

2021 Stewardship Report

Compliance statement

Taishin International Bank signed a Statement of Compliance with the “Stewardship Principles for Institutional Investors” issued by the Taiwan Stock Exchange Corporate Governance Center on December 5, 2018. Further, to step up ESG topics, we renovated the “Stewardship Principles for Institutional Investors” compliance statement on December 15, 2020.

For the purpose of sustainable management, Taishin International Bank undertakes stewardship governance actions to enhance investment value in the best interests of its fund providers. In order to safeguard the long-term benefits of these fund providers (including trust clients, beneficiaries, and bank shareholders), proper attention to and dialogue with the invested enterprises and positive interaction with them improve the quality of corporate governance at those invested enterprises, which also benefits the industries they are in and the overall economy.

Taishin International Bank has declared that it will follow the sixth principles of its “Stewardship Principles for Institutional Investors” and regularly disclose to its clients and beneficiaries its performance in stewardship. In 2021, the bank also made a disclosure on its stewardship practice.

Stewardship Principles

After signing the “Stewardship Principles for Institutional Investors” compliance statement, the bank instituted the “Code of Stewardship Principles for Institutional Investors” on April 18, 2019 for internal compliance.

To ensure that the Bank receives sufficient and useful information to evaluate the nature, timing and intensity of dialogue and interaction with its invested companies, and to create a good foundation for its investment decisions, the Bank monitors its invested companies through related news, financial performance reports, industry overviews, business strategy, environmental protection, social responsibility, labor rights, and corporate governance.

The Bank determines the means, intensity and frequency of its stewardship governance actions based on its investment objectives, costs, and benefits. These actions include continuous monitoring of the operating conditions of the invested companies, proper dialogue and interaction with the invested companies, participation and voting in the shareholders’ meetings of those invested companies, etc., all in order to enhance the value of the Bank’s investments and enhance the long-term interests of its fund providers.

