

# INDEPENDENT ASSURANCE OPINION STATEMENT

## Chang Hwa Bank 2022 ESG Report

The British Standards Institution is independent to Chang Hwa Commercial Bank Ltd. (hereafter referred to as CHB in this statement) and has no financial interest in the operation of CHB other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of CHB only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by CHB. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to CHB only.

### Scope

The scope of engagement agreed upon with CHB includes the followings:

1. The assurance scope is consistent with the description of Chang Hwa Bank 2022 ESG Report.
2. The evaluation of the nature and extent of the CHB's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

### Opinion Statement

We conclude that the Chang Hwa Bank 2022 ESG Report provides a fair view of the CHB sustainability programmes and performances during 2022. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the CHB and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate CHB's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that CHB's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) (Commercial Banks Sustainability Accounting Standard) were fairly stated.

### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to CHB's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on CHB's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholders to conduct interview
- interview with 18 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of materiality assessment process
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards and SASB Standard(s) is set out below:

## Inclusivity

In this report, it reflects that CHB has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the CHB's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

## Materiality

The CHB publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of CHB and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the CHB's management and performance. In our professional opinion the report covers the CHB's materiality assessment process and material issues.

## Responsiveness

CHB has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the CHB is developed and continually provides the opportunity to further enhance CHB's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the CHB's responsiveness issues.

## Impact

CHB has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. CHB has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the CHB's impact issues.

## Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, CHB and BSI have agreed upon to include in the scope. In our view, the data and information contained within Chang Hwa Bank 2022 ESG Report are reliable based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

## GRI Sustainability Reporting Standards (GRI Standards)

CHB provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the CHB's sustainability topics.

## SASB Standards

CHB provided us with their self-declaration of in accordance with SASB Standard(s) (COMMERCIAL BANK Sustainability Accounting Standard). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (COMMERCIAL BANK Sustainability Accounting Standard) are reported, partially reported or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

## Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

## Responsibility

This sustainability report is the responsibility of the CHB's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

## Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu, Managing Director BSI Taiwan



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