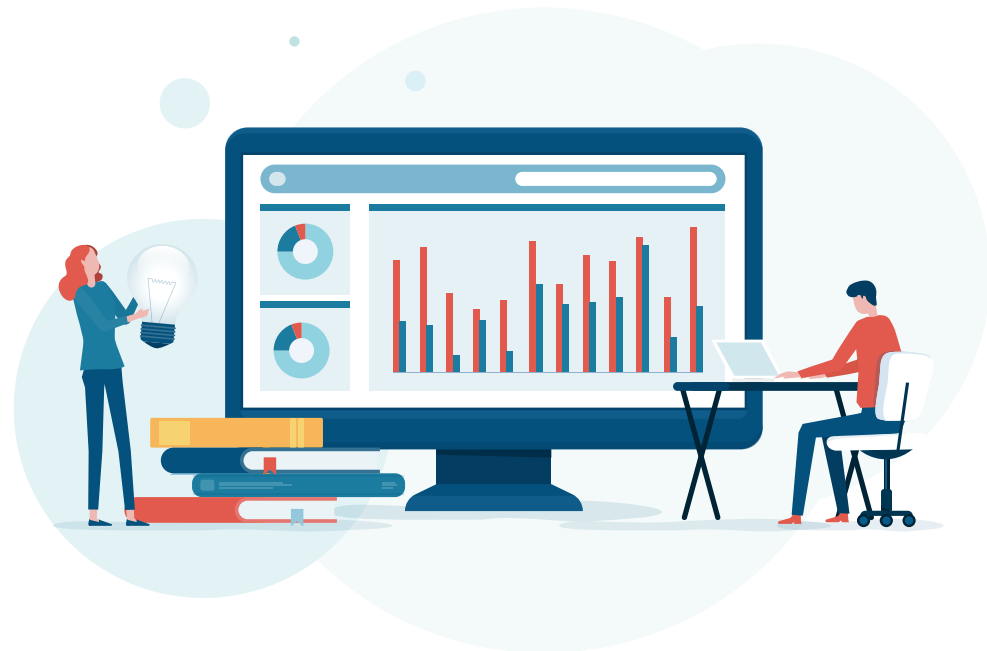
Note: The definition of a catastrophic event for catastrophe reinsurance includes meeting the minimum number of claims, and only includes losses incurred within a certain period of time following an accidental incident; an accident refers to a severe, external, sudden incident, and is caused directly and solely by this incident.

3.3 Nature-Related Issues

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), in its "2026 Business and Biodiversity Assessment Report", indicated that the rapid degradation of natural ecosystems has posed systemic risks to economic activities and corporate operations. The loss of biodiversity and the deterioration of ecosystem services weaken critical natural functions such as freshwater supply, climate regulation, soil fertility, and ecological stability, thereby affecting corporate production conditions, supply chain stability, and long-term operational resilience. IPBES further emphasizes that most industries both heavily depend on and significantly impact natural resources, with related impacts often transmitted to the financial system through value chains. Against this backdrop, failure to effectively identify and manage dependencies and impacts on nature may increase the likelihood of operational disruptions, rising costs, and regulatory risks. Consequently, nature-related issues have become critical factors affecting the long-term value and stability of both corporations and financial institutions.

3.3.1 Nature-related Risk and Opportunity Identification Results

With reference to the definitions of nature-related risk drivers established by the Taskforce on Nature-related Financial Disclosures (TNFD), TS Holdings has conducted a preliminary identification of its nature-related risks and opportunities. The Company has also described the value chains and time horizons affected by these nature-related risks and opportunities.

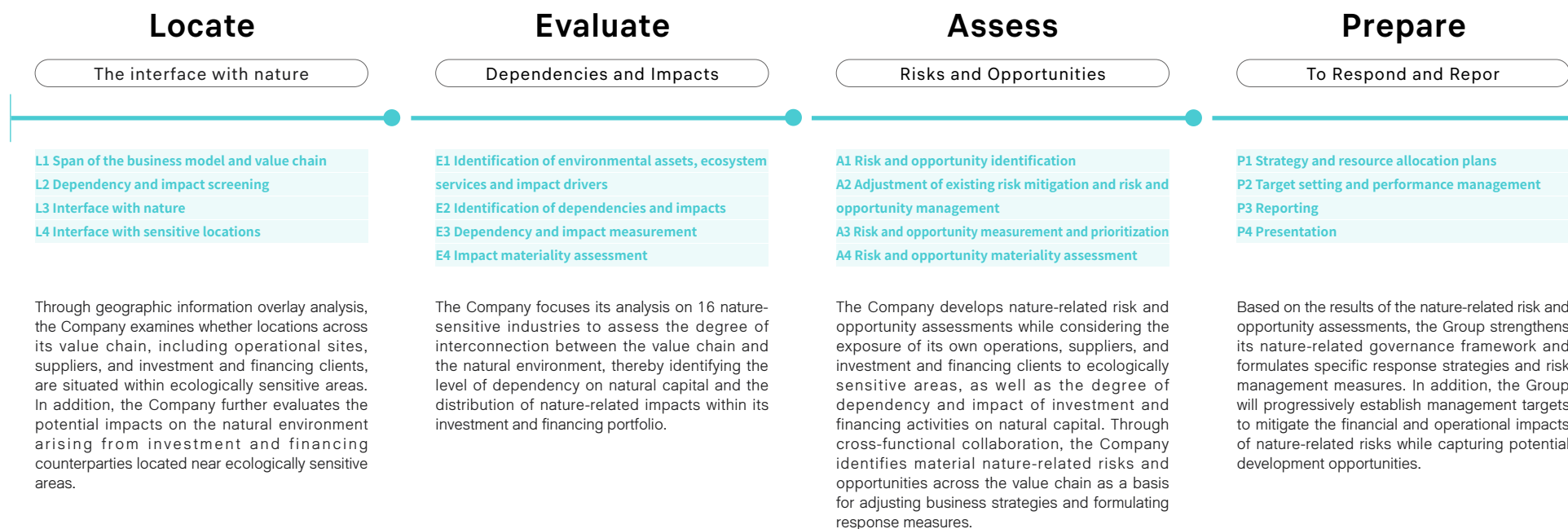


Risk Type	Nature-related Risk	Risk Impact	Corresponding Existing Risks	Risk Occurrence Time Scale	Value Chain					
					Suppliers	Own Operations	Investment	Credit	Collaterals	Insurance Underwritten
Physical Immediacy	Natural disaster	[Own Operations and Clients] Acute natural disasters occurring within a short period of time, such as typhoons, extreme temperatures, storms, debris flows, earthquakes, wildfires, and pest infestations, may cause financial, personnel, and operational losses to the Company's operating locations, as well as to the operating sites of its investment and financing counterparties and insured entities. Such events may adversely affect revenues and weaken debt repayment capacity. In severe cases, they may even result in business interruption or suspension of operations, leading to increased credit default rates and consequently adversely impacting the earnings of TS Holdings.	Operational Risk Credit Risk Market risks	Short term Medium term Long term	●	●	●	●	●	●
Transition Reputation	Reputational Damage	[Own Operations] Sustainability-related assessments and ratings, including sustainable finance evaluations, CDP, and DJSI biodiversity-related questionnaires, are becoming increasingly comprehensive. As a result, the Company's corporate reputation may be adversely affected by the growing pressure associated with such sustainability assessments and ratings.	Credit Risk	Short term Medium term Long term		●				
Transition Regulatory and Policy	Tightening Environmental Protection Regulations	[Client Side] The tightening of environmental protection regulations has imposed greater constraints on clients' access to resources, waste management, and land use. Failure to promptly adapt operational models may result in regulatory penalties, increased operating costs, and legal litigation risks. Consequently, rising operating costs among financing and investment clients may adversely affect the profitability and returns of financial institutions.	Credit Risk	Medium term			●	●		
Transition Regulatory and Policy	Nature-related Disclosure Requirements	[Own Operations] In response to emerging nature-related disclosure requirements, including the TNFD, biodiversity disclosure standards under IFRS Practice Statement, and biodiversity-related requirements under the Reference Guidelines for the Identification of Sustainable Economic Activities, any future mandatory implementation by competent authorities may lead to an increase in the Company's operating costs.	Operational Risk	Medium term		●				
Physical Risk Chronic	Natural Resource Scarcity	[Clients and Suppliers] Industries that are highly dependent on natural resources, including clients and suppliers, may experience operational disruptions resulting from the degradation of ecosystem services, which could consequently affect the operating revenue of TS Holdings	Operational Risk Credit Risk Market risks	Long term	●		●	●		
Opportunity Type	Nature-Related Opportunity	Opportunity Impact	Opportunity Occurrence Time Scale	Value Chain						
				Suppliers	Own Operations	Investment	Credit	Collaterals	Insurance Underwritten	
Products and services	Sustainable-related Financial Products and Services	[Client Side] Driven by changes in consumer behavior and evolving government regulations, TS Holdings should proactively identify potential future investment and financing targets, assist clients in implementing nature-related solutions, and support the development of nature-positive products and services, such as the issuance, underwriting, and investment of nature-related and green bonds.	Short term			●	●		●	
Resource Efficiency	Green Resilience Supply Chain	[Suppliers] Screen and encourage suppliers based on their management capabilities in areas such as renewable resources, the circular economy, carbon emissions and management, and biodiversity, while leveraging procurement processes to promote suppliers' commitment to green initiatives.	Short term	●						
Reputation Capital	Advocacy and Engagement Initiatives	[Own Operations] TS Holdings supports nature-related advocacy and engagement initiatives through policy actions, including continuous participation in and updates to Business Council for Sustainable Development (BCSD) initiative targets, as well as alignment with the goals set forth in the Kunming-Montreal Global Biodiversity Framework, such as the commitment to "Nature positive by 2030." The Company may also further collaborate with governmental agencies or non-governmental organizations, such as national parks and conservation associations, through the signing of MOU or joint initiatives to promote OECM certification programs. While enhancing its financial influence on nature conservation, the Company may also obtain government-recognized OECM certifications and related incentives, thereby strengthening its corporate reputation.	Medium term		●					
Capital Flow and Financing	Enhancement of Nature-related Investments	[Client Side] For investment and lending clients, conduct prior assessments of clients' impacts and dependencies on nature, and increase financing and investment in nature conservation transition projects to help mitigate nature-related risks faced by clients, while enhancing their resilience to both physical and transition risks associated with nature.	Short- to medium-term			●	●			