Rules regarding exercising rights associated with shares

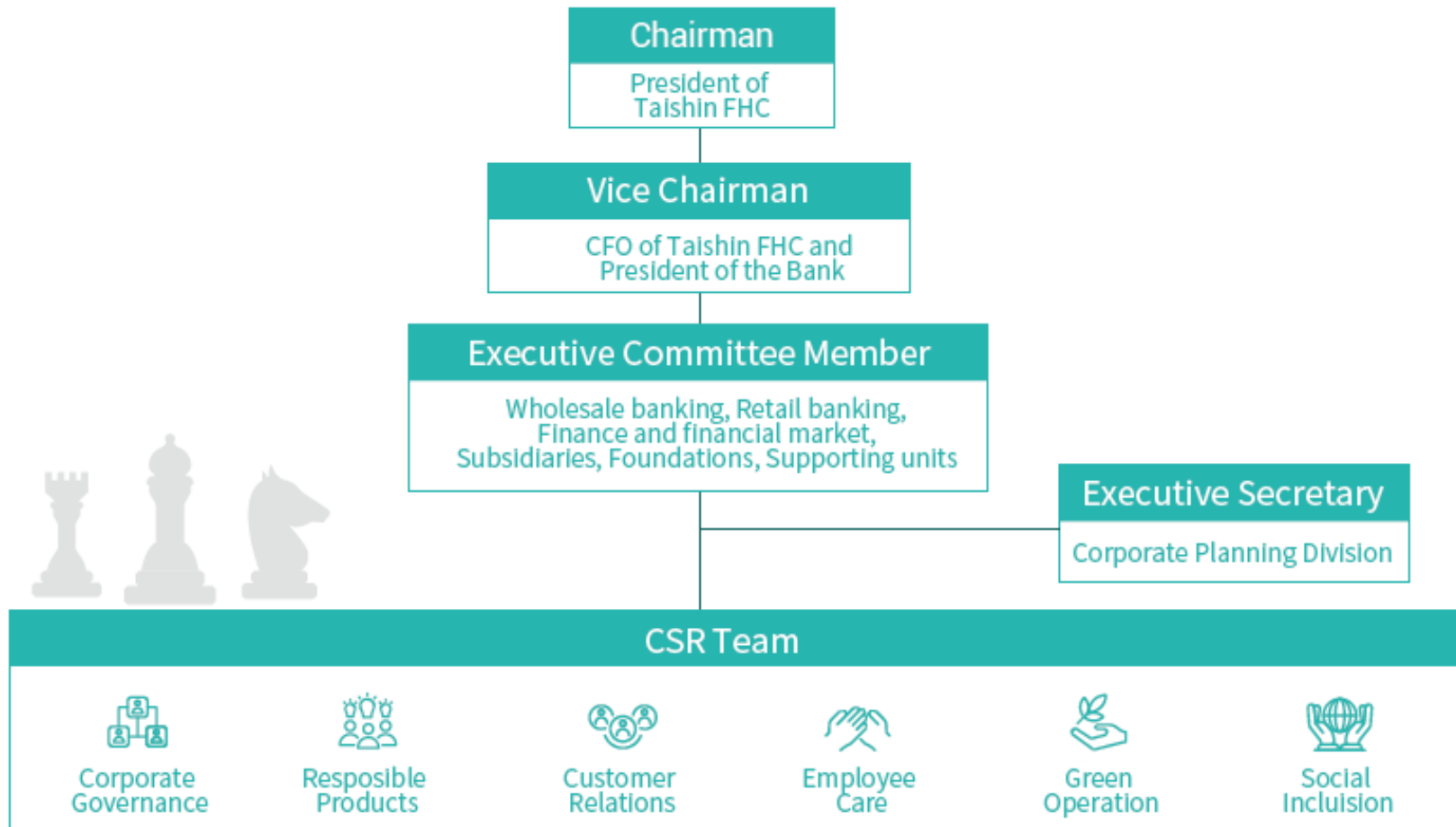
Finance and Financial Market Group

The Bank's exercise of the voting rights of shares held shall be handled in accordance with the Board's decisions regarding exercising those voting rights. Voting rights exercised by electronic means do not require a power of attorney. Powers of attorney must clearly state instructions for exercising the voting rights regarding proposals. Powers of attorney in person or the electronic voting records of the original rights holders shall be kept in writing or electronically for future reference.

This method pursues the best interests of the fund providers and enables active exercising of voting rights at the shareholders' meetings of invested companies in accordance with shareholding and investment under stewardship governance.

CSR Committee

Finance and Financial Market Group



Green Finance Principles

In 2018, Taishin Financial Holdings adopted its “Green Finance Principles” for the entire holding, extending to all subsidiaries and businesses in the group. The standards clearly lay out the investment targets that they may support or must avoid. ESG risk management is included in transaction reviews and post-transaction management.

To encourage invested companies to pay attention to environmental protection, corporate social responsibility and corporate governance practices, as well as Taishin’s own emphasis on responsible investment, Taishin Financial Holdings actively follows the six principles of the Principles for Responsible Investment (PRI) as a basis for its operations and disclosures.

With regard to responsible investment commodities in sustainable financing, Taishin conducts ESG risk assessments of 100% of its transaction activities and financial commodities through the group’s Green Finance Principles, and has incorporated environmental and social risk assessments into its financing and investment policies, whose scope covers all subsidiaries.

The Equator Principles

In order to promote sustainable development, Taishin Financial Holdings has followed for many years the practices and guidelines established by international institution, including the Carbon Disclosure Project(CDP) and several certifications for ISO, and signed the support for TCFD (Task-force on Climate-related Financial Disclosure) at the beginning of 2019. Today (11 November), Taishin International Bank, an important subsidiary of Taishin Financial Holdings, announced that it is now officially adopted the Equator Principles, and becomes a member of the Equator Principles Association. From now on, Taishin International Bank will follow the Equator Principles to review its credit facility cases so as to urge its customers envisaging the potential risks or negative impacts of the environment and society ,enhance the asset quality of Taishin International Bank and help customers operate steadily.

Stewardship Governance

Finance and Financial Market Group

Environmental and Social Risk Management Sector Guidelines

In order to further develop and practice corporate sustainability to the business activities conducted by Taishin Financial Holdings and its subsidiaries, the Environmental and Social Risk Management Sector Guidelines are adopted in accordance with the Company's Green Finance Principles.

