Material Issues for External Stakeholders

Material Topic	Material Issue for Stakeholders	Assessment	Output Metric	Impact Metric	Assessment Result
Responsible and Sustainable Finance	Quantify the carbon reduction benefits generated by green investments	Assessment of the environmental or social benefits generated by the Bank's investment and financing portfolio capital injection to quantify the positive impact of investment and financing activities on external stakeholders.	Carbon reduction assisted by green investments (metric tons CO2e)	For every ton of carbon reduced, the social cost will be reduced by US$0.68[*1]	A. By the end of 2025, the Bank's subsidiary CHB Venture Capital made green investments in Smart Power Energy (SPE) for solar power plant construction, generating approximately 17.4 million kWh of green electricity annually, with an annual carbon reduction of approximately 8,249 metric tons CO2e. B. A social cost reduction of US$5,609.32 (equivalent to NT$177,000).
	Finance the expansion of the renewable energy power generation sector to indirectly divest from fossil fuel energy development	The Bank actively promotes green credit, with "renewable energy power generation industry" indirectly avoiding investing a considerable amount of capital in fossil fuel energy development and reducing the social and environmental impacts of fossil fuel power generation (thermal power generation).	According to Taiwan Power Company's public information[*3], the self-calculated cost of self-generated power generation - thermal power generation in 2025 was NT$2.67 per kWh.	Every 1 kWh reduction in electricity can reduce external health impact costs by NT$0.061[*2]	A. At the end of 2025, the balance of the loan for "renewable energy power generation industry" was NT$2,786.58 million. B. By reducing the amount of fossil-fuel power generation capital injection by the same amount, the amount of fossil-fuel power generation which calculated from the amount of loan balance divided by the power generation cost of fossil fuel power generation (thermal power generation) (NT$2.67/kWh). (A/2.67) C. 1,043,662,921 kWh, i.e., reduced the external cost of health impact by NT$63,663,438 and increased the

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					positive impact of society. (B*0.061)
Operational Environmental Footprint Management	Greenhouse gas emissions exacerbate climate disasters, whereas carbon mitigation helps reduce social costs	GHGs emissions have led to the intensification of the greenhouse effect, which in turn led to climate-related disasters with knock-on effects on the economy, environment and people. If enterprises reduce GHGs emissions, they will reduce the external costs on the economy, environment and people. Although the Bank is not a major carbon emitter, we still produce some GHGs emissions during our operations, which increase the concentration of GHGs in the atmosphere. In addition, the Bank promised to achieve the 1.5°C temperature rise limit for categories 1 and 2 as the goals of SBTi , and to use an environmental impact analysis on GHGs reduction and management was conducted using the estimated carbon social costs of Taiwan under different combination scenarios by the Chung-Hua Institution for Economic Research as impact metric.	GHGs emissions in 2025(tons CO2e)	For every ton of carbon reduced, the social cost will be reduced by US$0.68[*1]	A. In 2025, compared with the base year (2020), the Bank reduced 5,304.353 tons of carbon. B. A reduction of carbon social cost of US$3,607, and reduced the necessary consumption expenditure for environmental protection implementation. (A*0.68)
	Reduce enterprise electricity usage not only reduces greenhouse gas emissions but also minimizes the adverse health impacts on community residents.	Reducing energy use by enterprises, i.e., reducing the energy use of thermal power plants (the main source of energy), can reduce the external cost of health impact for residents in the communities surrounding thermal power plants in addition to reducing GHG emissions. The monetization results of the impact of thermal power generating units on the health of residents in surrounding communities are used as impact metric to evaluate the impact	Consumption of electricity in 2025 (kWh)	Every 1 kWh reduction in electricity can reduce external health impact costs by NT$0.061[*2]	A. In 2025, compared with the base year (2020), the Bank reduced 5,045,582 kWh of electricity. B. Reduced the external cost of health impact by NT$307,780 and increased the positive impact of society. (A*0.061)

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		of the effectiveness of energy use management.			

Note:

1. Data source- Simulation Analysis of Carbon Society Costs in Taiwan, The Center for Green Economy, Chung-Hua Institution for Economic Research
2. Data source- Analysis of External Cost of Health Impact for Taiwan Power Plants, Journal of Taiwan Energy
3. Based on Taiwan Power Company's self-calculated cost of self-generated power generation in 2024 (Source: Taiwan Power Company official website > Information Disclosure > Cost of Electricity > Cost of Electricity Generated by Various Power Generation Methods).