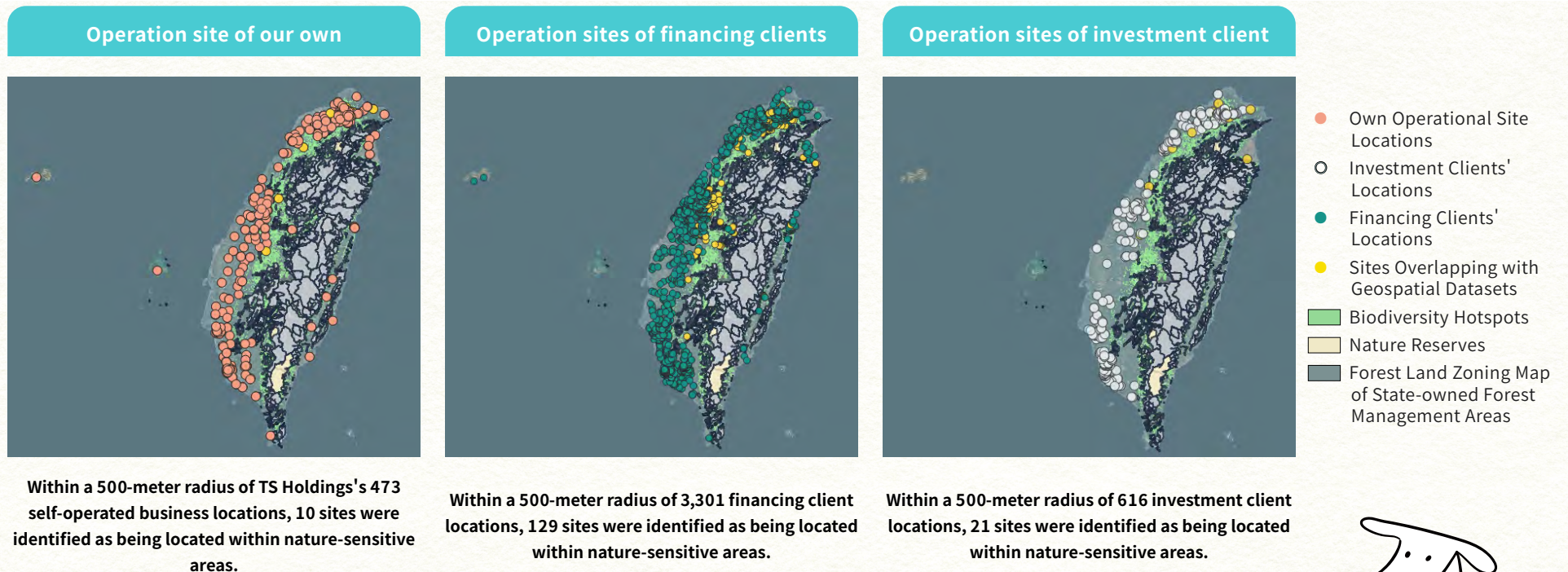
3.3.2 Nature-related Issue Analysis

TS Holdings has conducted a nature-related issue analysis with reference to the LEAP approach published by the Taskforce on Nature-related Financial Disclosures (TNFD). The purpose of this analysis is to disclose the potential financial risks associated with nature-related issues and to integrate nature-related considerations into financial and business decision-making processes. The LEAP approach consists of four stages—Locate, Evaluate, Assess, and Prepare—to analyze nature-related dependencies, impacts, risks, and opportunities relevant to the Company.

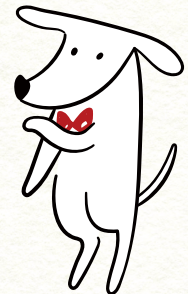


3.3.2.1 Biodiversity Impact Analysis

This study followed the Locate step by using the locations of own operation of TS Holdings within Taiwan, as well as the operating locations of investment and financing clients in nature-sensitive industries, as the primary subjects of analysis. For the spatial analysis, the study adopted the "Ecological Green Network Biodiversity Hotspot Map" published by the Forestry and Nature Conservation Agency under the Ministry of Agriculture. Using 1 × 1 kilometer grid cells as the unit of analysis, areas ranking within the top 5% of all grids in terms of species richness were identified. The analysis incorporated predicted distribution data for mammals, breeding birds, amphibians, reptiles, and butterflies, which were overlaid and integrated to delineate "animal biodiversity hotspots." Subsequently, these animal biodiversity hotspots were spatially overlaid with the "Nature Reserve Map" and the "National Forest Land Analysis Map" to establish "nature-sensitive areas." This analysis was conducted to assess whether the operational locations of TS Holdings and its investment and financing counterparties overlap within a 500-meter radius with areas of high biodiversity sensitivity or conservation priority, thereby serving as the basis for subsequent assessments of nature-related risks and opportunities.



- Note 1: The scope of the self-operated business location analysis includes locations of Taishin International Bank, Shin Kong Bank, Taishin Life Insurance, Shin Kong Life Insurance, Taishin Securities, and MasterLink Securities.
- Note 2: The scope of the financing client analysis includes Taishin International Bank, Shin Kong Bank, Taishin Life Insurance, and Shin Kong Life Insurance.
- Note 3: The scope of the investment client analysis includes Taishin International Bank, Shin Kong Bank, Taishin Life Insurance, Shin Kong Life Insurance, Taishin Securities, and MasterLink Securities.
- Note 4: "Nature-sensitive areas" refer to areas identified as having high biodiversity sensitivity or conservation significance through the spatial overlay analysis of "animal biodiversity hotspots," "nature reserves," and the "National Forest Land Analysis Map."



3.3.2.2 Dependency and Impact Analysis of Nature-related Sensitive Industry Investment and Financing Portfolios

TS Holdings conducted a systematic analysis of industries' dependencies and impacts on natural capital in accordance with the Evaluate step of the LEAP approach, with the objective of identifying key industries associated with elevated nature-related risks and opportunities. This analysis was based on the interrelationship between industries and natural capital services, with reference to the industry – natural capital dependency relationships provided in the ENCORE (Note 4) database, together with the 16 categories of nature-related risks and opportunities recommended under the TNFD framework. Industry classifications were aligned with the Global Industry Classification Standard (GICS) framework to ensure international consistency in the analytical results. With respect to the assessment methodology, this study quantified and categorized the degree of dependency and potential impacts associated with different natural capital factors, including water resources, biodiversity, and climate regulation. The results were classified into five levels: "Very High," "High," "Medium," "Low," and "Very Low," and presented in a matrix format. In addition, the proportion of the Group's investment and financing exposure to the relevant industries was consolidated and disclosed accordingly.

Dependency Distribution

Very High	High	Medium	Low	Very Low																																																
Nature-related Sensitive Industries	①→ Animal-based Energy ⑦→ Dilution by the Atmosphere and Ecosystems ⑬→ Water Resource Supply ⑱→ Pollination ㉔→ Education, Science and Research																									②→ Biomass Energy Provisioning Services ⑧→ Biological Control ⑭→ Nursery and Habitat Maintenance ⑲→ Storm Mitigation ㉕→ Spiritual, Artistic and Symbolic Values					③→ Solid Waste Treatment ⑨→ Air Filtration ⑮→ Noise Attenuation ㉑→ Water Flow Regulation ㉖→ Exposure Amount Ratio (%)					④→ Soil and Sediment Retention ⑩→ Flood Prevention ⑯→ Regulation of Sensory Impacts (Non-noise) ㉒→ Rainfall Pattern Regulation					⑤→ Water Purification ⑪→ Genetic Materials ⑰→ Local Climate Regulation (Microclimate and Mesoclimate) ㉓→ Recreation-related Services					⑥→ Soil Quality Regulation ⑫→ Global Climate Regulation ㉔→ Landscape Aesthetics						
	Nature-related Sensitive Industries																										①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰	⑱	⑲	⑳	㉑	㉒	㉓	㉔	㉕	㉖
	Petroleum, Natural Gas, and Consumable Fuels																																																			2.26
	Chemical Industry																																																			1.01
	Construction Materials Industry																																																			0.32
Container and Packaging Industry																																																			0.07	
Metal and Mining Industry																																																			1.37	
Paper and Forest Products Industry																																																			0.19	
Construction Services (Including Fabricated Metal Product Manufacturing)																																																			5.37	
Wastewater Treatment, Waste Collection, Treatment and Disposal																																																		0.10		
Transportation and Related Services (Including Air Transportation)																																																			0.73	
Automotive Industry																																																			0.25	
Textiles, Apparel and Luxury Goods																																																		0.61		
Beverage and Food Industry (Including Agriculture)																																																		1.02		
Personal Care Products																																																			0.03	
Pharmaceutical industry																																																		0.45		
Semiconductors and Semiconductor Equipment																																																		0.34		
Public utilities (Including Power Generation, Natural Gas, Independent Power Producers, Renewable Energy Generation and Hydropower)																																																		2.13		
Total Nature-related Sensitive Industries																										16.24																										

Impact Distribution

Very High High Medium Low Very Low

Nature-related Sensitive Industries	Sensory Disturbances (e.g., Noise and Light)	Freshwater Resource Use Areas	GHG emissions	Seabed Use Areas	Non-Greenhouse Gas Air Pollutant Emissions	Other Biological Resource Extraction (e.g., fish, timber)	Other Non-Biological Resource Extraction	Releases of Toxic Substances Polluting Soil and Water	Releases of Nutrient Salt Polluting Soil and Water	Solid Waste Generation and Discharge	Land Use Areas	Water Consumption	Introduction of Invasive Alien Species	Exposure Amount Ratio (%)
Petroleum, Natural Gas, and Consumable Fuels														2.26
Chemical Industry														1.01
Construction Materials Industry														0.32
Container and Packaging Industry														0.07
Metal and Mining Industry														1.37
Paper and Forest Products Industry														0.19
Construction Services (Including Fabricated Metal Product Manufacturing)														5.37
Wastewater Treatment, Waste Collection, Treatment and Disposal														0.10
Transportation and Related Services (Including Air Transportation)														0.73
Automotive Industry														0.25
Textiles, Apparel and Luxury Goods														0.61
Beverage and Food Industry (Including Agriculture)														1.02
Personal Care Products														0.03
Pharmaceutical industry														0.45
Semiconductors and Semiconductor Equipment														0.34
Public utilities (Including Power Generation, Natural Gas, Independent Power Producers, Renewable Energy Generation and Hydropower)														2.13
Total Nature-related Sensitive Industries														16.24

- Note 1: The financial holding company's exposure statistics include the investment and financing positions of Taishin International Bank, Shin Kong Bank, Taishin Life Insurance, Shin Kong Life Insurance, Taishin Securities, and MasterLink Securities as of December 31, 2025.
- Note 2: Total investment amounts include debt securities, bills, and equity positions. Among these, AC-class assets are measured at cost, while FVOCI- and FVPL-class assets are measured at fair market value. In consideration of the cross-industry characteristics of ETFs and funds, such instruments were excluded from the scope of this analysis to avoid duplicate classification. Total financing amounts include secured and unsecured financing, credit, loans, collections, AR_NR, guarantees, and committed financing.
- Note 3: The calculation method for the exposure ratio (%) is as follows: Total investment and financing amount in nature-related sensitive industries / Total exposure of investment and financing positions.
- Note 4: Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) is a tool jointly developed by Global Canopy, the United Nations Environment Programme Finance Initiative (UNEP FI), and the UN Environment Programme World Conservation Monitoring Centre to assist financial institutions in mapping their physical impacts and dependencies on nature.

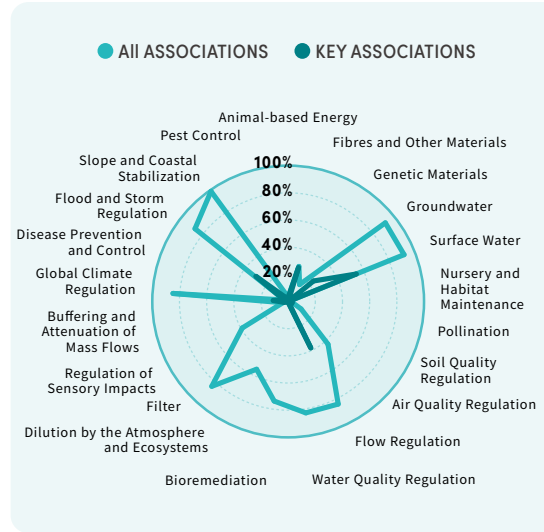
3.3.2.3 Dependency and Impact Heat Maps of Investment and Financing Portfolios

Based on the ENCORE database and the composition of the Group's investment and financing portfolio within nature-related sensitive industries, dependency and impact heat maps were developed to illustrate the degree of correlation between the Group's investment and financing portfolio and various nature-related dimensions. Among these indicators, "ALL ASSOCIATIONS" represents the average level of association across the overall investment and financing portfolio, while "KEY ASSOCIATIONS" reflects key exposures with relatively concentrated investment and financing amounts.

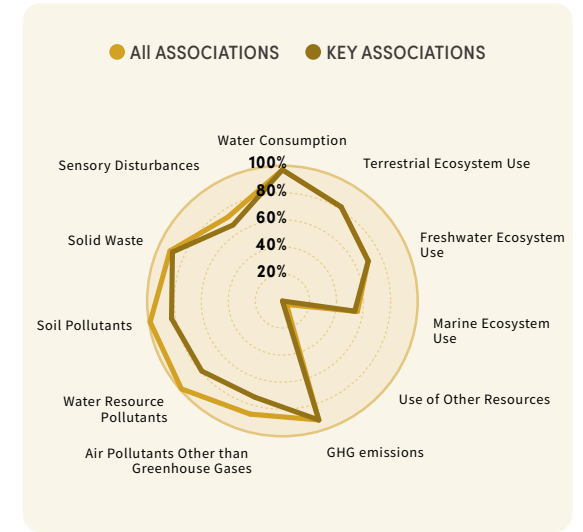
The results of the dependency and impact hotspot analysis indicate that water resource-related natural aspects demonstrate a high degree of relevance across the Group's investment and financing portfolio. The dependency analysis revealed that the Group's investment and financing allocation is concentrated in nature-related sensitive industries with a high dependency on water resources. The impact hotspot analysis of the investment and financing portfolio identified key impact areas including water resource consumption, greenhouse gas emissions, and solid waste generation. Based on the integrated analysis results, water resource issues are not only critical natural factors upon which the Group's operational continuity and financial resilience highly depend, but also key areas in which the Group's investment and financing activities may exert significant impacts on the natural environment.



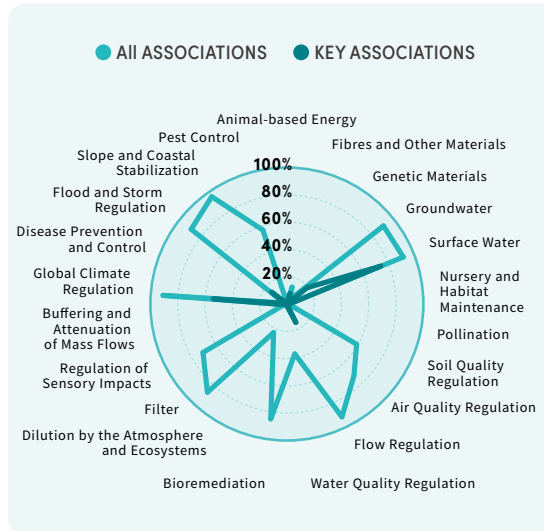
Dependency Heat Maps of Investment Portfolios



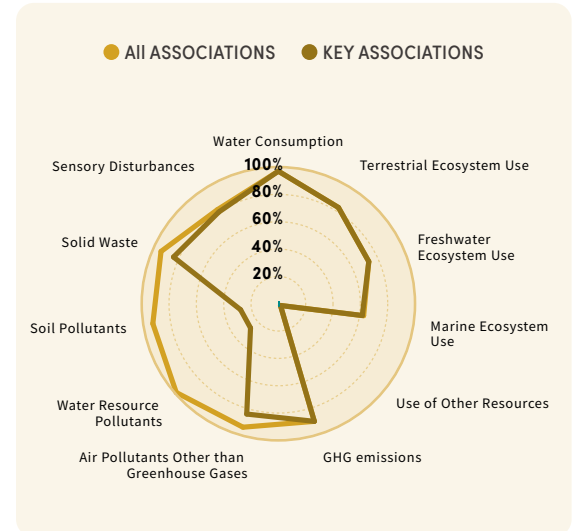
Impact Heat Maps of Investment Portfolios



Dependency Heat Maps of Financing Portfolios



Dependency Heat Maps of Financing Portfolios



3.3.3 Nature-related Risk Management

TS Holdings became a signatory to the Equator Principles in 2019 and established the "Equator Principles Financing Cases Guidelines" to conduct additional environmental and social risk review and management for applicable financing projects under the Equator Principles framework. In 2023, the Group also became a supporting organization of the Taiwan Nature Positive Initiative Platform established by Business Council for Sustainable Development Taiwan, demonstrating its support for and commitment to environmental and ecological conservation, energy saving and carbon reduction, biodiversity, and the protection of biological natural resources. In addition, the Group has established internal policies and guidelines, including the "Risk Management Policy," "Sustainable Finance Policy," and "Climate and Nature Risk Management Guidelines." The Group continues to enhance its climate and nature-related risk assessment and management mechanisms in alignment with international trends, regulatory requirements, and industry practices. Detailed descriptions of the Group's nature-related risk governance framework and management processes are provided in Section 3.1.1.



3.3.4 Nature-related Highlight Projects

Taishin International Bank

Parents and Children United to Protect the Ocean



Kaohsiung Cijin Coastline Beach Cleanup



Taoyuan Yong'an Fishing Harbor Beach Cleanup

Taishin International Bank actively encouraged employees and their family members to participate in the "Parents and Children United to Protect the Ocean" beach cleanup campaign. In 2025, a total of five events were held across Taiwan, covering the Taipei, Taoyuan-Hsinchu, Central Taiwan, Chiayi-Tainan, and Kaohsiung-Pingtung regions. The activities took place at the National Museum of Marine Science & Technology, Yong'an Fishing Harbor in Taoyuan, Changhua Nature Ecology Education Center, Anping Sunset Platform in Tainan, and the Cijin coastline in Kaohsiung.

No.	Date	Location
Taipei	5/24	National Museum of Marine Science & Technology (indoor ecological puzzle-solving activity arranged in the event of rain)
Taoyuan-Hsinchu	9/20	Yong'an Fishing Harbor, Taoyuan
Central Taiwan	10/18	Changhua Nature Ecology Education Center
Chiayi-Tainan	9/13	Anping Sunset Platform, Tainan
Kaohsiung-Pingtung	9/6	Cijin Coastline, Kaohsiung

My One Acre of Farm

Since 2008, TS Holdings has launched the "My One Acre of Farm" corporate adoption platform to support the sustainable development of Taiwan's rice fields. Through an innovative "contract farming" model, the initiative has successfully established a new benchmark for rice production and marketing collaboration. The program not only provides farmers with stable income streams, but also ensures that consumers have access to premium-quality, 100% Taiwan-grown rice. The initiative currently operates across Taoyuan, Taichung, Changhua, Yilan, and Hualien, with all contracted rice farmers progressively adopting non-toxic farming practices. These efforts have not only enhanced biodiversity in agricultural land, but also effectively reduced environmental impacts, demonstrating a commitment to sustainability from farmland to dining table.



Shin Kong Bank

Shin Kong Bank places strong emphasis on biodiversity and incorporates it as part of its corporate social responsibility initiatives. Through the promotion of green finance and environmental protection projects, the Bank not only supports sustainable development but also strives to minimize the negative ecological impacts of its business operations. In addition, Shin Kong Bank launched the "Environmental Sustainability and Local Co-prosperity" initiative, which integrates employee volunteer participation and collaborates with local communities and regional revitalization organizations. Through hands-on environmental volunteer services, employees actively participate in locally distinctive environmental conservation activities, demonstrating practical support for ecological preservation and sustainable community development. In 2025, a total of 10 events were organized, including ecological maintenance activities along the Tucheng Butterfly Trail, river cleanup initiatives along the Sanxia River, and beach cleanup campaigns in Wanli. These activities further strengthened employees' awareness of environmental education and sustainable development.

Wanli Beach Cleanup Activity



Butterfly Trail Maintenance Activity



Sanxia River Cleanup Activity



Taishin Securities Investment Trust

In 2025, Taishin Securities Investment Trust collaborated with the Ocean Conservation Administration under the Ocean Affairs Council and the Amis Indigenous community of Gangkou Village in Fengbin Township, Hualien County, to work alongside local Indigenous residents in protecting the "giant clam", a key biodiversity indicator species in the Shitiping coastal area. The presence of giant clams not only reflects the ecological health of coral reef ecosystems, but also embodies the shared cultural memory between Indigenous communities and the ocean. However, in recent years, populations have declined significantly due to rising sea temperatures, habitat degradation, and illegal harvesting activities. To actively support conservation efforts, Taishin Securities Investment Trust contributed NT\$300,000 to support the operation of a 10-member coastal patrol team responsible for safeguarding a six-kilometer stretch of coastline in the Shitiping area. The project also supported the installation of two ecological monitoring systems, the restoration of one conservation pilot site, and the organization of eight educational outreach workshops. In addition, the initiative funded a juvenile giant clam restoration trial involving 30 specimens, increasing the total number of conserved giant clams to 154. At the same time, conservation-related surveys conducted among tribal elders indicated a 94% level of local community support, demonstrating concrete and positive conservation outcomes.

Protecting Marine Biodiversity – Giant Clam Restoration Initiative



Shin Kong Life Insurance

Shin Kong Life Insurance has actively promoted a wide range of sustainability initiatives in recent years to advance environmental sustainability and corporate social responsibility. In the area of marine conservation, the Company launched the "Cleaning Ocean" initiative in 2023 in collaboration with Professional Association of Diving Instructors to train volunteer divers for marine protection activities. With respect to ecological restoration, Shin Kong Life has continuously participated in the Sun Moon Lake Mass Swimming Event for 19 consecutive years and has conducted the release of Culter alburnus (commonly known as the "President Fish") at Shuishe Pier to help maintain the local ecological balance. The Company also organized corporate volunteers to participate in fish fry release activities at Shimen Reservoir. In terms of agri-food sustainability, the "Shin Kong One-Acre Field Happy Dining Table" initiative promotes environmentally friendly agriculture and waste reduction through small farmers' markets, food-saving campaigns, and industry-academia collaboration programs. To promote employee wellness and carbon reduction, the "Forest Walking Sustainable" walking initiative transforms employees' daily activities into measurable carbon reduction outcomes, demonstrating the Company's concrete commitment to sustainable development practices. For further details, please refer to the 2025 TCFD Report of Shin Kong Life Insurance.

"Cleaning Oceans" - Diving Volunteer Training Program, Ocean Cleanup Program



Sun Moon Lake native fish fry release



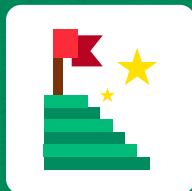
Shin Kong One-Acre Field Happy Dining Table



Forest Walking Sustainable Health Promotion Activity



Metrics and Targets



To actively fulfill its committed SBT for decarbonization, TS Holdings has established relevant indicators and targets under two strategic dimensions: "Transition Strategy of Own Operations" and "Net-Zero Carbon Emission in Financial Business." The Company also discloses data including its greenhouse gas emissions.

- 4.1 Science Based Targets (SBTs) for Emission Reduction and Progress Status
- 4.2 Data related to Transition Strategy of Own Operations
- 4.3 Data Related to Net-Zero Carbon Emission in Financial Business

4.1 Science Based Targets (SBTs) for Emissions Reduction and Progress Status

In 2021, TS Holdings became a founding member of the Association of Taiwan Net Zero Emissions. The greenhouse gas emission reduction targets of the former Taishin Financial Holding and the former Shin Kong Financial Holding have each been validated by the SBTi. The SBTs for the Company's own operations and various asset portfolios, together with the latest progress status, are presented below. TS Holdings will disclose progress toward target achievement on an annual basis and review the applicability of its targets every five years.

In consideration of the time horizons adopted in its climate-related risk assessment processes, TS Holdings has established short-, medium-, and long-term targets. The emissions reduction targets were formulated with reference to recommendations provided by external consultants and subsequently verified by internal GHG inventory specialists. Detailed quantitative information on the relevant indicators and targets is provided in the table below:

Strategic Greenhouse Gas-Related Targets and Corresponding Metrics and Targets

Former Taishin Financial Holding and Its Subsidiaries

Strategic Goals		Transition Strategy of Own Operations		
Metrics	Indicator Name	Total Scope 1 Greenhouse Gas Emissions	Total Scope 2 Greenhouse Gas Emissions	Total Scope 1 and Scope 2 Greenhouse Gas Emissions (Combined)
	Unit of Measurement	Metric Tons of Carbon Dioxide Equivalent (tCO ₂ e)		
	Type of Metrics	Quantitative		
	Current Period Amount	1,455	14,390	15,845
Targets	Base year (2019)	1,155	21,068	22,223
	Objective of the Target	Reduction of GHG emissions		
	Target Scope	Former Taishin Group		
	Target Type	Emissions		
	Target Period	By 2050		
	Methodology	Absolute Reduction		
	Current Performance and Trend / Variance Analysis	29% reduction		
	Milestones / Interim Targets	Reduce total Scope 1 and Scope 2 greenhouse gas emissions by 46% by 2030 compared with the 2019 base year		

Former Taishin Financial Holding and Its Subsidiaries

Strategic Goals		Net-Zero Carbon Emission in Financial Business						
Metrics	Indicator Name	Percentage of Long-Term Investee Companies that have established their own SBT	Commercial Real Estate Corporate Loans	Power Generation-Related Corporate Loans	Long-Term Corporate Loans to the Petrochemical and Oil & Gas Industries (Note 6)	Long-Term Corporate Loans to the Service / Commercial Construction Industries (Notes 6 and 7)	Long-Term Corporate Loans to the Steel Industry (Note 6)	Long-Term Corporate Loans to Enterprises in the Semiconductor, LCD Panel and Related Components, Computer, Electronic and Optical Products Manufacturing, Other Electronic Components Manufacturing, and Printed Circuit Board (PCB) Manufacturing Industries (Note 6)
	Unit of Measurement	Percentage (%)	Emissions Intensity (kgCO ₂ e/m ²)	Emissions Intensity (tCO ₂ e /MWh)	Percentage (%)	Emissions Intensity (kgCO ₂ e/m ²)	Emissions Intensity (tCO ₂ e/t)	Percentage (%)
	Type of Metrics	Quantitative						
	Current Period Amount	36%	73.90	0.01	0%	48.67	0.56	58%
Targets	Base year (2019)	-	247.93	0.36	-	75.55	2.39	-
	Objective of the Target	Reduction of GHG emissions						
	Target Scope	Former Taishin Group						
	Target Type	Emissions intensity						
	Target Period	By 2050						
	Methodology	Engagement-Based Approach	SDA	SDA	Engagement-Based Approach	SDA	SDA	Engagement-Based Approach
	Current Performance and Trend / Variance Analysis	Portfolio coverage reached 36%	70% reduction	98% reduction	Portfolio coverage reached 0% (Note 8)	36% reduction	77% reduction	Portfolio coverage reached 58%
	Milestones / Interim Targets	Achieve 38% by 2027	Achieve 59% by 2030	Achieve 50% by 2030	Achieve 38% by 2027	Achieve 58% by 2030	Achieve 45% by 2030	Achieve 42% by 2027

Note 1: The scope of the former Taishin Financial Holding and its subsidiaries includes Taishin Financial Holding, Taishin International Bank, Taishin Securities, Taishin Asset Management, Taishin Investment Trust, Taishin Venture Capital, Taishin Securities Investment Advisory, and Taishin Life Insurance. Beginning in 2025, emissions data additionally include the former Shin Kong Financial Holdings and Shin Kong Investment Trust.

Note 2: Includes the seven greenhouse gases specified under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF₃), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆).

Note 3: The latest progress status for Scope 3 SBT targets is based on data calculated as of December 2025.

Note 4: "SDA" refers to the Sector Decarbonization Approach.

Note 5: Only items required under the SBT framework are included. The calculation scope covers listed and OTC-listed equity securities (common shares and preferred shares) and corporate bonds, excluding sovereign bonds, green bonds, private equity, and derivative financial instruments.

Note 6: Long-term loans exclude SME loans and corporate loans with maturities of less than one year.

Note 7: The target scope for loans to service/commercial building-related enterprises excludes the wholesale and retail sectors.

Note 8: As the SBTi has suspended the development of standards for the oil and gas sector in 2025, previously made commitments have been withdrawn, and new commitments and target setting are no longer accepted. In addition, the Sector Decarbonization Approach (SDA) for this sector remains under revision. As a result, no customers in the oil and gas industry have completed SBT target setting.

Former Shin Kong Financial Holding and Its Subsidiaries

Strategic Goals		Transition Strategy of Own Operations			Net-Zero Carbon Emission in Financial Business				
Metrics	Indicator Name	Total Scope 1 Greenhouse Gas Emissions	Total Scope 2 Greenhouse Gas Emissions	Total Scope 1 and Scope 2 Greenhouse Gas Emissions (Combined)	Electricity Generation Project Finance	Corporate Loans: Commercial Real Estate	Corporate Loans: Electricity Generation	Corporate Loans: Other Long-Term Debt	Listed Equity and Corporate Bond (including ETFs and REITs)
	Unit of Measurement	Metric Tons of Carbon Dioxide Equivalent (tCO ₂ e)			Emissions Intensity (tCO ₂ e / MWh)	Emissions intensity (tCO ₂ e / m ²)	Emissions Intensity (tCO ₂ e / MWh)	Percentage (%)	
	Type of Metrics	Quantitative							
	Current Period Amount	3,214	20,654	23,868	0	0.072	1.0238	11.5%	30.6%
Base year (2022)		3,279	28,212	31,491	0.0272	0.0703	0.5318	-	-
Targets	Objective of the Target	Reduction of GHG emissions							
	Target Scope	Former Shin Kong Group							
	Target Type	Emissions				Emissions intensity			
	Target Period	By 2050							
	Methodology	Absolute Reduction		SDA			Engagement-Based Approach		
	Current Performance and Trend / Variance Analysis	24% reduction			100% reduction	Increased by 2.8%	Increased by 56.5%	Portfolio coverage reached 11.5%	Portfolio coverage reached 30.6%
	Milestones / Interim Targets	Reduce total Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030 compared with the 2022 base year			Achieve a 52.1% reduction in emissions intensity per 1,000 kWh by 2030	Achieve a 49.8% reduction in emissions intensity per square meter by 2030	Achieve a 40.8% reduction in emissions intensity per 1,000 kWh by 2030	31.6% of the corporate loan portfolio by loan value set SBTi validated targets by 2027	50.3% of the listed equity and corporate bond portfolio by invested value set SBTi validated targets by 2027

Note: The scope of the former Shin Kong Financial Holding and its subsidiaries includes Shin Kong Financial Holding, Shin Kong Life Insurance, Shin Kong Bank, MasterLink Securities, Shin Kong Investment Trust, Shin Kong Property Insurance Agency, and Shin Kong Venture Capital. Beginning in 2025, the emissions data of Shin Kong Financial Holding Co., Ltd. and Shin Kong Investment Trust are incorporated into the Taishin scope.

Implementation Status of Climate-Related Targets

Key Actions and Timeline

Transition Strategy of Own Operations

Energy conservation and carbon reduction policy

- Increase the number of green building certifications
- Continue replacing equipment with energy-efficient alternatives
- Introduce Power Usage Effectiveness (PUE) monitoring in data centers
- Expand the installation of power regeneration systems
- Promote energy-saving competitions among business units
- Increase procurement of renewable energy (renewable electricity usage accounted for 15% in 2025)
- Gradually replace company vehicles with hybrid or electric vehicles and expand EV charging infrastructure
- Gradually increase the proportion of green procurement
- Promote the digitalization of internal management procedures and paperless initiatives, such as electronic credit card statements
- Implement greenhouse gas inventories
- Enhance energy and resource efficiency
- Foster a green corporate culture
- Develop sustainable green buildings



Net-Zero Carbon Emission in Financial Business

Financing Management

- Coal-Related Business: No new corporate financing will be accepted, effective immediately, to coal mining, coal-fired power plants, or coal infrastructure.
- Unconventional Oil and Gas Business: Effective immediately, no new financing will be provided to companies engaged in unconventional oil and gas activities, including tar sands, Arctic oil and gas, and ultra-deep-water oil and gas.
- Decarbonization Strategy (Financing):
 - ▶ Complete phase-out of the coal industry by 2030 (all financing for coal mining operations has already been fully divested)
 - ▶ Complete phase-out of unconventional oil and gas industries by 2040 (financing related to tar sands and Arctic oil and gas has already been fully divested; financing related to ultra-deepwater oil and gas activities is scheduled to be fully phase-out by the end of 2030)
- Establish ESG assessment checklists for credit approval cases to guide capital toward corporate transition and climate adaptation initiatives, enhance sustainability awareness among corporate clients, reduce greenhouse gas emissions, continuously increase the number of corporate clients participating in the SBT initiative, and promote engagement with financing counterparties in high-carbon-emitting industries.

Investment management

- Coal-Related Business: Effective immediately, no new investments will be made in coal mining, coal-fired power plants, or coal infrastructure.
- Unconventional Oil and Gas Business: Effective immediately, no new investments will be provided to companies engaged in unconventional oil and gas activities, including tar sands, Arctic oil and gas extraction, and ultra-deep-water.
- Decarbonization Strategy (Investment):
 - ▶ Complete phase-out of the coal industry by 2030
 - ▶ Complete phase-out of unconventional oil and gas industries by 2040

4.2 Data related to Transition Strategy of Own Operations

In response to the climate-related risks and opportunities identified in Section 2.1.2, TS Holdings has formulated an operational transition plan and expanded its climate action initiatives across three key dimensions. Through its ISO management systems, the Company continues to promote energy saving, carbon reduction, and environmental initiatives on an annual basis, while maintaining ongoing monitoring and continuous improvement. Relevant metrics and data are presented below:

Performance of Energy-saving and Carbon Reduction Actions

TS Holdings continues to reduce greenhouse gas emissions through its three-pronged net-zero strategy, encompassing energy conservation, renewable energy generation, and renewable energy procurement. The Company has also introduced an internal carbon pricing mechanism to evaluate decision-making options with the greatest carbon reduction benefits and to implement rigorous cost planning. In 2025, a total of NT\$120.3 million was invested in energy-saving projects, generating annual cost savings of approximately NT\$5.8 million. The cumulative annual carbon reduction achieved by these projects reached 18,900 metric tons of CO₂e, accounting for 46% of the Company's total Scope 1 and Scope 2 emissions in 2025.

Summary Table of Carbon Reduction Action Plan Performance

Carbon Reduction Strategy	Reduction Actions	Cumulative Results	Cumulative Annual Electricity Savings (kWh)	Cumulative Annual Carbon Reduction (tCO ₂ e)	Electricity Savings from 2025 Projects (kWh)	Carbon Reduction from 2025 Projects (tCO ₂ e)	Investment Cost of 2025 Projects (NT\$ million)
Energy Conservation	HVAC Energy Management Systems	3 sites	226,459	107	-	-	41.0
	Energy-Efficient Air Conditioning Systems	151 sites	2,744,554	1,301	428,027	203	
	Energy-Efficient Lighting Fixtures	168 sites	3,637,992	1,724	507,680	241	
	Elevator Regenerative Power Program	3 sites	33,219	16	22,926	11	
	Green Buildings	21 certifications	Energy Savings from HVAC and Lighting Efficiency Measures				
Renewable Energy Generation	Solar Photovoltaic (PV) Installations	13 sites	-	83	-	8	2.8
Energy Procurement	Renewable Energy Certificates	0.5 million kWh	-	264	-	64	76.5
	Renewable Electricity Consumption	32 million kWh	-	15,405	-	6,032	
Total			6,642,224	18,900	958,633	6,559	120.3

Note 1: The carbon reduction projects have been accounted for since 2016. The annual electricity savings and carbon emission reductions presented herein are estimated values. The electricity emission factor was calculated based on 0.000474 tCO₂e/kWh for 2024.

Note 2: Cost-saving benefits were calculated based on an average green electricity price of NT\$6 per kWh.

Note 3: Green building projects include both certified green buildings and projects that have obtained a Green Building Candidate Certificate.

Historical Data on Energy Consumption

The primary source of energy consumption for TS Holdings is purchased electricity, followed by gasoline consumption from company vehicles. In support of Taiwan's renewable energy policies and regulations, TS Holdings has established a target of achieving a renewable energy usage ratio of 24% by 2030. Since 2017, the Company has purchased Taiwan Renewable Energy Certificates (T-RECs) and, beginning in 2022, entered into green power purchase agreements with renewable energy suppliers. By continuously increasing the procurement of renewable energy certificates and green electricity, the Company seeks to manage and reduce its electricity consumption intensity on an ongoing basis.

Boundary		Energy	Unit	2023	2024	2025
Within the Organization	Renewable Energy	Generated renewable electricity for self-use	kWh	46,026	46,506	175,413
		Purchased green electricity	kWh	8,081,639	10,994,918	12,726,495
		Purchased Renewable Energy Certificates	kWh	73,000	85,000	135,200
		Subtotal	kWh	8,200,665	11,126,424	13,037,108
	Non-Renewable Energy	Gasoline	L	435,354	458,300	890,367
			kWh	3,948,560	4,007,461	7,785,534
		Diesel	L	15,044	15,717	17,229
			kWh	146,942	157,697	172,874
		Purchased electricity	kWh	87,132,586	80,171,072	75,607,846
		Subtotal	kWh	91,228,088	84,336,230	83,566,254
	Renewable + Non-Renewable Energy	Total	kWh	99,428,753	95,462,654	96,603,362
	Electricity Intensity		kWh/employee	3,084	2,873	2,962
			kWh/NT\$ million	995	711	1,114

- Note 1: Energy content conversions were calculated in accordance with the Energy Product Calorific Value Conversion Table published by the Energy Administration, Ministry of Economic Affairs (MOEA). Data for 2024–2025 were calculated using the revised conversion factors published by the Energy Administration in 2024: electricity (consumption basis) at 860 kcal/kWh, gasoline at 7,520 kcal/L, and diesel at 8,629 kcal/L. A joule conversion factor of 4.186 kJ/kcal was applied.
- Note 2: The Financial Holding Company operates a total of 13 solar photovoltaic rooftop installations. Electricity generated by the solar photovoltaic system at the Neihu Building is sold to Taiwan Power Company (Taipower), while electricity generated at the remaining 12 sites is consumed on-site. Accordingly, the self-generated and self-consumed electricity figures represent estimated values excluding the Neihu Building.
- Note 3: The employee count used for calculating electricity intensity comprises the total number of full-time and non-full-time employees of TS Holdings and its subsidiaries. The financial denominator used for electricity intensity calculations is net revenue as reported in the consolidated financial statements of the Financial Holding Company.
- Note 4: TS Holdings completed their merger in July 2025. Figures for 2023–2024 were calculated based on the aggregated data of the two entities prior to the merger. In addition, the reporting boundary was expanded in 2024 and 2025. For Shin Kong Life Insurance, three subsidiaries; for MasterLink Securities., ten subsidiaries and sub-subsidiaries; and for Shin Kong Venture Capital, one subsidiary, data for 2023–2024 were estimated based on actual 2025 performance. For Taishin International Bank, three subsidiaries and sub-subsidiaries and six operating locations; for Taishin Securities, four subsidiaries and sub-subsidiaries; and for Taishin Venture Capital, one subsidiary, data for 2023 were estimated based on actual 2024 performance. Figures reported for 2025 represent actual data for all entities within the reporting boundary. Natural gas and purchased steam account for an insignificant proportion of TS holdings' total energy consumption and have therefore been excluded from this table.
- Note 5: Electricity intensity was calculated based on total electricity consumption. In 2025, net revenue generated per kWh of electricity consumed amounted to NT\$897, representing a decrease of 36% compared with the previous year.

Data of Greenhouse Gas Emissions

Since 2016, TS Holdings has prepared voluntary greenhouse gas inventory reports in accordance with ISO 14064-1:2006 (subsequently updated to ISO 14064-1:2018). Considering the relief provided under paragraph C4(a) of IFRS S2, which permits entities to use a measurement methodology other than the Greenhouse Gas Protocol Corporate Standard, and in order to maintain consistency in reporting methodologies and comparability across reporting periods, the Company conducted its 2025 greenhouse gas inventory in accordance with ISO 14064-1:2018. The Company plans to conduct its greenhouse gas inventory in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004 Edition) starting from 2027.

TS Holdings conducts its greenhouse gas inventory in accordance with ISO 14064-1 and manages decarbonization initiatives based on SBT aligned pathways. Through the implementation of energy saving and carbon reduction initiatives over the years, the Company's total Scope 1 and Scope 2 (market-based) greenhouse gas emissions in 2025 amounted to 40,961 tCO₂e, representing a reduction of 8.2% compared with total emissions in 2024.

1. Scope 1 and Scope 2

Operating Location	Greenhouse Gas Emissions (tCO ₂ e)		
	Scope 1	Scope 2	Total Scope 1 and Scope 2 Emissions
Consolidated Accounting Group – Location-based	5,122	41,655	46,777
Consolidated Accounting Group – Market-based	5,122	35,839	40,961
Other Investees (Associates) ^(Note 5)	0	0	0
Total Emissions Disclosed (Operational Control Approach) ^(Note 6)	0	0	0
Emission Intensity – Market-based (tCO ₂ e/person)		1.37	
Emission Intensity – Market-based (tCO ₂ e/NT\$ million)		0.51	

Note 1: The greenhouse gas emissions target of TS Holdings covers Scope 1 and Scope 2 emissions, including carbon dioxide (CO₂), methane (CH₄), and hydrofluorocarbons (HFCs). As a financial institution, the Company does not generate emissions associated with ozone-depleting substances, nitrogen oxides, sulfur oxides, or other similar air pollutants.

Note 2: Greenhouse gas emissions were quantified using the emission factor approach. The electricity emission factor was calculated based on 0.474 kgCO₂e/kWh for 2024. Global Warming Potential (GWP) values were adopted from the Sixth Assessment Report (AR6) published by the Intergovernmental Panel on Climate Change (IPCC).

Note 3: The employee count used for calculating carbon emission intensity comprises the total number of employees across the Financial Holding Group, including both full-time and non-full-time employees. The financial denominator used for carbon emission intensity calculations is net revenue as reported in the consolidated financial statements of the Financial Holding Company.

Note 4: In 2025, net revenue generated per metric ton of carbon emissions amounted to NT\$1,942,269, representing a decrease of 33% compared with the previous year.

Note 5: Under the operational control approach, the Group has determined that it does not exercise operational control over other investees (associates), but only has significant influence. Accordingly, Scope 1 and Scope 2 greenhouse gas emissions attributable to these investees are reported as zero.

Note 6: For investees that are not included in the consolidated financial statements, the Group does not have the authority to control significant operational decisions. Therefore, greenhouse gas emissions from these investees are accounted for using the operational control approach in accordance with ISO 14064-1:2018.

2. Annual Greenhouse Gas Emissions Reduction Targets

The greenhouse gas emissions reduction targets established by the former Taishin Financial Holding and the former Shin Kong Financial Holding have each been validated by the SBTi. In alignment with a decarbonization pathway consistent with limiting global temperature rise to 1.5° C, the average annual emissions reduction targets are set as follows:

Former Taishin Financial Holding and Its Subsidiaries

Year	2026	2030	2050
Target Reduction Ratio of Scope 1 and Scope 2 Emissions from Own Operations Relative to the Base Year	29%	46%	100%
Target Proportion of Renewable Electricity Consumption	30%	46%	100%

Former Shin Kong Financial Holding and Its Subsidiaries

Year	2026	2030	2050
Target Reduction Ratio of Scope 1 and Scope 2 Emissions from Own Operations Relative to the Base Year	21%	42%	100%
Target Proportion of Renewable Electricity Consumption	7%	24%	100%

Note 1: The Scope 1 and Scope 2 emissions reduction targets under the SBT framework do not include second-tier subsidiaries within the organizational boundary.

Note 2: The actual annual procurement volume of renewable electricity will be periodically reviewed and adjusted on a rolling basis in accordance with evolving energy policies and technological developments.

4.3 Data Related to Net-Zero Carbon Emission in Financial Business

To address the climate-related risks and opportunities identified in Section 2.1.2, TS Holdings has developed a net-zero transition plan for its financial activities. The Group incorporates greenhouse gas emissions as a key consideration in its investment and financing decision-making processes, thereby supporting the low-carbon transition of industries. Relevant metrics and performance data are presented below:

4.3.1 Financial Carbon Emissions

For its Scope 3 investment and financing portfolio, TS Holdings calculates financed emissions based on the methodologies established by the Partnership for Carbon Accounting Financials (PCAF), the Practice Manual for Domestic Bank Investment and Financing Portfolio Financial Carbon Emissions (Scope 3), and the IFRS S2 Industry-based Implementation Guidance. The carbon inventory data are disclosed by total investment and financing emissions, as well as by asset class, industry sector, and geographic region. Historical financed emissions data are presented in the table below:

1. Overview of Financed Emissions, Carbon Footprint, and Coverage of Investment and Financing Portfolios

Financed emissions of the investment and financing portfolio in the base year (2019) amounted to 611,625 tCO ₂ e		2023	2024	2025
Investment Position	Carbon Emissions (tCO ₂ e)	2,510,311	2,772,662	14,559,995
	Carbon Footprint (tCO ₂ e/NT\$ million)	4.00	3.83	3.78
Financing Position	Carbon Emissions (tCO ₂ e)	1,857,227	2,015,166	5,363,514
	Carbon Footprint (tCO ₂ e/NT\$ million)	1.71	1.71	3.00
Total Financed Emissions of the Investment and Financing Portfolio		4,367,538	4,787,828	19,923,509
Total Carbon Footprint of the Investment and Financing Portfolio		2.55	2.52	3.54
Balance of Assessed Investment and Financing Portfolio (NT\$ million)		1,715,292	1,898,206	5,633,016
Inventory Coverage (%)		65.50	66.90	83.30

2025 Financial Carbon Emissions	Scope 1 and 2 carbon emissions (tCO ₂ e)	Scope 3 carbon emissions (tCO ₂ e)	Total carbon emissions (tCO ₂ e)
Investment Position	14,559,995	0	14,559,995
Financing Position	5,363,514	0	5,363,514
Total	19,923,509	0	19,923,509

Note 1: Financed Carbon Footprint = Financed carbon emissions / Balance of Assessed Investment and Financing Portfolio

Note 2: Portfolio Coverage = Balance of Assessed Investment and Financing Portfolio / Total carrying amount of assets classified as FVPL, FVOCI, AC, Short-term Loans, Medium-term Loans, Long-term Loans, and NPLs on the balance sheet.

Note 3: Changes in Portfolio Scope – Following the official merger of TS Holdings in 2025, the data disclosed for 2023 and 2024 covered the original Taishin Group only. Data for 2025 are disclosed based on the scope of the merged TS Financial Holding Group.

Note 4: Since 2023, the scope of financed emissions accounting for investment portfolios has included assets classified as FVPL, FVOCI, and AC, covering listed and OTC-listed equities (common shares and preferred shares), corporate bonds (excluding green bonds), and sovereign bonds. The scope excludes private equity investments and derivative financial products. The financed emissions accounting scope for lending portfolios includes corporate loans with maturities of less than one year, SME loans, residential mortgage loans, and motor vehicle loans.

Note 5: Minor discrepancies between subtotals and totals may occur due to rounding.

Note 6: The carbon emissions disclosed for 2025 in this table were prepared in accordance with ISO 14064-1:2018 and have been verified by an external assurance provider, BSI.

2. Financed Emissions and Carbon Footprint of Financing and Investment Portfolios in 2025 (by Asset Class, Industry Sector, and Geographic Region)

Classified by Asset Class

Asset Class	Balance of Assessed Portfolio (NT\$ million)	Carbon Emissions (tCO ₂ e)	Carbon Footprint (tCO ₂ e/NT\$ million)	Carbon Emissions Share (%)	Data Quality Score
Listed and Unlisted Equity Investments	334,613	267,804	0.80	1.3%	1.25
Listed and Unlisted Corporate Bond Investments	2,559,017	7,954,500	3.11	39.9%	1.64
Commercial Loans	978,751	4,995,028	5.10	25.1%	3.49
Project Financing and Investment	14,111	0.00 (for renewable energy project)	-	0.0%	-
Commercial property Financing and Investment	73,120	74,905	1.02	0.4%	4.00
Mortgage	648,070	198,080	0.31	1.0%	4.00
Motor Vehicle Loans	74,218	95,501	1.29	0.5%	3.73
Sovereign Bond Investments (excluding LULUCF)	951,116	6,337,691	6.66	31.8%	1.87
Total	5,633,016	19,923,509	3.54	100.0%	2.30

Note 1: Asset classes are categorized in accordance with the inventory categories defined in the Practical Handbook for Financed Emissions (Scope 3) Accounting of Domestic Banks' Financing and Investment Portfolios.

Note 2: For sovereign bonds, the corresponding figures calculated including LULUCF are as follows: (1) Financed Emissions: 6,414,599 tCO₂e; and (2) Carbon Footprint: 6.74 tCO₂e/NT\$ million.

Note 3: Minor discrepancies between subtotals and totals may occur due to rounding.

Classified by Industry

Industry	Balance of Assessed Portfolio (NT\$ million)	Carbon Emissions (tCO ₂ e)	Carbon Footprint (tCO ₂ e/NT\$ million)	Carbon Emissions Share (%)
Extraction of Crude Petroleum and Natural Gas	80,597	669,909	8.31	3.4%
Electricity and Gas Supply	130,463	5,325,926	40.82	26.7%
Manufacture of Basic Metals	82,956	984,171	11.86	4.9%
Petrochemical-related	33,033	501,312	15.18	2.5%
Manufacture of Paper and Paper Products	3	68	22.50	0.0%
Manufacture of Textile	35,042	58,982	1.68	0.3%
Cement	11,382	2,867,399	251.92	14.4%
Other	5,259,539	9,515,742	1.81	47.8%
Total	5,633,016	19,923,509	3.54	100.0%

Note 1: Industry classifications are based on TS Holdings' list of carbon-intensive industries, with classifications determined according to the BICS and the industry categories published by the Directorate-General of Budget, Accounting and Statistics (DGBAS).

Note 2: "Others" includes sovereign bonds, residential mortgage loans, and motor vehicle loans that are not classified by industry sector.

Note 3: Minor discrepancies between subtotals and totals may occur due to rounding.

Classified by Region

Regions	Balance of Assessed Portfolio (NT\$ million)	Carbon Emissions (tCO ₂ e)	Carbon Footprint (tCO ₂ e/NT\$ million)	Carbon Emissions Share (%)
Taiwan	2,448,156	6,424,109	2.62	32.2%
Asia-Pacific (excluding Taiwan)	551,741	2,250,195	4.08	11.3%
America	1,634,106	8,786,700	5.38	44.1%
Europe	665,933	781,286	1.17	3.9%
Other	333,080	1,681,220	5.05	8.4%
Total	5,633,016	19,923,510	3.54	100.0%

Note 1: Geographic classifications are based on the risk country of the underlying exposure as identified through Bloomberg.

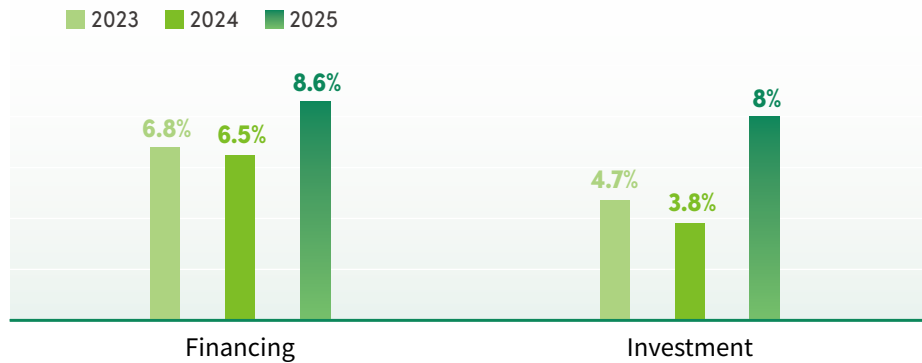
Note 2: Minor discrepancies between subtotals and totals may occur due to rounding.

4.3.2 Sensitive Industry Exposure

To effectively assess the overall impact of risks associated with climate change and changes in the natural environment, TS Holdings and its major subsidiaries have, since 2022, identified and monitored "high carbon emission industries" that are considered more sensitive to transition risks. These industries include "extraction of crude petroleum and natural gas", "electricity and gas supply" (excluding green energy power generation), "manufacture of basic metals", "petrochemical-related industries", "manufacture of paper and paper products", "manufacture of textile", and "cement". In 2025, considering additional nature-related risk factors, the Company expanded its scope to include "high nature-sensitive industries," comprising the "chemical industry", "sand, stone and other mining and quarrying", "beverage and food manufacturing", and "agriculture, forestry, fisheries and animal husbandry". Together with the carbon-intensive industries, these sectors are collectively referred to as "Sensitive Industries." Changes in exposure to Sensitive Industries are regularly reported to the monthly Risk Management Committee meeting to facilitate ongoing monitoring of the Company's expected exposure to climate- and nature-related risks. Beginning in 2025, the Company also incorporated the investment and financing portfolios of the former Shin Kong subsidiaries into its monitoring framework. As a result of the merger and the inclusion of nature-sensitive industries, overall exposure increased compared with previous years. Sensitive Industry exposure accounted for 8.6% of the financing portfolio and 8.0% of the investment portfolio. Within the financing portfolio, exposure was primarily concentrated in manufactured of basic metals, petrochemical-related industries, and the chemical industry. Within the investment portfolio, exposure was mainly concentrated in extraction of crude petroleum and natural gas , electricity and gas supply, and manufacture of basic metals .

In alignment with the Group's core climate strategy of achieving "Net-Zero Carbon Emission in Financial Business", the responsible business units of each subsidiary are required to prudently assess the climate-related risks of financing and investment counterparties. High carbon emission industries are incorporated as one of the key risk assessment factors in business engagements and transaction decision-making processes and are integrated into relevant review procedures and decision-making mechanisms. In addition, statistics on exposure to high carbon emission industries are regularly reported to the responsible management authorities for oversight and risk management purposes.

Historical Exposure Ratio of Sensitive Industries



Financing /Exposure Ratio = Exposure Amount of Each Sensitive Industry / Total Exposure Amount of Sensitive Industries

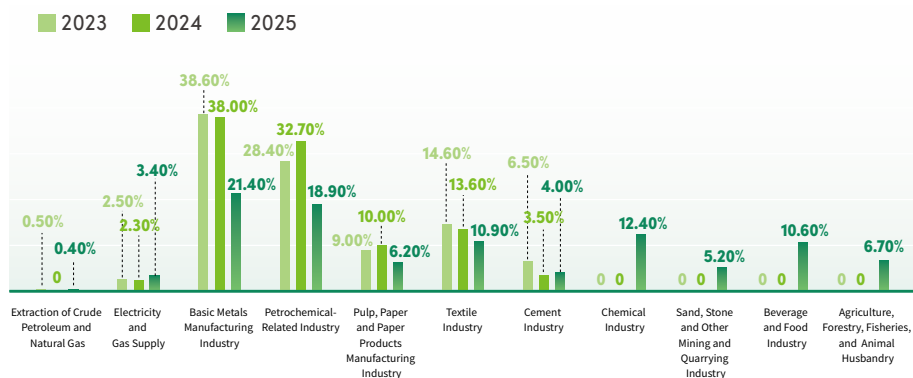
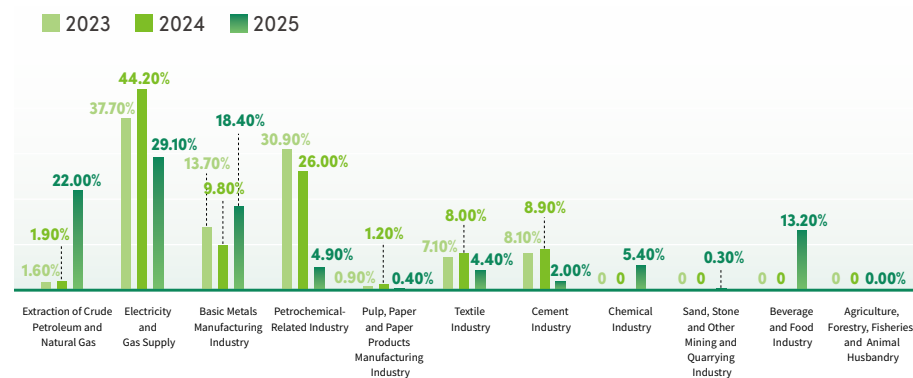
Unit | NT\$ million

Sensitive Industry	2023 Exposure Amount	2023 Exposure Ratio	2024 Exposure Amount	2024 Exposure Ratio	2025 Exposure Amount	2025 Exposure Ratio
Extraction of Crude Petroleum and Natural Gas	247	0.5%	-	-	482	0.4%
Electricity and Gas Supply	1,170	2.5%	1,145	2.3%	4,165	3.4%
Manufacture of Basic Metals	18,478	38.6%	19,368	38.0%	26,616	21.4%
Petrochemical-related	13,579	28.4%	16,639	32.7%	23,497	18.9%
Manufacture of Paper and Paper Products	4,292	9.0%	5,071	10.0%	7,689	6.2%
Manufacture of Textile	6,966	14.6%	6,909	13.6%	13,509	10.9%
Cement	3,099	6.5%	1,776	3.5%	4,974	4.0%
Chemical Industry	-	-	-	-	15,436	12.4%
Sand, Stone and Other Mining and Quarrying	-	-	-	-	6,447	5.2%
Beverage and Food	-	-	-	-	13,122	10.6%
Agriculture, Forestry, Fisheries, and Animal Husbandry	-	-	-	-	8,279	6.7%

Investment / Exposure Ratio = Exposure Amount of Each Sensitive Industry / Total Exposure Amount of Sensitive Industries

Unit | NT\$ million

Sensitive Industry	2023 Exposure Amount	2023 Exposure Ratio	2024 Exposure Amount	2024 Exposure Ratio	2025 Exposure Amount	2025 Exposure Ratio
Extraction of Crude Petroleum and Natural Gas	726	1.6%	775	1.9%	80,372	22.0%
Electricity and Gas Supply	17,301	37.7%	18,242	44.2%	106,409	29.1%
Manufacture of Basic Metals	6,262	13.7%	4,049	9.8%	67,416	18.4%
Petrochemical-related	14,188	30.9%	10,715	26.0%	17,839	4.9%
Manufacture of Paper and Paper Products	432	0.9%	485	1.2%	1,407	0.4%
Manufacture of Textile	3,249	7.1%	3,316	8.0%	15,937	4.4%
Cement	3,706	8.1%	3,681	8.9%	7,340	2.0%
Chemical Industry	-	-	-	-	19,590	5.4%
Sand, Stone and Other Mining and Quarrying	-	-	-	-	1,091	0.3%
Beverage and Food	-	-	-	-	48,174	13.2%
Agriculture, Forestry, Fisheries, and Animal Husbandry	-	-	-	-	147	0.0%

Changes in the Exposure Composition of Sensitive Industries**Financing****Investment**

Note 1: TS Holdings was formally established through a merger in 2025. Exposure statistics for 2023 and 2024 included Taishin International Bank (including overseas branches), Taishin Life Insurance, and Taishin Securities. Beginning in 2025, Shin Kong Bank, Shin Kong Life Insurance, and MasterLink Securities were additionally incorporated into the exposure analysis.

Note 2: In 2025, the Company expanded its scope to include "high nature risk industries" in consideration of nature-related risk factors. These industries comprise the "chemical industry", "sand, stone and other mining and quarrying", "beverage and food", and "agriculture, forestry, fisheries and animal husbandry". Together with high carbon emission industries, these sectors are collectively referred to as "Sensitive Industries," and changes in their exposure levels are monitored on a regular basis.

Note 3: Investments include both equity and debt instruments.

Note 4: Minor discrepancies between subtotals and totals may occur due to rounding.

Appendix

Appendix 1 Greenhouse Gas Inventory

Appendix 1 Greenhouse Gas Inventory

Appendix 2 Report Verification and Assurance

Appendix 3 TCFD Index

Appendix 4 IFRS S2 Index

Source of emission	Scope 1				Scope 2 (Market-based)			
	2024		2025		2024		2025	
	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million
TS Holdings(The 2024 figures represent the combined greenhouse gas emissions of the former Taishin FHC and the former Shin Kong Financial Holdings)	44.6877	0.0011	11.9908	0.0003	276.1721	0.0066	214.8544	0.0055
Taishin Bank	1,426.0746	0.0276	1,340.5898	0.0230	12,871.5221	0.2488	11,357.2552	0.1951
Taishin Life	13.7950	0.0005	15.3988	0.0004	1,811.0689	0.0618	1,613.7247	0.0410
Taishin Securities	88.5714	0.0156	73.9690	0.0130	997.5391	0.1760	927.4673	0.1628
Taishin Securities Investment Trust (The 2024 figures represent the combined greenhouse gas emissions of the former Taishin Securities Investment Trust and the former Shin Kong Investment Trust Co., Ltd.)	9.9919	0.0067	4.6083	0.0040	266.6006	0.1798	226.7933	0.1993
Taishin Securities Investment Advisory	0.0000	0.0000	0.0000	0.0000	43.7262	0.3374	22.4442	0.1851
Taishin Asset Management	11.7755	0.0378	6.4392	0.0310	33.4818	0.1075	22.8358	0.1099
Taishin Venture Capital Investment	2.5348	N/A	2.4377	N/A	9.8058	N/A	5.0335	N/A
Taishin Sports Entertainment	0.0007	0.0000	3.1746	0.0308	3.6902	0.0200	4.7415	0.0460
Taishin D.A. Finance	23.5794	0.0369	27.3919	0.0420	185.7624	0.2911	182.8558	0.2803
Taishin Financial Leasing (China)	360.3989	1.7913	340.7841	1.9131	265.4341	1.3193	312.3414	1.7534
Taishin Futures	0.7197	0.0043	0.8849	0.0042	46.9774	0.2808	53.4319	0.2536
Taishin Securities Venture Capital	0.0000	0.0000	0.0000	0.0000	3.6959	0.0343	4.3300	0.0323
Taishin Capital	0.0000	0.0000	0.0000	N/A	3.6297	0.0802	3.4964	N/A
Taishin Health Investment	0.0000	0.0000	0.0000	N/A	0.0000	0.0000	0.0000	N/A
Taishin Real Estate Management	0.0000	0.0000	4.4148	0.0613	4.9986	0.0804	7.9973	0.1110
Taiwan Shin Kong Commercial Bank Co., Ltd.	1,767.5293	0.0782	1,583.4390	0.0707	8,438.9811	0.3733	9,042.6815	0.4035
Shin Kong Life Insurance Co., Ltd.	1,322.8957	0.0571	1,307.7554	N/A	10,480.5836	0.4520	8,678.3909	N/A

Source of emission	Scope 1				Scope 2 (Market-based)			
	2024		2025		2024		2025	
	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million	Total emission tCO ₂ e	Intensity tCO ₂ e/ NT\$ million
Shin Kong Life Singapore Pte. Ltd.			0.0000	N/A			0.0000	N/A
Shin-Kong Life Real Estate Service Co., Ltd	Emissions not yet inventoried in 2024		0.0007	0.0000	Emissions not yet inventoried in 2024		67.4457	0.1149
Shin Kong Life Vietnam Co., Ltd.			0.0000	0.0000			1.0646	1.1090
Shin Kong Property Insurance Agency Co., Ltd.	2.0434	0.0124	11.0920	0.0643	9.7147	0.0590	2.5259	0.0146
MasterLink Securities Corp.	252.9886	0.0268	312.2845	0.0343	3,218.4185	0.3409	2,929.9223	0.3222
MasterLink Insurance Agents Co., Ltd.			0.0000	0.0000			0.0000	0.0000
MasterLink Venture Management Corporation			0.0000	0.0000			0.0000	0.0000
MasterLink Venture Capital Co., Ltd.			0.0000	0.0000			0.0000	0.0000
Masterlink Securities (H.K.) Corp. Ltd.			0.2133	N/A			8.4487	N/A
MasterLink Investment Consulting (Tianjin) Co., Ltd.			0.0000	N/A			0.0000	N/A
MasterLink Venture Capital (Tianjin) Co., Ltd.	Emissions not yet inventoried in 2024		0.0000	0.0000	Emissions not yet inventoried in 2024		0.0000	0.0000
MasterLink Innovation & Venture Capital Management (Tianjin) Co., Ltd.			0.0432	0.0097			0.5943	0.1333
MasterLink Securities (B.V.I.) Corporation			0.0000	0.0000			0.0000	0.0000
MasterLink Futures Corporation			13.8009	0.1865			105.8023	1.4297
MasterLink Securities Investment Advisory Corp.			0.0000	N/A			20.0475	N/A
Shin Kong Venture Capital Co., Ltd.	2024 emissions data is incorporated within the original Shin Kong Financial Holding report.		0.0000	N/A	2024 emissions data is incorporated within the original Shin Kong Financial Holding report.		0.2074	N/A
Shin Kong Leasing (Suzhou) Co., Ltd.	Emissions not yet inventoried in 2024		61.0273	N/A	Emissions not yet inventoried in 2024		22.2627	N/A

- Note 1: To maintain consistency across reporting periods as much as possible, TS Holdings has adopted the previous measurement approach, using the operational control approach under ISO 14064-1:2018 to measure Greenhouse Gas (GHG) emissions for Scope 1, Scope 2, and Scope 3.
- Note 2: In 2024, the former Shin Kong Financial Holding, Shin Kong Life Insurance, MasterLink Securities, the former Shin Kong Investment Trust, Shin Kong Property Insurance Agency, and Shin Kong Venture Capital commissioned DNV (Det Norske Veritas) and SGS (SGS Taiwan Ltd.) to conduct Scope 1 and Scope 2 GHG verification at a reasonable assurance level, in accordance with ISO 14064-3:2019. Concurrently, the former Taishin Financial Holding and its subsidiaries—including Taishin Bank, Taishin Securities, Taishin Asset Management, Taishin Investment Trust, Taishin Venture Capital, Taishin Securities Investment Advisory, Taishin Life Insurance, Taishin Daan Leasing, Taishin Finance Leasing, Taishin Real Estate Management, Taishin Sports Entertainment, Taishin Futures, Taishin Securities Venture Capital, Taishin Capital Management, and Taishin Health Investment—commissioned BSI (British Standards Institution) to perform Scope 1 and Scope 2 verification at a reasonable assurance level per ISO 14064-3:2019.
- Note 3: In 2025, a total of 538 locations from the listed companies commissioned BSI (British Standards Institution) to conduct Scope 1 and Scope 2 verification at a reasonable assurance level, in accordance with ISO 14064-3:2019.
- Note 4: For subsidiaries with negative net income, the intensity is shown as N/A.
- Note 5: The verification statement is disclosed on the website of TS Financial Holding / Corporate Sustainability / Sustainability Regulations and Certification.

Appendix 2 Report Verification and Assurance



Conformity Statement

Climate related Financial Disclosure

This is to conform that TS Financial Holding Co., Ltd.
No. 118, Sec. 4, Ren-ai Road
Da-an Dist.
Taipei City
106435
Taiwan

台新新光金融控股股份有限公司
臺灣
台北市
大安區
仁愛路 4 段 118 號
106435

Holds Statement Number **SRA-TW-804508**

As a result of carrying out conformity check process based on TCFD requirement, BSI declares that:

- TS Financial Holding Co., Ltd. follows the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) with Supplemental Guidance for the Financial sector (Banks and Insurance Companies Sectors) to disclose climate-related financial information which is clear, comparable and consistent its organizational risks and opportunities as well as its financial impacts. The disclosures covers the four core elements of the TCFD and is prepared based on the seven guiding principles for effective disclosures.
- The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks and Insurance Companies Sectors) is **Level-5+: Excellence** grade.
- 涵蓋金融業補充指引(銀行及保險公司)之氣候相關的財務揭露的成熟度模型為**【第五級 PLUS：優秀】**等級。

For and on behalf of BSI


Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

Latest issue: 2026-06-15

Expiry date: 2027-06-14

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...making excellence a habit.™

The British Standards Institution is independent to the above named client and has no financial interest in the above named client. This Conformity Statement has been prepared for the above named client only for the purposes of verifying its statements relating to its climate related financial disclosures more particularly described in the scope. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Conformity 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 Conformity Statement may be read. Any queries that may arise by virtue of this Conformity Statement or matters relating to it should be addressed to the above named client only.

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114700, Taiwan, R.O.C.
BSI Taiwan is a subsidiary of British Standards Institution

Statement number: **SRA-TW-804508**

Location:

TS Financial Holding Co., Ltd.
No. 118, Sec. 4, Ren-ai Road
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Taipei City
106435
Taiwan
台新新光金融控股股份有限公司
臺灣
台北市
大安區
仁愛路 4 段 118 號
106435

Conformity Check Overall Result:

The maturity model for the Climate-related Financial Disclosures with Supplemental Guidance for the Financial Sector (Banks and Insurance Companies Sectors) is **Level-5+: Excellence** grade.

涵蓋金融業補充指引(銀行及保險公司)之氣候相關的財務揭露的成熟度模型為**【第五級 PLUS：優秀】**等級。

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Appendix 3 TCFD Index

Dimension	Recommended disclosures for all sectors	Corresponding chapter in the Report
Governance	Description of the Board's supervision in climate-related risks and opportunities	1.1 Climate governance framework and responsibilities 1.2 Implementation by the Board of Directors and Management
	Description of roles of the management team in evaluating and managing climate-related risks and opportunities	1.1 Climate governance framework and responsibilities 1.2 Implementation by the Board of Directors and Management
Climate Strategy	Description of the climate-related risks and opportunities over the short, medium, and long term identified by the organization	2.1 Climate-related risks and opportunities
	Description of the impacts to climate-related risks and opportunities on the business, strategy, and financial planning established by the organization	2.1 Climate-related risks and opportunities 2.2 Climate strategy and actions
	Description of the resilience of the strategies implemented by the organization, taking into consideration of different climate-related scenarios (including scenarios of 2° C or harsher situation)	2.3 Climate change scenario analysis and resilience assessment
	Description of the processes adopted by the organization to identify and assess climate-related risks	2.1 Climate-related risks and opportunities 3.1 Climate risk management framework 3.2 Climate risk management practices
Risk management	Description of the process adopted by the organization to manage climate-related risks	3.1 Climate risk management framework 3.2 Climate risk management practices
	Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system established by the organization	3.1 Climate risk management framework 3.2 Climate risk management practices
Metrics and targets	Disclosure of the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2.1 Climate-related risks and opportunities 2.2 Climate strategy and actions 4.1 Science-Based Targets (SBTs) for emission reduction and progress status 4.2 Data related to the transition strategy of own operations 4.3 Data Related to Net-Zero Carbon Emission in Financial Business

Dimension	Recommended disclosures for all sectors	Corresponding chapter in the Report
Metrics and targets	Greenhouse Gases – The entity shall disclose the absolute gross emissions of Scope 1, Scope 2, and Scope 3 greenhouse gases generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent; disclose the approach it uses to measure its greenhouse gas emissions.	4.2 Data related to the transition strategy of own operations 4.3 Data Related to Net-Zero Carbon Emission in Financial Business
	Climate-Related Transition Risks – The amount and percentage of assets or business activities vulnerable to climate-related transition risks.	2.3 Climate change scenario analysis and resilience assessment
	Climate-Related Physical Risks – The amount and percentage of assets or business activities vulnerable to climate-related physical risks.	2.3 Climate change scenario analysis and resilience assessment
	Climate-Related Opportunities – The amount and percentage of assets or business activities aligned with climate-related opportunities.	2.1 Climate-related risks and opportunities 2.2 Climate strategy and actions
	Capital Deployment – The amounts of capital expenditure, financing, or investments deployed towards climate-related risks and opportunities	2.1 Climate-related risks and opportunities
	Internal Carbon Prices – The entity shall disclose: an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	2.2 Climate strategy and actions
	Remuneration – The entity shall disclose: a description of whether and how climate-related considerations are factored into executive remuneration; and the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	1.2 Implementation by the Board of Directors and Management

Dimension	Recommended disclosures for all sectors	Corresponding chapter in the Report
Metrics and targets	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	4.2 Data related to the transition strategy of own operations 4.3 Data Related to Net-Zero Carbon Emission in Financial Business
	Description of the targets used by the organization to manage climate-related risks and opportunities and performance against the implementation of each target.	4.1 Science-Based Targets (SBTs) for emission reduction and progress status 4.2 Data related to the transition strategy of own operations 4.3 Data Related to Net-Zero Carbon Emission in Financial Business
Dimension	Guidance of disclosure for the Banks	Corresponding chapter in the Report
Climate Strategy	Describe significant concentrations of credit exposure to carbon-related assets. Additionally, banks should consider disclosing their climate-related risks (transition and physical) in their lending and other financial intermediary business activities	2.1 Climate-related risks and opportunities 2.3 Climate change scenario analysis and resilience assessment
Risk management	Consider characterizing their climate-related risks in the context of traditional banking industry risk categories such as credit risk, market risk, liquidity risk, and operational risk.	2.1 Climate-related risks and opportunities 3.1 Climate risk management framework
Metrics and targets	Provide the metrics used to assess the impact of (transition and physical) climate-related risks on their lending and other financial intermediary business activities in the short, medium, and long term. Also, provide the amount and percentage of carbon-related assets relative to total assets as well as the amount of lending and other financing connected with climate-related opportunities	2.2 Climate strategy and actions 4.1 Science-Based Targets (SBTs) for emission reduction and progress status 4.3 Data Related to Net-Zero Carbon Emission in Financial Business

Dimension	Guidance of disclosure for Insurance Companies	Corresponding chapter in the Report
Climate Strategy	Describe the potential impacts of climate-related risks and opportunities as well as provide supporting quantitative information where available, on their core businesses, products, and services, including: (1) Information at the business division, sector, or geography levels; (2) How the potential impacts influence client or broker selection; and (3) Whether specific climate-related products or competencies are under development, such as insurance of green infrastructure, specialty climate-related risk advisory services, and climate-related client engagement	Some of the recommended disclosures are not applicable as property insurance is not included in the business scope of Life Insurance. For the rest disclosure, please refer to: 2.1 Climate-related risks and opportunities 2.2 Climate strategy and actions 3.2 Climate risk management practices
	Perform climate-related scenario analysis on their underwriting activities should provide the following information: (1) Description of the climate-related scenarios used, including the critical input parameters, assumptions and considerations, and analytical choices. In addition to a 2° C scenario, insurance companies with substantial exposure to weather-related perils should consider using a greater than 2° C scenario to account for physical effects of climate change and (2) Time frames used for the climate-related scenarios, including short-, medium-, and long-term milestones	2.3 Climate change scenario analysis and resilience assessment
Risk management	Describe the processes for identifying and assessing climate-related risks on re-/insurance portfolios by geography, business division, or product segments, including the following risks: (1) Physical risks from changing frequencies and intensities of weather-related perils; (2) Transitional risks resulting from a reduction in insurable interest due to a decline in value, changing energy costs, or implementation of carbon regulation; and (3) Liability risks that could intensify due to a possible increase in litigation	Some of the recommended disclosures are not applicable as property insurance is not included in the business scope of Life Insurance. For the rest disclosure, please refer to: 2.1 Climate-related risks and opportunities 2.3 Climate change scenario analysis and resilience assessment 3.1 Climate risk management framework 3.2 Climate risk management practices
	Describe key tools or instruments, such as risk models, used to manage climate-related risks in relation to product development and pricing, the range of climate-related events considered and how the risks generated by the rising propensity and severity of such events are managed	2.3 Climate change scenario analysis and resilience assessment 3.2 Climate risk management practices
Metrics and targets	Provide aggregated risk exposure to weather-related catastrophes of their property business (i.e., annual aggregated expected losses from weather-related catastrophes) by relevant jurisdiction	Not applicable
	Disclose weighted average carbon intensity or GHG emissions associated with commercial property and specialty lines of business where data and methodologies allow	The coverage rate of commercial real estate inventory this year was 100%; greenhouse gas emission: 37,836.25 (tCO ₂ e) and unit investment carbon emission intensity (tCO ₂ e/ NT\$ million) 0.17

Appendix 4 IFRS S2 Index

Level	IFRS S2 Climate-related Disclosures	Corresponding chapter in the Report
Objective	Article 1~2	Applicable to the entire report
Scope	Article 3~4	Applicable to the entire report
Governance	Article 5~7	1.1, 1.2, 1.3
Climate Strategy	Article 8~9	2.1, 3.1
	Article 10~12	2.1
	Article 13	2.1, 2.3
	Article 14	2.1, 2.2
	Article 15~21	2.1
	Article 22~23	2.1, 2.3, 3.1
Risk Management	Article 24~26	3.1
Metrics and Targets	Article 27~28	4.1, 4.2
	Article 29~32	1.2, 2.1, 2.2, 2.3, 4.2, 4.3
	Article 33~37	4.1



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