Where the counterparties fall within the categorized industries specified by the Guidelines, the Company and its subsidiaries shall take the evaluation items hereof into account as a standard of its practice of business activities. The implementation of the Guidelines will include but are not limited to the evaluation and review process, promotion, and written commitments, so as to strengthen the efficiency of risk management and promote the development of green finance.

The Company will continue to work with its investment and financing to create the Environment, Social and Governance (ESG) values, and aims to avoid engaging in any transaction activities against the spirits upheld by the Principles and Guidelines herein to align with the sustainability development trend and increase the effectiveness of sustainability practices.

Stewardship Governance

Taishin Financial Holdings became the first financial institution in Taiwan to be selected for both the DJSI Sustainability World Index and Emerging Markets Index in 2018 and was selected for the fourth consecutive year in 2021. Taishin Financial Holdings has been selected as a constituent of the DJSI Sustainability Indices and was ranked by MSCI as an AA Leader among global companies with outstanding ESG performance. We have received the highest rating among evaluated companies in Taiwan. Taishin Financial Holdings has also been selected as constituent stocks of the "TWSE Corporate Governance 100 Index", "Taiwan High Compensation 100 Index", and "FTSE4Good TIP Taiwan ESG Index" for consecutive years. We have received the Sustainability Excellence Award for outstanding performance from the British Standards Institution (BSI) and the Top 50 Corporate Sustainability Award from Taiwan Institute for Sustainable Energy (TAISE).

The subsidiary Taishin Bank signed the Equator Principles in November 2019 to construct a more comprehensive and systematic "project financing" credit system. We have organized the Roundtable Discussion of International Climate and Sustainability Dialogue with Taiwan Institute for Sustainable Energy for three consecutive years to help companies learn about and respond to climate change issues. It is worth mentioning that Taishin Financial Holdings has voluntarily complied with the United Nations Principles for Responsible Banking (PRB) to promote more responsible financial services and regulations under a sustainable development framework. We also voluntarily complied with the United Nations Principles for Responsible Investment (PRI) and included ESG in investment and financing evaluations. We then encouraged investees to focus on environmental protection, corporate social responsibility, and corporate governance. Taishin Bank, Taishin Securities, and Taishin Securities Investment Trust have signed the "Stewardship Principles" and regularly disclose stewardship activities and reports.

Stewardship Governance

Finance and Financial Market Group

2021 Taishin Supply Chain Convention

- Target: Support the Sustainable Development Goals (SDGs) of the United Nations
- Subject: Human rights



2021年台新供應商大會

親愛的合作夥伴：
誠摯邀請您參與2021年11月4日(四)「供應商大會」，
與台新金控一同攜手響應聯合國永續發展目標 (SDGs)。
本次主題將聚焦於「人權 Human rights」，
敬邀各位夥伴踴躍參與並發揮自身影響力，
共同將企業永續理念推廣至供應鏈夥伴。

