

Shin Kong Financial Holding Co., Ltd.

Sustainable Development Policy

Passed in a resolution of the Board of Directors on December 23, 2014
Reviewed and amended by the Board of Directors on December 25, 2018
Reviewed and amended by the Board of Directors on December 29, 2020
Reviewed and amended by the Board of Directors on September 27, 2022

Article 1: The Company and its subsidiary companies (hereinafter referred to as “SKFH”) shall uphold the ideals for ethical corporate management, abide by government regulations and moral codes, contribute to economic development, create value for shareholders and stakeholders, promote the implementation of sustainable business, and dedicate full efforts to the fulfillment of corporate social responsibilities in all its business activities. The Policy is thus established to provide guidance.

Article 2: SKFH shall fulfill corporate social responsibilities and uphold the ideal for sustainable business. Its policies for stakeholders and CSR issues are described as follows:

I. Customers:

SKFH shall remain committed to providing diverse and innovative products and high-quality services to satisfy customer demands for financial services and improve service quality and satisfaction rate.

The implementation items are as follows:

- (I) Provide customers with diverse and innovative financial products and services.
- (II) Protect consumer interests in all business activities.
- (III) Provide comprehensive, transparent, and effective customer complaint channels for products and services.
- (IV) Fully respect customer privacy, abide by the Personal Data Protection Act, and implement protective measures for customer data.

II. Shareholders:

SKFH shall continue to strengthen corporate governance, improve overall operational performance, and increase shareholder value.

The implementation items are as follows:

- (I) Comply with laws and regulations, improve the internal control system, and strengthen the powers and functions of the Board of Directors.
- (II) Strengthen the disclosure of financial and non-financial information to increase information transparency.
- (III) Focus on product innovation and enhance risk management.
- (IV) Protect shareholder equity and enhance communication with shareholders.

III. Employees:

SKFH shall comply with labor regulations and basic labor rights, protect the legal rights and interests of employees, and provide a good work environment.

The implementation items are as follows:

- (I) Create a fair employment environment and protect employees' legal rights and interests.
- (II) Value basic labor rights and establish communication mechanisms.
- (III) Provide a good remuneration system and benefits.
- (IV) Provide diverse education and training programs and career development.
- (V) Value employees' health and dedicate to building a health workplace.
- (VI) Provide employees with a good work environment.

IV. Community engagement:

SKFH shall engage in community and charity activities through its service sites and maintain good relations with local communities.

The implementation items are as follows:

- (I) Organize related courses on finance and wealth management and various art, health promotion, and finance seminars.
- (II) Encourage employees to participate in community services.

V. Social welfare:

SKFH shall integrate resources of subsidiary companies and related foundations, and link corporate sustainable value to promote various social charity activities.

The implementation items are as follows:

- (I) Care for disadvantaged groups, develop inclusive financial products and services, and promote education development in remote areas.
- (II) Care for women's health and pay attention to the needs of the elderly.
- (III) Care for the general public and provide emergency relief.
- (IV) Support financial education and organize seminars and events.
- (V) Sponsor young students and encourage the new generation to make full use of their artistic talents.
- (VI) Pay attention to environmental conservation and promote environmental protection education.
- (VII) Sponsor or promote various arts, culture, and academic activities.

VI. Environmental protection:

SKFH shall uphold its business philosophy for sustainable development and remain committed to environmental protection and environmental sustainability.

The implementation items are as follows:

- (I) Comply with related environmental protection laws and regulations to jointly protect the nature environment.

- (II) Reduce energy consumption and promote energy conservation and carbon reduction measures.
- (III) Promote recycling and encourage sustainable use of resources.
- (IV) Process waste properly.
- (V) Promote green procurement and use products with the Green Mark and Energy Label.
- (VI) Promote digital financial services and operations and reduce the consumption and usage of resources.
- (VII) Promote energy conservation and environmental protection education and encourage people to take care of the Earth's ecology.
- (VIII) Assess the potential risks and opportunities of climate change, and take mitigation and adaptation measures.

VII. Ethical management

SKFH shall create a positive corporate culture, implement corporate governance, and achieve healthy development of the Company based on the business philosophies of integrity and transparency.

The implementation items are as follows:

- (I) Comply with laws and regulations and respect the interests of stakeholders.
- (II) Establish an effective corporate governance structure to implement corporate governance.
- (III) Prohibit corruption, bribery, acceptance of commissions, embezzlement, and other improper benefits.
- (IV) All business activities must meet the principles of fairness and good faith.
- (V) Abide by the government's related labor, environmental protection, and safety and health regulations.
- (VI) Fulfill supplier management to reduce the impact of suppliers on the environment and society.
- (VII) Carry out responsible investment to support sustainable development with financial strength.

Article 3: SKFH shall set up the "Corporate Sustainability Committee" which shall be composed of at least three Directors including more than half of the Independent Directors.

The CS Committee shall supervise and manage the operation of corporate sustainable business. .

Article 4: SKFH shall prepare the Corporate Social Responsibility or Sustainability Report, disclose the status of its sustainable development implementation, and publish the report on the Company's website.

Article 5: The Policy shall be implemented upon the approval of the Board of Directors. The same applies for amendments.