日期 2021 / 11 / 04 (四)
時間 14 : 30 ~ 15 : 00
地點 線上會議軟體
Microsoft Teams

 凡報名且活動當天參與者，
能獲得精美禮品，
更有機會把大獎搬回家！

報名請掃

 **台新銀行**
Taishin Bank

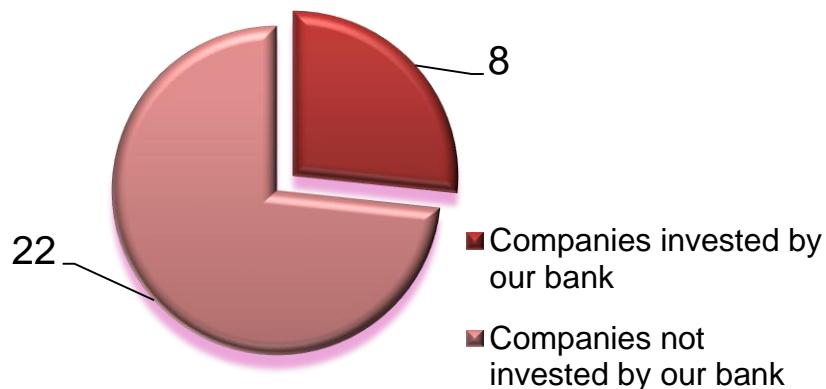
Stewardship Governance

Stewardship governance of investment targets

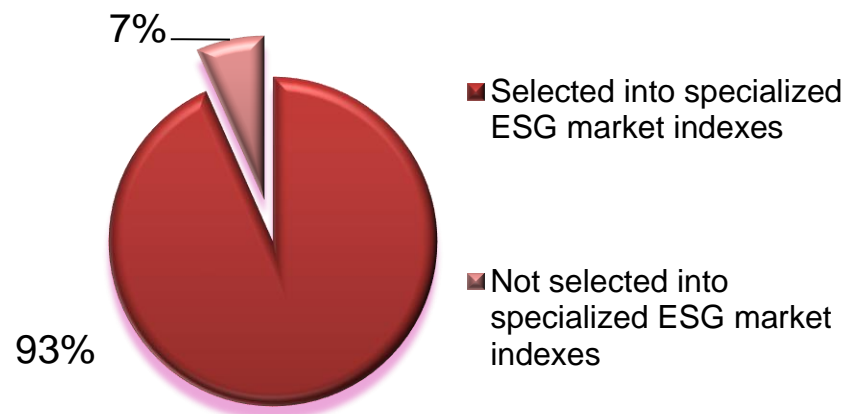
In the 2021 list of constituent stocks of the Dow Jones Sustainability Indices (DJSI), Taiwanese companies increased to 30, eight of which were companies invested in by Taishin.

In 2021, 93% of our invested companies were included as constituent companies in the DJSI, Taiwan Corporate Governance 100 Index, MSCI Index, or other specialized ESG market indexes.

Selected by Dow Jones Sustainability Indices in 2021



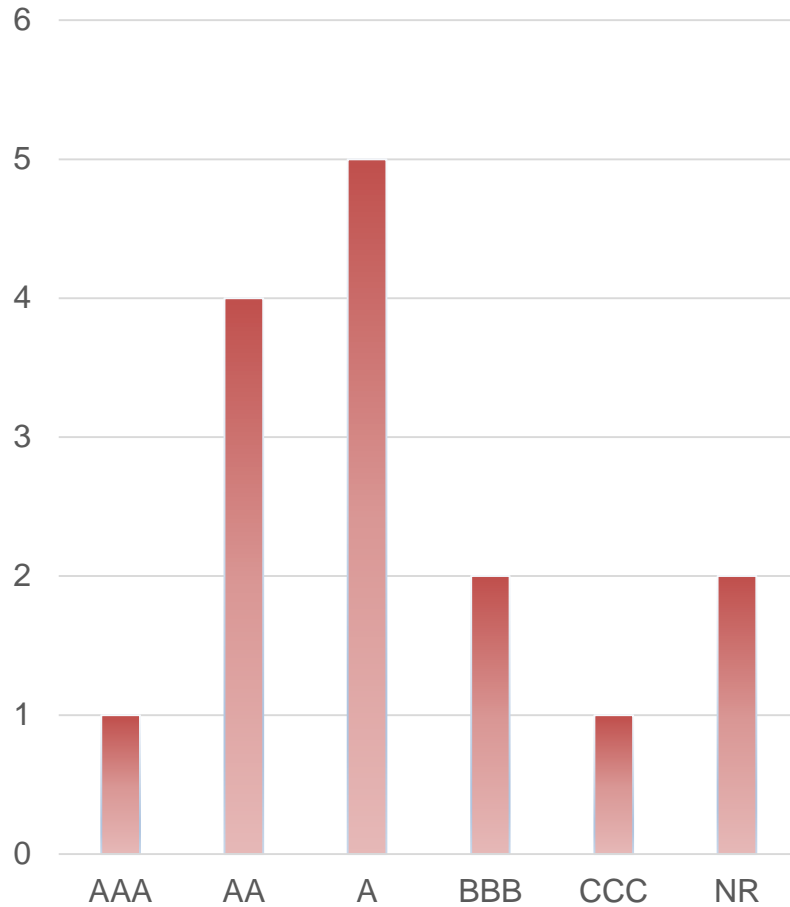
Invested companies selected into specialized ESG market indexes



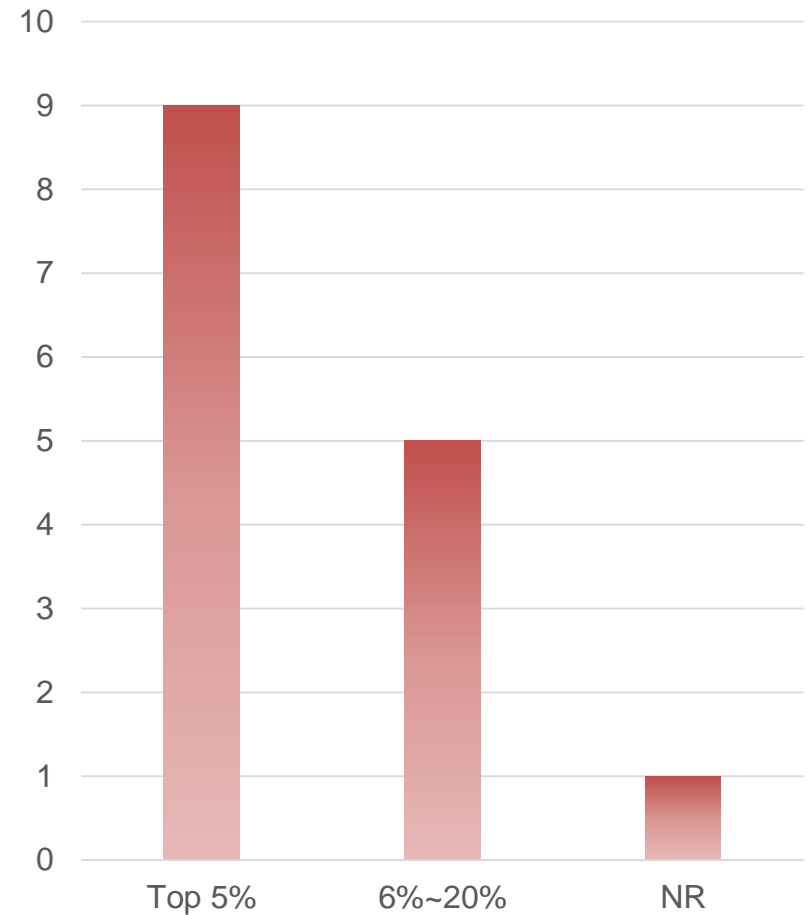
Stewardship Governance

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MSCI_ESG score



Corporate Governance Evaluation



Summary of votes in shareholders' meetings in 2021

Finance and Financial Market Group

The bank actively exercised its voting rights in shareholders' meetings of its invested companies. In 2021 we voted on 70 motions in the shareholders' meetings of fifteen invested companies. Our votes on motions are disclosed as follows:

Motion	Total number of motions	Support		Oppose		Abstain	
		Number of motions	%	Number of motions	%	Number of motions	%
Recognition of business reports and financial reports	12	12	100%	0	0%	0	0%
Surplus distribution or loss off-setting	13	13	100%	0	0%	0	0%
Amendments to articles of association or operating procedures	16	16	100%	0	0%	0	0%
Elections of directors and supervisors	5	5	100%	0	0%	0	0%
Lifting a non-compete ban on directors	13	13	100%	0	0%	0	0%
issuing restricted stock awards	2	2	100%	0	0%	0	0%
Capital increase (surplus/capital reserve/dividend distribution toward capital increase or cash capital increase to issue new shares)	6	6	100%	0	0%	0	0%
Others	3	3	100%	0	0%	0	0%
Total	70	70	100%	0	0%	0	0%

Methods of attending shareholders' meetings in 2021

Finance and Financial Market Group

Our bank interacts with its invested companies by actively participating in investors conferences, seminars and shareholders' meetings. The bank actively exercised its voting rights at shareholders' meetings of invested companies. In 2021, we participated in shareholders' meetings by "attendance in person" and through "electronic voting." The methods of attendance are disclosed as follows:

